STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 03/25)

Fiscal Year 2026-27	**Business Unit Number** 7730	**Department** Franchise Tax Board

Hyperion Budget Request Name 7730-005-BCP-2026-GB	**Relevant Program or Subprogram** 6280

Budget Request Title
Franchise Tax Board Data Platform Modernization

Budget Request Summary
The Franchise Tax Board (FTB) requests a General Fund augmentation of $4,541,000 and 11 permanent positions and four two-year limited term positions in FY 2026-27; $4,319,000 in FY 2027-28; $3,502,000 in FY 2028-29; $3,519,000 in FY 2029-30; and $3,540,000 in FY 2030-31 and ongoing to implement and support a proposed solution for cloud migration in the first stage of FTB's data platform modernization plan. During this stage, FTB will lay the groundwork for cloud migration by establishing the cloud data platform and related processes in the cloud which will benefit FTB's Fraud Analysis & Detection program.

Requires Legislation (submit required legislation with the BCP) ☐ Trailer Bill Language ☐ Budget Bill Language ☒ N/A	**Code Section(s) to be Added/Amended/Repealed** Click or tap here to enter text.

Does this BCP contain information technology (IT) components? ☒ Yes ☐ No *If yes, departmental Chief Information Officer must sign.*	**Department CIO** Click or tap here to enter text.	**Date** Click or tap to enter a date.

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. Click or tap here to enter text.

Approval Date: Click or tap to enter a date.

Project Approval Document: Click or tap here to enter text.

Total Project Cost: Click or tap here to enter text.

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No

Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Click or tap here to enter text.	**Date** Click or tap to enter a date.	**Reviewed By** Click or tap here to enter text.	**Date** Click or tap to enter a date.
Department Director Click or tap here to enter text.	**Date** Click or tap to enter a date.	**Agency Secretary** Click or tap here to enter text.	**Date** Click or tap to enter a date.

Department of Finance Use Only

Additional Review: ☐ **Capital Outlay** ☐ **ITCU** ☐ **FSCU** ☐ **OSAE** ☐ **Dept. of Technology**

Principal Program Budget Analyst Click or tap here to enter text.	**Date submitted to the Legislature** Click or tap to enter a date.

A. Problem Statement

In today's rapidly evolving digital landscape, data is a critical asset driving business decisions, customer engagement, and operational efficiency. FTB's current legacy data infrastructure, consisting of a legacy on-premises Enterprise Data Lake (EDL) and Enterprise Data Warehouse (EDW), is struggling to meet the increasing demands for real-time insights, advanced analytics, and scalability.

FTB's existing data platforms are characterized by siloed data repositories, rigid data models, and prolonged processing times. This impedes FTB's ability to harness the full value of advanced analytics, artificial intelligence (AI), and machine learning (ML) to drive innovation and automation to improve business outcomes.

FTB's current legacy data platforms are no longer capable of supporting the organization's strategic goals of delivering timely, data-driven insights at scale. The limitations of the EDL and EDW are constraining our ability to:

- **Deliver Real-Time Analytics:** Existing batch processing architectures delay critical insights, impacting business agility and the ability to respond swiftly to changing business needs.

- **Enable Advanced Analytics:** Legacy systems lack the processing power and flexibility to support sophisticated AI/ML workloads, limiting FTB's ability to extract predictive insights.

- **Scale Efficiently:** With growing data volumes and increasing complexity, our current infrastructure cannot scale dynamically to meet business demands, resulting in performance degradation and escalating costs.

- **Improve Operational Efficiency:** Maintaining legacy on-premises platforms requires significant manual intervention and resources, increasing the total cost of ownership (TCO) while reducing operational efficiency.

- **Enhanced Data Accessibility and Collaboration:** Siloed data repositories and outdated tools limit cross-functional data sharing and collaboration, hindering a unified view of enterprise data.

