

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 07/23)

Fiscal Year 2024-25	Business Unit Number 7730	Department Franchise Tax Board
Hyperion Budget Request Name 7730-001-BCP-2024-GB		Relevant Program or Subprogram 6280

Budget Request Title
 Enterprise Data to Revenue Project 2

Budget Request Summary

The Franchise Tax Board (FTB) requests an augmentation of \$127,066,000 and the full time equivalent of 28.0 permanent positions, and 10.0 limited-term positions for the fourth-year implementation of the Enterprise Data to Revenue (EDR2) project, which is the second phase of the Tax System Modernization (TSM) plan. The resources received from this proposal will allow FTB to continue supporting the optimization of business processes throughout the EDR2 life cycle.

Requires Legislation (submit required legislation with the BCP) <input type="checkbox"/> Trailer Bill Language <input type="checkbox"/> Budget Bill Language <input checked="" type="checkbox"/> N/A	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	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. **Project Approval Document:**
Approval Date: **Total Project Cost:**

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	Date	Reviewed By	Date
Department Director	Date	Agency Secretary	Date

Department of Finance Use Only

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

Principal Program Budget Analyst	Date submitted to the Legislature
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A. Problem Statement

The Franchise Tax Board (FTB)'s legacy systems are using outdated technology and need modernization. In fiscal year (FY) 2024-25, FTB will be entering the fourth year of the Enterprise Data to Revenue Project 2 (EDR2)'s project implementation. EDR2 is vital to FTB's operations. The technology currently supporting two out of three of FTB's major legacy systems {(Accounts Receivable Collection System (ARCS), Integrated Nonfiler Compliance (INC), and Professional Audit Screening and Support System (PASS)}, which annually allow FTB to collect over \$4 billion in compliance revenue, are nearing end-of-life and will no longer be supported after December 31, 2025. Replacing these systems before they reach end-of-life will ensure FTB business operations generating significant compliance revenue for the state will not experience any critical failures. Additionally, the EDR2 project will deploy new tools to assist taxpayers in complying with their obligations as well as enhance FTB's compliance activities.

Voluntary compliance is integral to FTB's success in tax administration. Approximately 83 percent of California's tax obligations are filed timely, correctly, and paid. The remainder of tax obligations are filed incorrectly, not reported timely, require correction or activity to collect an unpaid balance. These processes are the costliest way for FTB to carry out its mission because they attempt to recover revenue often with insufficient data, redundant systems, and functions that are not shareable and reusable. EDR2 takes a proactive approach in identifying noncompliant tax behavior, encouraging voluntary compliance behavior, and using more data to reconcile all aspects of a tax return to further support California's voluntary compliance-based tax system.

The EDR2 project's Request for Proposal (RFP) was released on April 30, 2019. In May 2020, FTB received the final proposals with proposed solutions from the bidders. Contract Award to the contractor was made in June 2021 and the project began July 1, 2021. Since then, FTB's State and vendor staff have been planning, designing and implementing various pieces of the multi-year project. Following the statewide process to support funding for larger projects, an annual Budget Change Proposal is required for new costs related to that year. This year's proposal requests an augmentation of \$127,066,000 and the full time equivalent of 28.0 permanent positions, and 10.0 limited-term positions FY 2024-25.

If these additional resources are not approved, delays will occur in the implementation of the EDR2 project and risks the availability and opportunity for FTB to adequately complete the tasks and address legacy systems that are using outdated technology. FTB will not be able to meet contractual obligations associated with the EDR2 project.

Increased and unnecessary risks to the contractor will result in the cessation of project activities or increased litigation risks to the state for failure to timely pay for services performed. Failure to ensure this project moves forward timely will eliminate FTB's ability to replace aging systems before end-of-life which could jeopardize the generation of revenue of approximately \$4 billion annually.

B. Justification

FTB's primary function is to administer the California Revenue and Taxation Code (R&TC), which includes collecting the proper amount of taxes by assisting taxpayers in

filing returns timely and accurately in the most cost-effective manner while operating other entrusted government programs.

FTB processes tax returns and payments, issues refunds to Californians, conducts audits and filing enforcement actions, collects debts owed the state and supports numerous service functions allowing for each of these compliance activities to occur. As a result of FTB's efforts, in FY 2022-23, FTB processed more than 21.6 million tax returns, over 7.8 million payments, responded to more than 2.8 million telephone calls, serviced over 77 million internet contacts, and collected about \$125 billion in revenue, representing approximately 74 percent of California's General Fund revenue¹. The General Fund is utilized to fund necessary services for all Californians. FTB employees are vital to the processing of tax returns, assisting taxpayers and collecting revenues for the General Fund.

In 2007, FTB undertook an extensive and strategic business process analysis effort to align FTB's goals and strategies with initiatives designed to deliver breakthrough improvement for the department's systems and processes, and therefore increasing revenue to the State. Through these strategic planning sessions, FTB identified many opportunities to streamline processes, reduce waste, minimize redundancy, and reduce technology maintenance and operations costs. The result was a three-phase Tax System Modernization (TSM) effort to modernize FTB's systems environment to reach its strategic target architecture.

Phase 1 of FTB's TSM effort, the Enterprise Data to Revenue (EDR) project, was completed in 2016. The EDR project was successful and began to address business problems for FTB's Return Filing and Return Validation programs (specifically in the application of modeling and case management) and built the foundation for the next two phases of the TSM effort. The first phase included Imaging, Data Capture, Case Management (CM), Return Processing, Modeling, Taxpayer Folder, and MyFTB. The EDR project resulted in an enterprise data, modeling, CM platform and infrastructure with common services that can be expanded across the enterprise.

