

FRANCHISE TAX BOARD MEETING

September 23, 2022

The Franchise Tax Board met in Open session at 1:34 p.m. at the Franchise Tax Board, 9646 Butterfield Way, in Sacramento, California. Present were Controller Betty T. Yee, Deputy State Controller Anthony Epolite, Hon. Malia C. Cohen, and Deputy Member Gayle Miller (via video conference), Department of Finance, for Member Stephenshaw.

Franchise Tax Board Staff Participating:

Selvi Stanislaus, Jozel Brunett, Shane Hofeling, Victoria Ramirez, Erin Dendorfer, Michael Banuelos, Thi Luong, Yvonne Crankfield, Jon Kosiewicz, Stacy Smith, Scott Reid, Denis Armstrong, and Bill Hilson.

Others Participating:

Bart Baer – Chief Tax Counsel - California Taxpayers Association

Item 1. – Approval of Minutes

The minutes of the June 9, 2022 Franchise Tax Board meeting were approved 2-0 by Chairperson Yee and Member Miller

Item 2. – Proposed Updates to FTB Board Resolutions

The Board received a PowerPoint presentation and a staff request for Board approval for the following proposed modifications of FTB Board Resolutions:

1. Certificates of Mailing on NOAs
2. Out-of-state Travel Approval
3. Contracts for Procurement Activity in Excess of \$1 million
4. Tax Litigation Settlement Authority

The Board Members discussed their respective support and concerns regarding the modifications to the resolutions.

A public speaker, Bart Baer - Chief Tax Counsel at California Taxpayers Association, provided oral comments to address his concerns with the modifications to the Certificate of Mailing on Notice of Action Resolution.

The Board voted 2-1 to approve the Board Resolutions. Chairperson Yee and Member Miller voted to approve the modifications to the resolutions, with Member Cohen voting against the modifications to the Board Resolutions.

Item 3. – Administrative Matters

The Board received a staff report and a staff request for Board approval on the following proposed Contracts over \$1 Million:

1. Cisco Maintenance Renewal
2. VMware Software License Agreement Renewal
3. IBM Passport Advantage Software Renewal

4. Uninterrupted Power Supply and Power Distribution Unit

The Board voted 3-0 to approve the Contracts over \$1 Million.

The Board also received a staff report and a staff request for Board approval on a Facility Action Item relating to the FTB's Santa Ana Field Office

The Board voted 3-0 to approve the Facility Action Item.

The Board then received a staff report and a staff request for Board approval on the following 2023/24 Budget Change Proposals:

1. Enterprise Data to Revenue (EDR2) - Phase 2
2. Return Processing Technology Support
3. Essential Service and Stakeholder Support Gaps
4. Digital Workflow Management
5. Security and Access Management
6. High Speed Printer Refresh

The Board voted 2-0 to approve the 2023/24 Budget Change Proposals. Member Miller did not vote on this action item.

Item 4. – Digital Currency Payments

The Board received a PowerPoint presentation on Digital Currency Payments.

Item 5. – Fraud Prevention Efforts

The Board received a PowerPoint presentation on Fraud Prevention Efforts.

Item 6. – Legislative Matter

The Board received a PowerPoint presentation on the Legislative Recap.

A public speaker, Bart Baer - Chief Tax Counsel at California Taxpayers Association, provided oral comments and requested information regarding past legislative proposals.

Item 7. – Executive Officer's Time

Ms. Stanislaus started off by welcoming our newest Board Member, Honorable Joe Stephenshaw. Secondly, she touched on the new hybrid workforce environment and how FTB is committed to meeting the foundational principle of protecting the privacy and security of data entrusted to FTB.

Lastly, Selvi highlighted on FTB's Multicultural Food and Arts Fair, hosted by the Mission and Values team and the Diversity, Equity and Inclusion Team as well as a video that included photos from the events held in past years. She thanked everyone involved for making the event so successful.

Selvi ended her presentation by thanking the Board for their time, leadership and support.

A public speaker, Bart Baer - Chief Tax Counsel at California Taxpayers Association, provided oral comments regarding suggested process improvements.

Item 8. – Board Members' Time

Member Cohen made a motion to rescind the approval of the June 9, 2022 Board Meeting in Item 1. The motion passed 2-0, with Chairperson Yee and Member Cohen in support.

Member Cohen made a motion to approve the minutes of the June 9, 2022 Franchise Tax Board meeting. The motion passed 2-0, with Chairperson Yee and Member Cohen in support.

Chairperson Controller Yee congratulated Director Stephenshaw and thanked the staff at Franchise Tax Board for all their hard work with cyber security and the pandemic and its variants still in place. She also highlighted the Middle Class Tax Refund and expressed the need to review the California tax implications of the federal student debt forgiveness program.

Chairperson Yee also presented Mr. Bill Hilson, retiring as the Deputy Chief Counsel of the Settlement and Litigation Bureau of the Legal Division, with a resolution commending his dedication to the Franchise Tax Board and the People of the State of California.

Controller Yee adjourned the meeting at 3:48 p.m.

Board Liaison

Date