FTB's Data Platform Modernization effort comprises of multiple stages, including:

- **Stage 1: Build Foundation:** Lays the groundwork for cloud migration by establishing the cloud data platform and related processes in the cloud.
- **Stage 2: Unify Data Workloads:** Targets the migration of existing data workloads from on- premises to cloud data platform technologies.
- **Stage 3: Enabling Advanced Analytics:** Builds and grows advanced analytics capabilities to maximize value of FTB's data assets.

This BCP focuses on Stage 1, building the foundation and will primarily benefit FTB's Fraud Analysis & Detection (FADS) program.

The rate at which technology is advancing is higher than ever before, past fraud prevention strategies such as using business rules and rudimentary analytics to look for anomalies to create alerts from separate data sets are no longer sufficient. FTB's current data delivery and architecture is leaving the enterprise vulnerable to potential tax fraud schemes. FTB is unable to effectively manage real time fraud attempts because data is not cross-referenced

through automation and analysts cannot manually monitor all transactions. This creates significant resource drain as bad actors are becoming more and more sophisticated leveraging the newest technology to commit tax and identity theft related fraud.

FTB conducted a Business Process Improvement (BPI) assessment for the Fraud Analysis and Detection program area, supported by the Fraud Analysis & Detection Solution (FADS) technology system, to identify and address fraud risk to the state. The BPI report summarized pain points that aligned with many aged FADS system change requests submitted over the past few years. However, due to the combination of scope of work, Technology Services Division (TSD) resources, existing technology constraints, and data latency issues with no defined solutions, these requests have remained backlogged. Technical capabilities required to address the BPI assessment's top 10 issues include:

- Near real-time access to tax return data, as it is received.
- Anomaly detection models and rules.
- A querying tool that is intuitive and better suited for end-user data reporting and manipulation.
- Increased flexibility to implement permanent fraud rules outside of the main End of Year (EOY) release, including new fraud rules outside of existing functionality.

FTB requests a General Fund augmentation of $4,541,000 and 11 permanent positions and four two- year limited term positions in FY 2026-27; $4,319,000 in FY 2027-28; $3,502,000 in FY 2028-29; $3,519,000 in FY 2029-30; and $3,540,000 in FY 2030-31 and ongoing to implement and support a proposed solution for cloud migration in the first stage of FTB's data platform modernization plan. During this stage, FTB will lay the groundwork for cloud migration by establishing the cloud data platform and related processes in the cloud which will benefit FTB's Fraud Analysis & Detection program.

B. Justification

FTB is responsible for administering the income and franchise tax laws for the State of California. FTB staff process tax returns and payments, issue refunds to Californians, conduct audits and filing enforcement actions, collect debts, and supports numerous service functions allowing for each of these compliance activities to occur. As a result of FTB's efforts, in FY 2024-25, FTB received more than 22.8 million tax returns and processed more than 9.9 million payments, responded to more than 3.1 million telephone calls, serviced over 59.8 million internet contacts, and collected about $166 billion in revenue, representing approximately 78 percent of California's General Fund revenue[1]. The General Fund provides funds to maintain and improve essential services for all Californians, including, but not limited to education, safety, welfare programs, and law enforcement.

Investing in data platform modernization is essential to drive business agility, support existing business programs, and unlock the full potential of FTB's data assets. FTB is responsible for protecting the privacy and security of data entrusted to us and carrying out our fiduciary responsibilities to taxpayers by managing their accounts with accuracy and financial integrity. To achieve our mission and operate within our foundational principles, FTB must evolve its fraud detection technology capabilities to ensure fraud is detected and prevented. Some of the key benefits would include:

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[1] Revenue figures based on the 2024-25 Cash Report reported in the Department of Finance's July 2025 Finance Bulletin.

- **Unified Analytics Platform:** Provides a collaborative, high performance environment for data engineering, data science, and business analytics, streamlining the entire data lifecycle from ingestion to insight.
- **Real-Time and Advanced Analytics:** A cloud-based platform that supports near real-time data processing and advanced analytics, enabling timely, data-driven decision-making and accelerating innovation.
- **Cost Efficiency and Scalability:** A cloud-native architecture allows FTB to scale based on demand, reducing infrastructure costs and optimizing resource utilization.
- **Enhance Business Intelligence**: Delivers intuitive, interactive data visualizations and self-serve analytics, empowering business stakeholders across the organization to derive actionable insights.
- **Operational Excellence:** Automation, simplified maintenance, and integrated governance capabilities reduce operational overhead while improving data quality and compliance.
- **Future-Readiness:** Data Modernization positions FTB to leverage emerging technologies and innovations, which will greatly enhance our ability to adapt to changing business needs.