Phase 2 of the TSM effort is the EDR2 project, which began in 2021. This project as proposed and approved builds on the enterprise data, modeling, CM platform and infrastructure provided by EDR by expanding the enterprise CM and modeling to other systems and processes including Audit, Legal, Filing Enforcement (FE), and Underpayment. Phase 2 also expands the functionality for the Taxpayer Folder and MyFTB in addition to positioning FTB to decommission multiple legacy systems.

This phase will provide technology to move FTB compliance workloads to a single case management system and modeling tool as well as implementing new Audit, FE, and Underpayment compliance strategies. Moving the compliance workloads and processes to the enterprise platform also results in efficiencies across program operations. In addition, the EDR2 project presents an opportunity for FTB to address legacy systems that are using outdated technology. The following table shows the systems FTB plans to replace with EDR2 and their original implementation dates and ages.

¹Revenue figures based on the 2022-23 Cash Report reported in the Department of Finance's July 2023 Finance Bulletin.

System	Date Implemented	System Age in Years (as of 2023)
ARCS	1999	24
INC	2001	22
PASS	1997	26

The EDR2 project follows the California Department of Technology's (CDT's) Project Approval Lifecycle (PAL) Process. The most recent document approved for the EDR2 project was the Stage 4 Project Readiness and Approval (S4PRA). The S4PRA was approved on April 1, 2021, and included the EDR2 vendor selection and project approval.

The EDR2 project plans to achieve the following objectives in 2024-25:

- Utilize the new data analytic tools to support the development of new work including functionality for models, treatment paths, and data visualization (reports and dashboards);
- Perform data analysis and clean-up of the INC application data prior to the conversion of the data into the EDR2 case management platform;
- Analyze and resolve issues with collection cases that will not convert in an automated fashion prior to contractor's automated conversion from the PIT collection legacy to new system;
- Enhance the ability to successfully select best value cases for compliance efforts and complete quality cases efficiently;
- Ensure new data fields can be captured from paper returns and other stand-alone tax forms to assist with developing potential modeling strategies and business rules which will result in increased revenue;
- Develop and implement Training and Organizational Change Management activities to support FTB enterprise including the field offices who will utilize the systems impacted by the EDR2 project implementation and changes;
- Maintain the data integrity and availability in FTB's tax systems and their ability to perform critical state tax functions;
- Enhance the capabilities of the previously implemented solution that is used by the Underpayment BSOW to identify available assets to levy during the Personal Income Tax involuntary collection cycle;
- Continue design and development of deliverables to be implemented in future years, including self-services and additional case management solutions.

The department requests the following resources and funding to continue to support these activities to ensure a successful fourth year for the EDR2 project:

Enterprise Business Area Positions

Accounts Receivable Management Division

Business Entities Collection Bureau

Tax Technician – One permanent position

The Business Entities Collection Bureau (BECB) within the Account Receivable Management Division (ARMD) administers the business entities collection program.

The Early Stage section collects tax revenue during initial contacts with business entities that have received a collection notice or levy. These teams handle general incoming collection telephone calls, correspondence, faxes, internet live chat contacts, and MyFTB messages. Early Stage is focused on collecting revenue by obtaining payment in full, setting up installment agreements, and by processing revivor requests to assist businesses with getting back into good standing.

The EDR2 solution will add new validation rules to the tax return analysis process and improve filing enforcement, both of which will result in additional notices being sent to taxpayers. BECB is requesting one permanent Tax Technician position to manage the increase in taxpayer contacts resulting from the additional notices being issued.

The Tax Technician will provide customer service to business entity taxpayers or their representatives via incoming telephone calls, live chat, and/or correspondence, by explaining the provisions of business entity income tax law and collection processes and the basis for taxpayer liabilities. They will work with the taxpayers to resolve their inquiries and accounts, handle liability disputes, and set up installment agreements.

Statewide Collection Bureau

Compliance Representative – One permanent position

The Statewide Collection Bureau (SCB) recovers aged and difficult to collect personal income tax debts, as well as recovers nontax debts on behalf of other governmental agencies.

As a result of the additional notices generated from the implementation of the EDR2 solution, SCB is requesting one permanent Compliance Representative position. This position is necessary to address an increase in accounts receivable collection case work resulting from the additional notices being issued for personal income tax accounts.

The Compliance Representative will analyze accounts to determine next plan of action such as issuing and modifying wage garnishments, bank levies and liens, review taxpayer assets and asset history including income, financial institution, employer, etc. to determine appropriate actions, work with taxpayers to resolve their collection accounts, and set up installment agreements.

Administrative Services Division

Production Services Section

Audio-Visual Specialist – One two-year limited-term position

The Creative Services Unit within the Production Services Section provides audio services including Interactive Voice Response (IVR) recordings and voice over productions using digital audio software. The IVR recordings support the department's Contact Center Platform (CCP), which provides automated information and services to taxpayers through pre-recorded messages and prompts. These pre-recorded messages and prompts help callers utilize self-services and connects them with customer service agents. The department anticipates over 4,000 additional IVR recordings as new EDR2 IVR self-service functionalities are developed. The Production Services Section requests one limited-term Audio-Visual Specialist position to create IVR recordings to support changes to the CCP.

The Audio-Visual Specialist will be responsible for recording the new messages and ensuring that the messages provide clear and accurate directions so that taxpayers can resolve their accounts. The IVR messages will be recorded in English and Spanish.

