



State of California  
Franchise Tax Board

# EDR2 Moving Forward

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# EDR2

# Where we started

## Tax System Modernization Vision

In 2007, we planned a series of large scale projects to:

- Modernize IT systems
- Focus on key business problems and objectives

# 30 Year Vision: Tax Systems Modernization

## Phase 1: Enterprise Data to Revenue



## Phase 2: Enterprise Data to Revenue 2



## Phase 3: Tax Systems Modernization



# 30 Year Vision: Tax Systems Modernization

## Phase 1: Enterprise Data to Revenue

**EDR**

Imaging, case management, taxpayer folder, return processing, modeling, and MyFTB.

## Phase 2: Enterprise Data to Revenue 2

**EDR2**

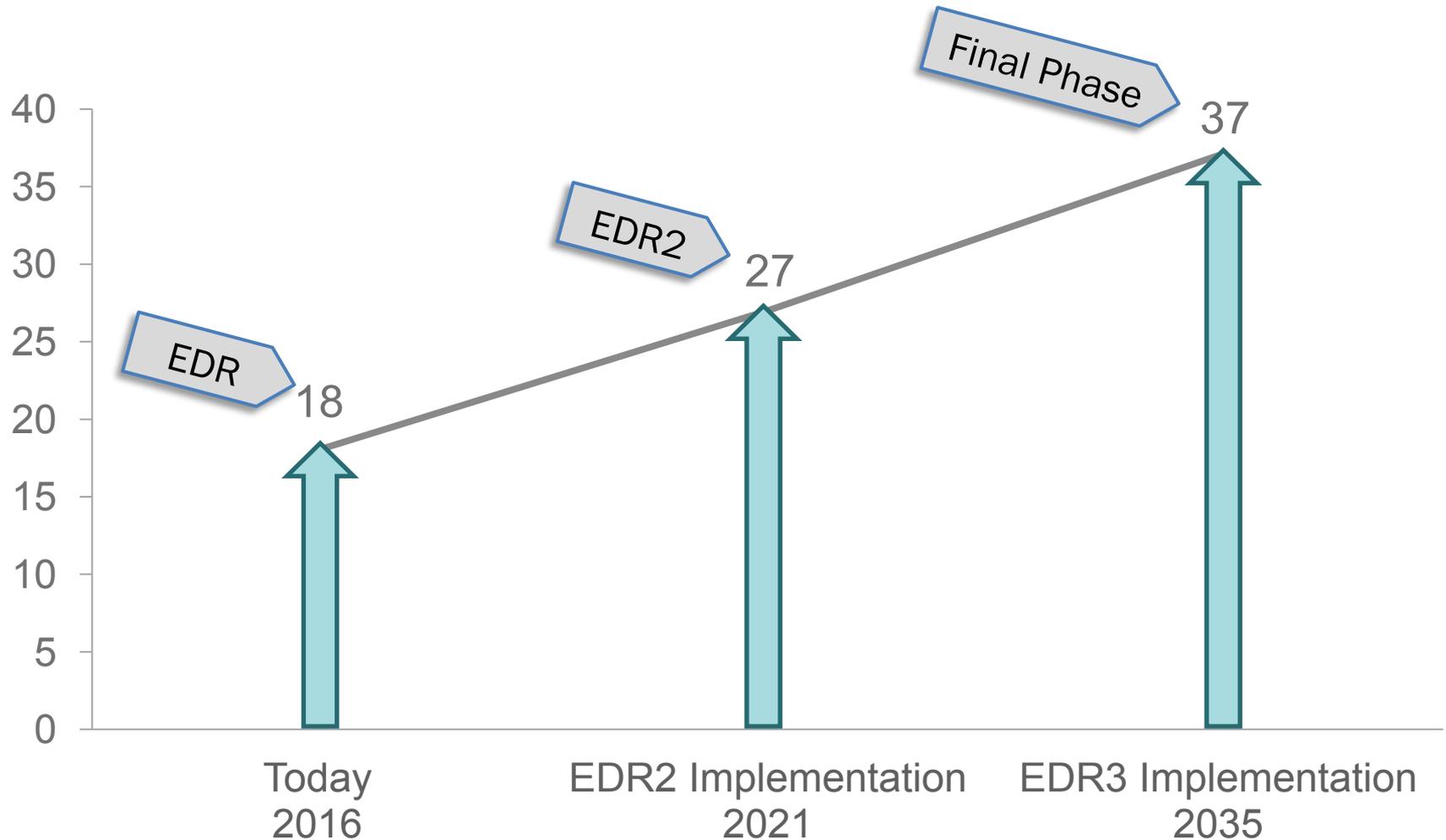
Expand case management, modeling, and MyFTB. Decommission legacy systems for Audit, Filing Enforcement, and Collections.

## Phase 3: Tax Systems Modernization

**Final  
Phase**

All major systems are enterprise systems. Modernize accounting systems.

# Average Age of FTB's Major Accounting and Enforcement Systems



# Phase 1 – Enterprise Data to Revenue

## Status Report

- Initiation Phase
- Project Phase
- Maintenance and Operations Phase

# Phase 1 – Enterprise Data to Revenue

## Success!

- All major phases implemented
- Revenue is exceeding estimates
  - Estimate to date \$1.8B
  - Current to date \$2.1B

## Why?

- Executive support
- Implemented phasing strategy
- Organizational change management

# Phase 2 – Enterprise Data to Revenue (2)

## Business drivers

- Increase customer service
- Continue to close the tax gap
- Modernize aging systems
- Increase business efficiencies

# Phase 2 – Enterprise Data to Revenue (2)

## Building on Phase 1 Success

### Perform a detailed problem analysis

- Document current business processes
- Identify problems that constrain business
- Build future business model from strategic plan
- Apply latest technology to build future business model

# Phase 2 – Enterprise Data to Revenue (2)

## Building on Phase 1 Success

### Benefits based procurement

- Contractor compensation based on project benefits
- Contractor cost are fixed price
- Shifts risks to contractor
- State pays no vendor costs until benefits are realized

# Phase 2 – Enterprise Data to Revenue

## Timeline

- 2016 – Business Problem Analysis
- 2017 – 2021 Procurement Timeline
- 2021 – 2026 Project Duration (48 – 60 Months)

# Questions?