By modernizing FTB's legacy data platforms to cloud based solutions and tools, FTB will be able to align our data infrastructure with FTB's Data Strategy and Enterprise Architecture's technology vision. This transformation will enhance decision-making, reduce long-term operational costs, and provide a scalable foundation for future growth and innovation. This investment in data modernization is essential to drive business agility, support existing business programs, and unlock the full potential of FTB's data assets.

Real-time fraud monitoring helps prevent intrusion and subsequent attempts. To combat fraud, newer technology needs to be leveraged by FTB to better predict conventional tactics, uncover new schemes, and decipher increasingly sophisticated organized fraud rings. This involves more than standard analytics; it should also include predictive and adaptive analytics techniques combining big data sources with real-time monitoring and risk profile analysis to score on fraud risk. The following table quantifies the increase in risk and attempts from 2017-2023.

FADS Revenue 2017-2023						
Fraud Scheme	2017	2018	2019	2020	2021	2022	2023
CDC	$1,210	$ 2,489.00	$ 4,444.00	$ -	$ -	$ -	$ -
EITC	$18,565,303.00	$53,714,848.00	$62,131,320.00	$129,315,197.00	$ 93,022,083.00	$ 114,781,682.46	$ 96,588,410.00
ID Theft	$26,231,143.00	$13,081,089.00	$5,063,111.00	$26,092,354.00	$ 399,406,704.00	$ 1,590,844,679.00	$ 835,869,842.00
W2	$20,894,458.00	$27,622,492.00	$30,830,866.00	$32,569,202.00	$ 45,656,079.00	$ 86,798,294.32	$ 144,001,752.40
Totals	$65,692,114	$94,420,918	$98,029,741	$187,976,753	$538,084,866	$1,792,424,656	$1,076,460,004

FTB's data in the past has not been easily consumable. However, with the EDR projects it has allowed more streamlined data sources. This effort will allow FADS to utilize the data robustly, as real-time returns in the cloud solution will provide:

- Access to electronically filed State and Federal tax return data within minutes of its landing in FTB's operational systems,

- Access to select third-party data within hours of it landing in FTB's third-party data stores,

- A structured query language (SQL) interface on top of multiple years' worth of return and third- party data to support expert modeling workloads,

- A user-friendly interface for data visualization and analytics for large data models, and the ability to leverage existing investments in Information Technology (IT) infrastructure while advancing FTB's adoption of cloud services.

FTB's fraud team has experienced a year-over-year increase in sophisticated fraud schemes attempted. The fraud team prevented $1.4 billion in lost revenue in fiscal year 2023-2024. This was done through multiple manual processes, straining resources and FADS capabilities. Currently the fraud modeling analysis team develops and maintains rules and models to identify potentially fraudulent activities. The modeling team analyzes large datasets to uncover trends, behaviors and potential risks associated with fraud. Based on their analysis the analysts determine the appropriate treatment for the return. With Stage I of the Data Modernization effort, the current fraud analyst's tasks will not change but the data underlying their analysis will result in more accurate and beneficial outcomes. FTB needs to become nimbler and more advanced to continue to prevent erroneous refund attempts by fraudsters against the general fund. This project allows FTB to take into consideration the deceptive nature of fraud which makes it difficult to measure in a reliable way, and face fraud risks beyond those captured by improper payments. It will also help mitigate fraud threats that may emerge as new user-friendly technologies become accessible to fraudsters such as machine learning and artificial intelligence. By being able to quickly have the technology in position, FTB will be able to better detect and prevent new fraudulent schemes on the horizon.