Personnel Services Section

Senior Personnel Analyst – One permanent full time position

The Personnel Services Section is responsible for processing monthly payroll, updating staff benefits, tracking employment history, and reconciling leave credits. FTB anticipates a significant increase in the number of FTB staff as new EDR2 functionality is released. The Personnel Services Section requests one Senior Personnel Specialist to process the more complex transactions, train personnel staff, and review completed staff work.

The Senior Personnel Specialist will oversee multiple workloads to ensure accurate and timely completion of personnel transactions. This will alleviate the department's risk of payroll and benefit transaction errors, provide staff with sufficient training and resources, and ensure FTB's compliance with applicable local, state, federal, and bargaining mandated guidelines.

Filing Division

Correspondence, Analysis, Support, & Education Section

Tax Technician – One permanent full time position

The Correspondence, Analysis, Support, & Education Section (CASES) within the Filing Division is responsible for responding to written inquiries from customers and/or their representatives. The EDR2 solution will add new validation rules to the tax return analysis process and improve filing enforcement, both of which will result in additional notices being sent to taxpayers. CASES is requesting one permanent Tax Technician position to manage the additional work coming to the contact center as a result of customers responding to the increased number of notices regarding filing requirements and other balance due notices. Specifically, this new employee will analyze information regarding taxpayer rights, privileges, and obligations under Personal Income and Business Entity tax laws; assist in determining filing requirements; resolve revenue problems and issues resulting from audit, collections, and filing program activities; explain which forms are appropriate to file, the reason for tax liabilities, and the application of tax laws related to penalties and interest; and assist customers with making arrangements to pay taxes due.

This individual will also respond to customer inquiries via phone as needed. Without this position, FTB may be unable to respond timely to taxpayers resulting in additional backlogs, duplicate contacts to other customer service channels, including phone and live chat, and a delay in taxpayers properly filing and paying the amount of tax they owe, ultimately leading to delayed or lost revenue.

Filing Enforcement Section

Tax Technician – Nine permanent full time positions

The Filing Enforcement Section is responsible for the department's processes that gather income and business activity information, identifies and contacts potential nonfilers, and issues appropriate assessments to individuals and business entities that fail to comply. FE is

requesting nine permanent Tax Technician positions to address the increase in the quality assurance workload, association of income records, and review of marketing campaign letters nudging taxpayers to file a return.

EDR2 will improve data matching, through automated business rules, to allow for the right data to be used when determining an individual's filing requirement. EDR2 will also yield new data sources from third parties and additional data captured from returns. The new data sources and improvements in matching the data to the correct account will increase the number of non-filer cases. These positions are necessary to conduct quality assurance tasks on the additional non-filer cases. These tasks include reviewing cases to determine if a non-filer notice should be mailed. This workload ensures we are not contacting customers erroneously. When a taxpayer receives an erroneous notification, it increases contacts that would otherwise be avoidable and creates frustration for the taxpayer.

In addition, some of the new data (i.e., income records) provided by the EDR2 solution will not be automatically associated to a taxpayer. Therefore, these positions will review the unassociated income records and perform a manual web search to associate the income records to the correct taxpayer and determine if a filing requirement exists.

Furthermore, the EDR2 solution will allow FTB to educate and gain compliance from non-filers through marketing/nudge campaigns. Nudge letters will be sent to individuals reminding them of their filing requirements. These new positions will review a portion of the nudge letters to ensure the notices are going to Filing Enforcement's target audience.

These positions are necessary to avoid erroneous non-filer notifications and increased processing times of non-filer accounts. Sending erroneous notifications and delaying the review and resolution of taxpayer accounts will lead to a loss of revenue, increased customer contacts, poor customer service, and a negative perception of the Franchise Tax Board.

Withholding Services & Compliance Section

Program Specialist I – One permanent full time position

The Withholding Services and Compliance Section (WSCS) within the Filing Division is responsible for educating and auditing withholding agents as well as collecting withholding payments. WSCS is requesting one permanent Program Specialist I position to conduct preparer compliance audits and address Notice of Proposed Assessment (NPA) protests and appeals. The EDR2 solution expands Case Management to include withholding agents, which provides efficiencies allowing for more audits to be conducted. In addition to expanding CM, new data and modeling solutions resulting from the EDR2 solution will also contribute to WSCS being able to conduct more audits. This position is also needed to perform oral hearings for FE protests.

This resource will support improvements in enforcing preparer compliance, contribute to increased revenue associated with increased compliance, and contribute to reduced timeframes for processing protest and appeals.

Legal Division

Attorney III – Two permanent full-time positions

The Legal Division represents FTB in appeals before the Office of Tax Appeals (OTA) and administers FTB's Docketed Protest program. Taxpayers have statutory rights to file protests of proposed assessments issued by FTB's Audit Division and to file appeals of disputed determinations of taxes to the OTA. The California R&TC provides authority for taxpayers to file administrative appeals from, among other things, protest determinations from deficiency assessments or denial of claims for refund by the FTB. Appeals and protests are mandatory workloads for the Legal Division.

The Legal Division requests two Attorney III positions to address increased protest and appeal workloads resulting from an increase in NPAs that will be generated as a result of new audit models being introduced. These protest and appeals encompass low, medium, and high complexity protest and appeals which are worked by the Attorney III. Although the workloads span all levels of difficulty, they are most prominently medium to higher complexity levels, therefore, FTB requires additional Attorney III positions.

Failure to increase staffing levels over the span of the EDR2 project will negatively impact the protest and appeal workloads. Insufficient staffing would result in slower case development, a larger inventory of open protests, and delays in administration of tax controversies facing the FTB.