Fraud poses a significant risk to the integrity of state programs and erodes public trust in government if left undetected. Failure to stay ahead of the fraudsters have included:

- IRS Business Identity Theft Tax scheme $380 million lost,

- IRS Employee Retention Credit scheme potential loss of $7 billion dollars,

- Social media fraud schemes just last year resulted in the loss of over $1.4 billion.

As the examples reflect, a successful fraud scheme can be costly to an organization.

Technology Services Division

Data Development Section (PUC 241)

- Information Technology Manager I (ITM I) – One permanent position
- Information Technology Specialist II (ITS II) – One permanent position
- Information Technology Specialist II (ITS II) – One two-year limited term position
- Information Technology Specialist I (ITS I) – Five permanent positions
- Information Technology Specialist I (ITS I) – Three two-year limited term positions

One **IT Manager I** position is needed to serve as the section manager over the newly formed Data Agile Solution Section. The FTB Data Platform Modernization BCP will introduce a new product delivery team to serve the needs of the project. This workload will follow a different workload management paradigm from the existing Data Development teams to enable the

agile team to quickly adapt to the ever-changing fraud environment. Although this method for managing work will aid in the success of the project, it will require a higher level of oversight to integrate with the other workloads within the Intake and Data Development organization. This position will be responsible for programmatic oversight, the long-term strategy for the expansion of agile data delivery services, and direct management of the section staff. This role will also serve as the Product Owner over the Technical Delivery Team and as the liaison to the Business Delivery team. This role is critical to ensure communication and coordination between the two teams. There are currently six data development supervisors reporting to two section managers at the IT Manager I classification. Spread across these teams are 73 staff positions and 12 different workloads. The introduction of this workload introduces span of control concerns due to the complex nature of the workloads supported.

One permanent **IT Specialist II** is needed as a Senior Data Engineer to serve as the lead on Data Agile Solution's Technical Delivery Team. They will be responsible for providing expertise and leading all implementation and support activities to deliver and maintain the technical solution for the project. This position will guide the team in the development of project requirements, identify cross functional dependencies and associated requirements, create and maintain system documentation related to the project, articulate technical requirements to team counterparts, and articulate the functional solution to business stakeholders.

The position will be responsible for:

- Leading and providing expertise in designing, building, and maintaining data pipelines and processes.
- Providing Data DevOps and cloud data platform support.
- Ensuring the availability, reliability, and scalability of data platforms to support business intelligence, and analytics.
- Leading the maintenance and growth of the solution post project implementation.
- Performing as lead administrator for the data platform components as well as ongoing incident support to business customers.

One **IT Specialist II (2YR/LT)** is needed to serve as the scrum[i] master over two project delivery teams. This individual will serve as a conduit between the project's technical delivery team that will be responsible for building the data pipelines and integration and the project's business delivery team that will be responsible for building data models and dashboards.

The position will be responsible for:

- Coordination, facilitation and planning of both technical and business delivery team's workloads.
- Serving as a path of escalation to remove roadblocks and impediments for the teams to ensure smooth delivery of the solution.

Five **permanent IT Specialist I** and three **two-year limited term IT Specialist I** positions are needed as Technical Analysts, Data Engineers, and Technical Testers to serve on the Data Agile Solution's Technical Delivery Team. All eight of the IT Specialist I positions will focus on the implementation of the project with the following roles and responsibilities, which depending on the project implementation cycle, will fluctuate:

Technical Analysis
- Manages and updates user stories (i.e. product backlog items) assigned to the sprint backlog during the current sprint.
- Hosts in-sprint user and stakeholder Joint Application Development (JAD).
- Create and maintain system documentation related to the project.
- Articulates functional solution to business stakeholders.
- Augments other technical roles as necessary.

Data Engineering
- Builds and maintains data pipelines and integrations.
- Applies modernized data architecture patterns to build and curate datasets.
- Works to create the product goal for each iteration.
- Provide Data DevOps and cloud data platform technical support.
- Articulates technical requirements to team counterparts
- Augments other technical roles as necessary.

Technical Testing
- Creates test plans for product backlog items for the current sprint.
- Validates the test plans during the sprint.
- Demonstrates compliance with acceptance criteria during sprint reviews.