Technology Services Division

Enterprise Procedure Environment

Analysis – Information Technology Specialist I – One permanent full-time position

As FTB implements Collections, Audit, and Filing Enforcement functionality onto an Enterprise platform with the EDR2 project, business procedure writers use the enterprise procedure environment to understand new functionality and capture images of the system to create realistic and detailed user procedures. This allows procedure writers to create clear, detailed procedures that are available for training before the functionality releases. This requires the creation and maintenance of an environment with data conditioned to support the procedure writers' needs. It also requires the coordination of business and technology teams during the most critical time of the release. While technology teams are in the iterative cycle of coding, testing, and deploying, business procedure writers are working in the procedure environment simultaneously.

The Case Management Filing Analysis Section requires one IT Specialist I position to manage the Enterprise Procedure Environment data setup, coordination, and communication brought forth by the EDR2 project.

The incumbent will perform the following key duties:

- Manage and coordinate procedure environment updates
- Provision and manage procedure environment access
- Create and maintain entities and entity-specific data
- Create, condition, and maintain account data to support procedure documentation for specific scenarios

- Communicate bugs, defects, and work arounds
- Answer functionality questions for business understanding

Scenarios and account conditions allow procedure writers to create user procedures and step-by-step instructions on how to manage specific case scenarios. As system functionality evolves with each release, procedures are created or modified. This resource request will ensure the procedure environment is available, system functionality is current, entity and account data are maintained, and staff have clear communication to meet business area procedure writers' needs. If this resource is not approved, the procedure environment will not be maintained and supported, negatively impacting the procedure writers' ability to document realistic and detailed user procedures.

EDR2 New Functionality

Information Technology Specialist I – Four permanent full-time positions

The FTB sections involved in the Software Development Life Cycle (SDLC), which support the analysis, development, and testing of all FTB applications, request four Information Technology Specialist I positions to support three new functional components implemented by the EDR2 project. Over the life of the EDR2 project, a total of nine functional components are implemented, which requires additional resources and support.

In FY 2024-25, the following three additional EDR2 functional components will require ongoing maintenance:

1. New Taxpayer outreach campaigns: Targeted notice and contacts.
2. Enterprise Knowledge Library: Makes tax law and procedural information accessible.
3. Data Analytics Functionality: Advanced analytics to forecast business outcomes and business workloads.

The additional resources ensure FTB meets its goal to transition the technical maintenance and operations of the EDR2 solution from the Solution Provider to internal staff. FTB will enhance the EDR2 solution based on changing business needs and incorporate changes so the EDR2 solution remains robust and secure. Without the requested resources, FTB must establish a contract with a vendor to provide technical maintenance and operations of the new EDR2 functionality.

EDR2 Data Virtualization

Information Technology Specialist II – One permanent full-time position

Information Technology Supervisor II – Two permanent full-time positions

The EDR2 project introduces new data virtualization capabilities to combine disparate data sources in a single virtual view used by development teams, data analysts, and self-service consumers from the business area. The EDR2 project delivers subject-oriented data marts in support of the data virtualization capabilities and optimizes data consumption across different business areas to further aid data-driven decision-making processes.

The Enterprise Data sections (Enterprise Data Development Section and Enterprise Reports & Modeling Section) are responsible for building and supporting operational and analytical processes that enable the business to process tax returns and payments as well as support compliance related workloads for Audit, Collections, and Filing.

To best support the extensive growth in data analytics due to EDR2, the Enterprise Data Development Section (EDDS) will be restructured to support activities that include return and payment processing, data integration and replication, data validation and data cleanup, and supporting resolution of operational data fallout. An Information Technology Specialist II position is needed to lead the implementation of a new virtual cloud-based platform for data integration as well as ongoing data integration support efforts.

Currently, one IT Manager I oversees the EDDS which is comprised of technical resources responsible for the extraction, transformation and loading of data to FTB's Data Analytics Platform. The request for an additional Information Technology Supervisor II will allow the technical services that support the enterprise data analytic needs to be better balanced across three units. One unit would be dedicated to replicating and transforming data to support online system processing. A second unit would be dedicated to acquiring and transforming data for data analytics needs. Finally, a third unit would be dedicated to supporting the loading and managing of data to support critical modeling and complex statistical analysis processes conducted by FTB's compliance programs.

The Enterprise Reports & Modeling Development Section (ERMDS) supports activities that include subject area data mart development, report and business intelligence development, and advanced data modeling development.

The ERMDS is also currently overseen by one IT Manager I. This section has and will continue to grow substantially in workloads as EDR2 completes its implementation, including supporting new reporting solutions like data virtualization for real time data marts and reporting tools. A new Information Technology Supervisor II will allow a restructure to spread the workload across three Information Technology Supervisor IIs to ensure the workloads are effectively managed and divided in a more logical fashion.

The new Information Technology Supervisor II will oversee the Business Intelligence (BI) Development unit that supports a variety of complex reporting of multiple data sources across FTB's enterprise. This creates capacity for the existing Information Technology Supervisor II to manage the increasing number of data marts being introduced by EDR2. By adding a new permanent Information Technology Supervisor II, the teams will have capacity to grow to support the increase in data reporting needs across its reports, business intelligence, and data mart services. This will ensure reports are managed efficiently to serve business programs with accurate trends and complex analysis on filing revenue, compliance, and related tax administration needs.

Without the requested resources, FTB must establish a contract with a vendor to perform platform implementation as well as ongoing support activities such as configuring data views, ensuring data security, applying software patches, and supporting data modeling activities across business areas in perpetuity.

EDR2 Services Support

Information Technology Specialist I – One permanent full-time position

The Data Processing Services Section performs technical monitoring 24 hours a day, 365 days a year and responds to system events. The Information Technology Specialist I position supports the increased number of applications and technologies added by EDR2. The EDR2 project introduces nearly 50 percent growth in technology services that require support such as maintaining system availability and validating data integrity. Over the life of the project, additional functionality implemented requires additional resources and support. The additional position monitors, troubleshoots, analyzes, and fixes batch job processes that enables business users to operate EDR2 applications. Without the requested resource, proactive monitoring and reactive restoration of batch job processing is negatively impacted, which could impact business operations.

Data Analytic Function

The EDR2 project will provide new and enhanced data analytic tools that will allow the business areas to perform functions that are currently limited and most often require IT support to implement. These functions include performing modeling activities to identify and implement new compliance strategies, identify, and implement more effective and efficient treatment paths for taxpayers and visualize data in the form of reports and dashboards. Users will be able to self-serve and use data from the Enterprise Data Stores to create and modify compliance models, analytic models, customer segments, trend analyses, dashboards, and reports. The enterprise will be utilizing these tools to improve accuracy and compliance in their respective programs. Business Areas that support the enterprise will also use the enhanced tools. FTB's Data Management and Governance Strategy will support the tools and data that the EDR2 project will provide. This strategy involves the users being more involved in the acquisition and quality of data. This will ensure that data that is used by the business is being acquired and is delivered to users in a way that is correct and meaningful. Each business area will take an active role in data governance.

In support of the EDR2 project, FTB requests permanent resources in the fourth year to aid in the design and implementation of the new tools and to utilize the new and enhanced data analytic tools and realize the full potential of EDR2 new models, strategies, and products to increase automation and process efficiencies.

Filing Division

Senior Operation Specialists – Three permanent full-time positions

Senior Operation Specialists - Two two-year limited-term positions

The Filing Enforcement and Compliance, Analysis, and Validation Sections currently have the responsibility to identify taxpayers who may have reported an item incorrectly on their tax return or meet filing requirements but have not yet filed a tax return and it is past the required due date to file. These identified situations of potential non-compliance and non-filing become the business area's inventory of cases to be resolved. Staff must work with IT resources to identify, prioritize, and rate the inventory of cases. The EDR2 project will bring new functionality to these business areas that will increase or improve the quality of their existing workloads and enhance the ability to identify non-compliance and non-filers. Therefore, the Filing Division is requesting three permanent Senior Operations Specialist positions and two two-year limited-term Senior Operations Specialist positions.

This staff will create, maintain, and improve additional business entity data analytic models and create, modify, and maintain new personal income tax and business entity data model visualizations, including dashboards, reports, and division metrics. This new work includes functionality for a business user to create models, customer segmentation, treatment paths, and data visualizations (reports and dashboards) without the need for IT assistance. If these positions are not provided, resources will not be available to research and analyze data to create better cases to pursue for tax filing compliance and filing enforcement. This will require continued manual review on cases and reduce revenue capabilities and increases contacts to FTB from taxpayers who received a notice and don't believe they have a filing requirement.

The Senior Operations Specialist level is necessary for these workloads since most of the data the Filing Division analyzes is from tax returns and/or third-party data sources regarding compliance issues. These analysts need an understanding of the income tax laws, taxable income sources, and how items are properly reported on each of the various tax return types to build, run, and analyze models and studies. To identify what data is needed, how it should be queried, whether data is contaminated, and if results are properly interpreted, the analysts need knowledge regarding filing requirements, common filing errors, and filing trends which comes from the experiences attributable to the Senior Operations Specialist classification. During the first two years, the positions are needed to develop the models, reports, and dashboards, however, once the development stage is complete, fewer positions are needed for ongoing maintenance, thus two of the five positions are requested on a limited term basis.

Legacy System Data Clean-Up/Conversion Function (Various Divisions)

The ARCS is a legacy case management system that includes PIT and BE Tax delinquent debts and collection/contact history. The PIT Collection System houses approximately 3.47 million taxpayer collection accounts. The EDR2 project will replace PIT Collection System and ARCS cases will be converted to the new case management system.

INC was developed and implemented in early 2001 for 1999 and later tax years. INC is an automated system that identifies and manages non filer cases. The EDR2 project will transition INC application data to the new case management system.

In support of the EDR2 project, FTB requests limited-term resources in the fourth year to perform the legacy system data clean-up/conversion activities.

Accounts Receivable Management Division

Compliance Representative – Seven six-month limited-term positions

ARMD received seven two-year limited term EDR2 BCP positions in FY 2022-23. The positions are effective January 2023 through June 2024. These positions were needed to manually analyze and resolve issues with collection cases that were not automatically converted to the new solution prior to, and after the vendor's automated conversion from the PIT collection legacy system. Although the positions were scheduled to start on January 1, 2023, the work was delayed, and the hiring was postponed to July 2023. Due to the delay, an additional six months is needed to complete the data clean-up and conversion. Thus, FTB is requesting to extend the seven limited-term positions to December 31, 2024.

The Compliance Representatives will continue to analyze and resolve accounts in the legacy collection system to ensure data integrity and maximize the effectiveness of the automated data conversion to the new case management system. They will also continue to track and report common issues to assist with account conversion by analyzing and resolving accounts in the legacy collection system that did not convert to the new case management system.

Filing Division

Filing Enforcement Section

Tax Technician – Two eighteen-month limited-term positions

The Filing Enforcement Section within the Filing Division is requesting two 18-month limited-term Tax Technician positions to assist with the clean-up of Business Entity data in the Integrated Non-Filer Compliance (INC) system to allow for critical filing enforcement information to be available in the new Enterprise Tax System. Specifically, the Tax Technicians will review income records that fall out for manual review and match them to the correct accounts. Having clean data in the new system will allow staff to work more efficiently when performing case selection. With these positions, additional opportunities and efficiencies will materialize by having these income records in Taxpayer Folder, which will reduce unnecessary contact with taxpayers.