Following the completion of the project, the permanent resources will be responsible for the maintenance and growth of the solution. These positions act as the primary or secondary service administrator for the data platform services as well as ongoing incident support to business customers following implementation.

Filing Division
Fraud, Analysis, and Detection Section (PUC 768)

- Research Data Specialist II– Two permanent full-time positions
- Research Data Specialist III (lead) – One permanent full-time position
- Administrator III – One permanent full-time position

The addition of research specialist positions is crucial for the Fraud Analysis and Detection Section's (FADS) continued growth and success. The landscape of fraud has evolved rapidly with numerous emerging trends, breaches and schemes. To stay at the forefront of these developments it is imperative that FTB invest in new fraud prevention technology. By creating these new positions, we can explore cutting-edge fraud schemes ensuring that we remain competitive and innovative. Our current team has made remarkable progress, however there are specific challenges that require dedicated attention and skillsets. These new research positions will enable FADS to allocate resources effectively, allowing our existing team to focus on their core workload while the new research specialists will access curated data sets, visualizations and standardized ad hoc queries.

These specialists will monitor real time data alerts and manipulate large scale data to supply FADS analysts with up-to-date real time intelligence on fraud activity. Having two Research Data Specialist II positions is part of our risk mitigation strategy. Specifically, these positions will:

- Work with TSD to serve on the Data Agile Solution's Team.
- Work collaboratively with the exiting fraud analysts and technology delivery team to support the development of replacement functionality and the implementation of new data models.
- Work collaboratively with the enterprise data teams and third-party data sources to implement new data flows and identify new fraud and ID theft detection methods.
- Provide ongoing support and ongoing validation for new functionality delivered from various sources.
- Perform complex data analytic functions to create and support new models' integration into the FADS process, treatment strategies, and data visualizations.
- Plan, organize and direct complex, data-driven studies to improve fraud program operations.
- Create new data visualizations to support fraud and identity theft detection and program goals.

The Research Data Specialist III position will perform the same tasks as the Research Data Specialist II's with added responsibilities that require a more technical skill set. The Research Data Specialist III will act as a top expert in the fraud program. This specialist will ensure alignment with other enterprise programs, advising executive management on complicated research and studies. Specifically, this position will:

- Perform the most complex data analytic functions to create and support EDR2 new models, treatment strategies and data visualizations.
- Design and evaluate projects using rigorous scientific methods and statistical analysis to support the operational and quality improvement initiatives.
- Analyze fraud patterns and improvements using data science methods, such as tracking trends over time, spotting unusual changes and predicting outcomes. Provide oversight on methods to collect, query, mine and manipulate data to resolve fraud program-related issues and monitor new models and treatment paths.
- Identify new strategies or sources for collecting data that will improve fraud detection and risk mitigation.
- Ensure the fraud programs performance remains strong and seamlessly integrates with other enterprise programs.

The ability to hire the three Research Data Specialist positions will ensure that FADS hires a classification with the most proficient skills sets.

FADS has expanded its protectionary stance and capacity to combat fraud at the enterprise level, incorporating new detection methods to prevent current fraud schemes and future fraud across the enterprise that has expanded beyond typical tax return identity theft and refund verification. FADS is currently unbalanced and is unable to absorb additional staff without appropriate resources, support and review. Currently FADS has two Administrator IIIs, one Administrator III oversees two production teams, and the other Administrator III oversees two production teams and the modeling team.

Managing production teams and data modeling team creates significant gaps due to the distinct nature of their responsibilities, workflows and objectives. In addition, the modeling team has doubled in size over the last few years due in part to new legislation and refundable credits and non-tax credits. Any time the legislature adds new credits or monetary programs, a new fraud scheme will likely be born. We have experienced this from programs such as the Golden State Stimulus 1 and 2, the Middle- Class Tax Refund, as well as the Earned Income Tax Credit and variations such as the Young Child Tax Credit and Foster Youth Tax Credit.