Without these resources, opportunities and efficiencies identified by having these income records in Taxpayer Folder wouldn't materialize, resulting in erroneous non-filer letters sent to taxpayers and ultimately resulting in unnecessary phone calls, chat, and correspondence and an inability to contact non-filers who do have a filing requirement because their income records aren't tied to their account, which would lead to a loss of revenue.

Training and Procedure (Various Divisions)

Training and procedures are critical to the EDR2 project to ensure enterprise and field office staff are trained and understand how to perform their job with EDR2 project implementation and changes. FTB needs to have adequate resources to continue to manage procedures, training materials, and training classes with the significant new processes and solutions being introduced to ARMD and Filing Division as a result of EDR2.

In support of the EDR2 project, FTB requests limited-term resources in the fourth year to manage training and procedure activities at both the enterprise and local level.

Administrative Services Division

Enterprise Talent Development Section

Senior Operations Specialist – Two two-year limited-term positions

The Enterprise Talent Development (ETD) Section is responsible for developing employees at all levels to strengthen enterprise effectiveness. This is achieved by developing, delivering, and offering instructor-led and on-line training for enterprise systems and competency development. ETD requests two limited-term Senior Operations Specialist positions to provide in-classroom training regarding new enterprise EDR2 functionality. These positions will deliver the training developed by the vendor and Enterprise Procedures & Training Team to ensure consistent information is shared throughout the department. These Senior Operations Specialists will plan, coordinate, and provide

enterprise training to all staff on the new EDR2 functionality. Proper and timely training will ensure staff understand and adapt to new processes and procedures impacting the customer experience, enforcement efforts, and revenue. Division specific local training will be completed at the business area level.

Filing Division

e-Programs and Budget Section

Senior Compliance Representative – Three two-year limited-term positions

The Hiring and Training team within the e-Programs and Budget Section in the Filing Division is requesting three two-year limited-term Senior Compliance Representative positions to address the growing need to develop new training materials, update existing training materials, and create and maintain computer-based training. Additionally, these resources will coordinate and provide EDR2 application and functionality training for new and existing Filing staff during the peak period of training activities for the EDR2 project. Without these dedicated resources, the division will not be prepared to train new and existing staff on the changes made to our systems of record, which will have a direct impact on their job performance such as their ability to effectively analyze taxpayer account information, educate customers on filing requirements, and assist taxpayers with making arrangements to pay their taxes due.

Operating Expenses and Equipment

Compensation Payments to the Contractor – \$112,464,000

This funding is necessary to ensure FTB can pay the contractor for services performed. The EDR2 contract is a fixed price contract. The state must pay the contractor seventy (70) percent of the cost of the functionality that has been delivered and accepted by the state. The remaining thirty (30) percent of this cost is subject to the state realizing benefits. The compensation payable cannot exceed costs incurred and is subject to various caps under the terms of the contract. The amount payable is calculated using the total cost of the state-accepted and successfully deployed compensation deliverables. For the fourth year, the maximum potential payment for the 2024-25 contractor compensation is estimated at \$112,464,000 assuming the vendor was already paid for cost incurred in 2023-24 and the state realized enough benefits to cover the costs incurred in 2024-25. These costs have been reduced by the statutory holdback amount deployed across the entire project.

FTB and the contractor continue a strong partnership to move towards successful completion of the EDR2 project, with project deliverables that are robust and timely. During the course of this work, earlier this year, FTB has identified additional unfunded functionality work that is required to ensure project objectives are met and to limit interruptions to current business processes. It has been determined that accessing the unanticipated task funds to cover these costs is not feasible and the \$112,464,000 requested includes \$12,763,000 for this additional work. FTB has submitted a Special Project Report and amended the contract to reflect the updated costs. The Total Contract Amount for EDR2 of \$543,172,456 will increase to \$557,456,944.

During these same discussions, it was determined the tests for accessing the unanticipated task funds were inadequate to protect the interest of the state and the project vendor. Accordingly, alternative language allowing for access to the funds is

noted below as well. This language was incorporated into the most recent revision of the EDR2 contract and this provisional language will be incorporated as part of our budget.

Total compensation paid must not exceed the Total Contract Amount (TCA) in any quarter or year. The cumulative amount of compensation paid out over the term of the EDR2 contract must not exceed the percentages of the TCA, listed below, which is inclusive of the required withholding rule:

- a. 5 percent of the TCA at the end of quarter one (1) through quarter two (2) of the EDR2 contract;
- b. 15 percent of the TCA at the end of quarter three (3) through quarter four (4) of the EDR2 contract;
- c. 34 percent of the TCA at the end of quarter five (5) through quarter six (6) of the EDR2 contract;
- d. 44 percent of the TCA at the end of quarter seven (7) through quarter eight (8) of the EDR2 contract;
- e. 55 percent of the TCA at the end of quarter nine (9) through quarter ten (10) of the EDR2 contract;
- f. 65 percent of the TCA at the end of quarter eleven (11) through quarter twelve (12) of the EDR2 contract;
- g. 75 percent of the TCA at the end of quarter thirteen (13) and fourteen (14) of the EDR2 contract;
- h. 84 percent of the TCA at the end of quarter fifteen (15) through quarter sixteen (16) of the EDR2 contract;
- i. 92 percent of the TCA at the end of quarter seventeen (17) through quarter eighteen (18) of the EDR2 contract; and
- j. 100 percent of the TCA at the end of quarter nineteen (19) through the end of quarter twenty-two (22).

Under the terms of the contract, FTB will seek an appropriation equivalent to the maximum potential payment for any year. This is a requirement even in years where the contractor's projected revenue for the year is not estimated to be sufficient to cover the maximum payment and therefore will bar payment of the maximum amount. Full and robust information is not known to accurately determine the revenue on which payment is based and if projections are lower than actuals and the vendor is entitled to a higher payment, this strategy will allow FTB and the state to accurately compensate the vendor for reimbursable amounts.

As the maximum payment may not be due and payable in any one year, FTB is requesting the following annual provisional language to allow for any funding not used to carry over to the next fiscal year.

Of the funds appropriated in Schedule (1), in the 2024-25 fiscal year for EDR2 vendor compensation, any unused amount is allowed as one-time carryover to the subsequent fiscal year to support the vendor payment due to the solution provider for services performed and subject to payment.

In FY 2024-25 the contractor tasks include EDR2 project management activities; procurement and installation of hardware and software for the EDR2 solution; EDR2 project deliverables, such as the Management Requirement Deliverables (MRDs);

implementation of scheduled business functionality (in the form of compensation deliverables); data conversion; and operational support for implemented business functionality.

Additional Compensation Payments for Unplanned Work to the Contractor - \$5,623,000

Under the terms of the contract, up to 5% of the total contract amount should be funded for unplanned tasks. This amount is for event(s) where work must be performed which was unplanned, aligns with the existing scope of the project, and is necessary for any of the following reasons: the successful implementation and/or operation of the system, the successful accomplishment of the EDR2 Project objectives as defined in Request for Proposal Part 1, or for any other reason in the sole judgment of the State. To meet the terms of the contract and protect all parties to the contract, FTB will annually request \$5,000,000 or 5 percent of the vendor compensation payment, whichever is greater, as an annual appropriation through December 31, 2026, not including the maintenance and operations portion of the contract. Annually, any unused amount will be subject to re-appropriation in the following years and available for expenditure over the life of the project. Any funds provided that are not expressly used for the specified purposes shall revert to the fund from which they were appropriated at the end of the project.

For 2024-25 fiscal year, FTB requests \$5,623,000 for additional unfunded compensation payments. Additionally, FTB is requesting the following annual provisional language to allow for any funding not used to carry over to each succeeding fiscal year over the life of the project.

Funding on this item includes an amount for additional payments for the EDR2 project in order to accommodate an event where work must be performed which was unplanned, aligns with the existing scope of the project, and is necessary for the successful implementation and/or operation of the system, the successful accomplishment of the EDR2 goal, or any other reason in the sole judgement of the State. Of the funds appropriated for amounts for unplanned work, these funds can only be used to cover payments in the event a budget request for augmentation cannot be timely submitted for funding in the year payment is due. Of the funds appropriated for unplanned work, any unused amount is reappropriated in the next fiscal year and each subsequent fiscal year over the life of the project until finalized. All amounts unused at the end of the project shall revert to the General Fund.

Non-standard software – \$53,000

To support the EDR2 project objectives, as reflected in the EDR2 SOW, FTB is responsible to provide necessary non-standard productivity and server software to be used during the implementation of the EDR2 solution. The non-standard productivity software will be used to develop end-user training materials, and the non-standard server software will add additional capacity needed to implement planned EDR2 functionality. Funds are requested for non-standard software to allow the consultants to successfully implement new EDR2 functionality and meet the EDR2 technical performance requirements. The non-standard software must be secured for the EDR2 project to achieve the strategic goals of EDR2 project and to meet the state's SOW mandate.

Non-standard Software Refresh and Maintenance – \$360,000

To support the EDR2 project objectives as reflected in the EDR2 contract, FTB is responsible to provide and maintain necessary non-standard server software to be used during the implementation of the EDR2 solution. The non-standard server software will be used by software development staff to manage and deploy software code and will be used by testing staff to create, update, manage, and execute testing scripts. The non-standard server software must be refreshed to ensure FTB meets its EDR2 deliverables and to ensure the necessary tools to deliver a quality EDR2 solution remains in place.

Independent Verification and Validation (IV&V) and Quality Assurance (QA) Consultant Service – \$1,951,000

IV&V oversight consultants primarily focus on ensuring the project development adheres to project management best practices and standards to deliver high quality products/solutions and provide on-going insight into complex projects. The IV&V consultants identify and document any project findings that are used to drive continuous improvement in the quality of products/solutions with regular evaluations, reporting, and communications. The project findings provide clarity about the overall state of the project, identify process improvement opportunities, and help forecast roadblocks before they become project impediments. This involves both verification of project processes and validation of work products.

QA consultants primarily focus on optimizing processes and standards that deliver quality products/solutions and ensure that they meet the specified requirements and standards, and that customers consistently receive a high-quality product/solution. QA is a proactive approach where defects are detected before a product/solution is implemented.

Per the SAM Section 4940.3, "IV&V services are required for all reportable projects classified as medium or high criticality and must begin on or before the proposed project start date." The EDR2 project is classified as medium criticality. In addition, the CDT strongly recommends that FTB procures QA services in addition to IV&V services.

IV&V services began June 2021 and conclude when the EDR2 solution is implemented in December 2026. QA services began July 2021 and conclude when deliverables are met in December 2026. Funding is requested annually throughout this period.