Fraud detection and refund protection work requiring coordination across multiple internal divisions of our teams has resulted in strained support and strategic guidance. The fraud program has expanded its functions over the past decade taking on program functions impacting multiple divisions within FTB such as payment processing call center platforms, business entity fraud activity and fraud risk mitigation for the enterprise. These new functions across multiple divisions require additional expertise and coordination to ensure efficiency, accuracy and strategic oversight. The Administrator III Specialist position is needed to support existing leadership by overseeing administrative operations with a focus on fraud detection, compliance coordination and process efficiency. The Administrator III Specialist, fraud expert, will:

- Bring deep knowledge of fraud trends, prevention techniques and regulatory compliance.

- Help the team stay ahead of the emerging threats.

- Streamline workflows, ensuring fraud prevention strategies are executed effectively while reducing inefficiencies.

- Update and enforce policies related to fraud prevention.

- Develop fraud awareness training.

- Lead and assist with fraud investigation, managing documentation and communications.

- Ensure leaders have well-organized data, insights and reports to make informed decisions.

The Administrator III Specialist position will bridge operations which allow the current Administrator III manager to focus on strategic priorities rather than serve as the intermediary. This position will ensure that important decisions are made with a comprehensive understanding of the unique challenges and opportunities the existing fraud analysis team has.

The Administrator III Specialist position will provide oversight and coordination of the multiple fraud threats, including but not limited to the implementation of EDR2, business entity related ID theft and fraud, as well as coordinating a multifaceted process across multiple business areas and support to the Data Agile Solution's Team. This position will coordinate a comprehensive fraud protection process optimizing technology usage and developing new processes to protect the general fund and taxpayer information from fraudulent activity. This position will be a subject matter expert coordinating externally at the national level working with the Internal Revenue Service, Federal Tax Administration, Tax Industry Providers and other states. This position will also function to align FTBs strategic goals ensuring that the fraud department meets those goals and position the enterprise to work with other California state agencies to ensure fraud control and processes are in place. With the anticipated growth of FADS, this new specialist position will play a key role in scaling our operations and managing increased complexity. As complexity increases, so does the volume of data and communications. The Administrator III specialist will ensure the right information reaches the

right people at the right time, avoiding bottlenecks and miscommunications. This position will be responsible for spotting operational friction and help the team adapt quickly and will liaise with the IT bureau and Filing Division leadership becoming the connection point across the enterprise.

If not approved, FTB will be unable to enhance program integrity and be proactive in fraud risk management to facilitate FTB's mission and strategic goals by ensuring that taxpayer dollars and government services serve their intended purposes. Denial of the BCP would impede FTB's ability to improve fraud detection and prevent losses to the general fund due to improper fraudulent payments at risk of being issued. Failure to move forward with the data platform modernization will halt ability to improve processing time for refunds, accelerate the delivery of technology solutions to address evolving sophisticated fraud schemes and techniques, and improve data and process management for future filing seasons.

Platform Services and Support – ($1,410,000 in FY 2026-27 and ongoing)

To implement the first stage of the Data Platform Modernization solution FTB will need the ongoing funding for software in the amount of $1,410,000.

To successfully implement a cloud-based data platform solution, FTB will need to purchase software services that are scalable and meet our functional and security requirements. The cloud-based data platform solution will be used to build, deploy, share, and maintain enterprise-grade data, analytics, and AI solutions at scale. It integrates with cloud storage and security, managing and deploying cloud infrastructure for users. The platform utilizes generative AI and data lakehouse architecture to optimize performance and manage infrastructure according to business needs.

If FTB does not have sufficient funds to purchase and cover the increased expenses for the cloud- based data platform solution, we will not be able to meet critical business needs and perform critical timely maintenance activities.

CDT's Independent Project Oversight Consultant Service – ($148,000 in FY 2026-27 and FY 2027-28)

CDT's Independent Project Oversight Consultant (IPOC) service is responsible for developing an Independent Project Oversight Report (IPOR) for projects. The IPOC analyst ensures the project and department is following their internal processes, procedures, and project plans. The IPOC analyst also works with the Planning, Project Oversight, and Risk Management (PPORM) Bureau to ensure the department is following policies stated in the SAM and State Information Management Manual (SIMM). Per SAM Section 4819.36 and 4940.1, the IPORs must be completed by the CDT's IPOC monthly.

IPOC services will begin July 2026 and conclude in June 2028. Cost of IPOC services increased and funding requested reflects the updated CDT rates.

C. Departmentwide and Statewide Considerations

FTB's Data Platform Modernization effort also aligns with California State Government Annual Technology Strategy (CDT's Envision 2026) across multiple goals and strategies such as:

Goal #2: Secure California's Technology Investments
- Strategy: Prepare the State to prevent and respond to dynamic digital security threats.

Goal #3: Strengthen California's Public Sector Technology Workforce for Today and Tomorrow
- Strategy: Foster a world-class workforce that is equipped to adopt emerging technologies.

Goal #4: Align Strategy Execution Across the State
- Strategy: Seize agile opportunities to execute technology strategies and achieve technology outcomes.

Goal #5: Continually Future-Proof the Business of Government
- Strategy: Adopt the Cloud Smart approach to maximize technology investments through scalable, secure, and resilient platforms.

FTB's administration of California's income tax laws are facilitated by a committed focus to fulfilling FTB's Strategic Plan. Within the Strategic Plan, FTB's Mission is "to help taxpayers file timely and accurate tax returns and pay the correct amount to fund services important to Californians." To accomplish this, FTB established four Strategic Goals and Strategies, and has proven successful by considering them while maintaining its foundational principles and values. This effort aligns with three of FTB's Strategic Goals:

Goal #1: Exceptional Service states that FTB will, "Strive to continuously enhance our customers' experience." FTB uses modern technology to leverage the data it collects, generates, and stores to administer its tax and collection processes effectively, which results in more efficient operations, better customer service, and higher levels of transparency. The fraud prevention process, when updated with faster and more comprehensive information, will allow FTB to keep up with the increased fraudulent and sophisticated schemes, while limiting the delays in processing ensuring great customer service.

Goal #2: Effective Compliance states that FTB will, "Fairly administer the law to ensure taxpayers file and pay the correct amount." With improvement to FTB data consumption FADS will be able to keep up with new sophisticated fraud schemes as well as prevent losses due to erroneous refunds and unverified withholding claims saving money in the general fund while utilizing less manual work, allowing for increased detection and furthering public trust.

Goal #4: Operational Excellence states that FTB will, "Optimize our processes, products, services, and resources to better serve our internal and external stakeholders." Being able to leverage the technology upgrades, will allow FTB business areas to leverage more modern technologies that will allow FTB business areas faster and more direct access to information resulting in higher efficiencies in detecting and capturing fraudulent activities. This project will also provide a framework for future usage by other areas within the organization that will also reduce load on future data needs and position FTB to be able to utilize data faster and more efficiently.

D. Outcomes and Accountability

FTB's Data Platform Modernization provides faster access to data while incorporating advanced analytics and visualization tools to enable increased fraud detection opportunities which ultimately minimizes loss associated with fraudulent activities. This effort also establishes the foundation to further expand self-service options to support business functions without requiring IT assistance. These data architecture enhancements will improve FTB's ability to continue carrying out its mission in a manner that is fair, equitable and consistent with the California Taxpayer's Bill of Rights Act.

The management of resources received from this proposal will be the responsibility of the Chief Information Officer (CIO) and the Chief of the Filing Division or a delegate. The fiscal

oversight of the resources is the responsibility of the CIO, Chief of Filing Division, and the Chief Financial Officer.

E. Implementation Plan

- July 2026 – Permanent and limited-term positions are established and FTB begins the implementation of the Data Platform Modernization Project Stage 1

- April 2028 – Project Transition to review, defect correction efforts, and modifications due to filing season data received.

- July 2028 – FTB begins the transition from implementation to maintenance and operations of Stage 1.

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[1] Scrum is an Agile framework that teams use to organize and work towards a common goal. It emphasizes teamwork, collaboration, and iterative development for efficient project delivery.