Independent Security Assessment Consultant Service – \$400,000

The EDR platform allows FTB to modernize the information technology systems and processes across the enterprise. This effort to FTB's operations is to increase efficiencies and services to taxpayers, maximize transparency, and ensure compliance. EDR laid the foundation for Tax System Modernization by delivering the infrastructure and software architecture for a consolidated platform with common business functions and services. EDR was the largest technology project ever implemented by FTB. EDR included ten major releases over a five-year period. The state-of-the-art technologies and reengineered business processes impacted over 4,000 staff with the potential to impact every taxpayer. EDR focused on capturing more data, using this data for enhanced return and fraud analysis, sharing the enhanced data across multiple business areas, and connecting standalone IT systems.

Phase 2 of the project (EDR2) builds upon the platform implemented by EDR to deliver enterprise case management and modeling, decommission outdated legacy systems, and increase services to taxpayers.

Both EDR and EDR2 platforms are very large, complex systems that contain Federal Tax Information and personally identifiable information on every California taxpayer. Due to the type of confidential data FTB collects and stores, this makes FTB a target for adversaries including criminals, inside attackers, and hacktivists. FTB must stay one step ahead of these adversaries and protect the data.

A project with the size and scope of EDR2 will need outside security assessments to ensure that the vendor is not introducing new risks via security vulnerabilities to the state. These independent assessments bring in not only SMEs to perform penetration testing but also an outside look at the system as a whole. The objectives of the proposed independent security assessment are twofold:

1. To establish a baseline for evaluating and performing vulnerability and penetration testing against EDR systems, which include Internal Taxpayer Folder, CM, and MyFTB online application. In addition, a security assessment will be conducted annually throughout the EDR2 project life cycle. Both the initial baseline and the annual assessment report will provide an objective assessment of the level of risk to these systems and provide options to remediate them.
2. The initial baseline compared with the annual assessment report will help the EDR2 project team identify the vulnerabilities introduced by changes for EDR2. FTB's EDR2 contractor will call for these independent security assessments, including the initial baseline, and require the vendor to address any new vulnerabilities that are introduced as a result of the EDR2 solution.

If the vulnerabilities are not identified during the EDR2 project and attributed to the project, the contractor will not be responsible for fixing them. The independent security assessment will allow FTB to identify security gaps during the duration of EDR2 project, as well as reduce FTB's risks of confidential data leakage, breaches, and unplanned outages of EDR/EDR2 systems for business.

Independent security assessment consultant services began July 2021 and conclude when the EDR2 solution is implemented in December 2026 and funding is requested annually throughout this time period.

CDT's Independent Project Oversight Consultant Service – \$423,000

The CDT's Independent Project Oversight Consultant (IPOC) service is responsible for developing an Independent Project Oversight Report (IPOR) for projects classified as medium or high criticality. The IPOC analyst ensures the project and department is following their internal processes, procedures, and project plans. The IPOC analyst also works with the IV&V and 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. The EDR2 project is classified as medium criticality.

IPOC services began July 2021 and conclude when the EDR2 solution is implemented in December 2026 and funding is requested annually throughout this period. Cost of IPOC services increased and funding requested reflects the updated CDT rates.

CDT's Gov Cloud Services - \$283,000

With the EDR2 Project, FTB is building upon and leveraging much of the technical architecture implemented during the EDR1 Project while introducing new, key technologies to advance the technical architecture implemented during the EDR1 Project. A common theme across those new, key technologies is that those technologies are "Cloud" ready. The EDR2 Project will leverage Microsoft Azure government cloud Infrastructure-as-a-Service (IaaS) to deploy the new, key technologies into development and test environments. This measured approach minimizes risk to production workloads while allowing FTB to take advantage of IaaS features such as the ability to easily provision new development and test environments and decommission environments no longer needed, performing system maintenance activities, applying software upgrades, and applying security patches. The ability to provision and decommission environments based on need allows FTB to only pay for infrastructure that is actively being used by development and test teams. Finally, during EDR2 contract negotiations with the Solution Partners (SP), FTB agreed to establish and pay for an interagency agreement with the California Department of Technology (CDT) for Microsoft Azure IaaS services. FTB reached this agreement with the SP because the cost of cloud services through CDT are more cost effective than the costs that the SP was able to negotiate directly with cloud service providers. The agreement between FTB and the SP is included in the EDR2 contract.

FTB requests funding to continue the interagency agreement with CDT for Microsoft Azure IaaS services. With this interagency agreement with CDT, FTB can leverage pre-negotiated, lower rates for cloud services and fulfill its contractual obligation to the SP. If this request is not funded, FTB will not be able to meet its contractual obligation, fully capitalize on the "Cloud" ready technology implemented by the EDR2 Project and elevate development and test environment contention during peak phases.

CDT's Gov Cloud Connectivity - \$313,000

With the EDR2 Project, FTB will leverage Microsoft Azure government cloud Infrastructure-as-a-Service (IaaS) to deploy new, key technologies and services into development and test environments. Before IaaS can be leveraged, FTB needs to implement connectivity and communication between FTB's on-premises network services and the cloud. FTB will procure connections to the California Department of Technology's (CDT) network (primary and secondary connectivity circuits for redundancy) which will then allow FTB to utilize a CDT service for Cloud Provider Interconnect to access the cloud. The connectivity between FTB and CDT is required for FTB to leverage Microsoft Azure IaaS services. Finally, FTB agreed to establish and pay for an interagency agreement with CDT for Microsoft Azure IaaS services during EDR2 contract negotiations. FTB reached this agreement with the SP because the cost of cloud services through CDT are more cost effective than the costs that the SP was able to negotiate directly with cloud service providers. The agreement between FTB and the SP is included in the EDR2 contract.

FTB requests funding to continue the interagency agreement with CDT for cloud connectivity circuits. With this interagency agreement with CDT, FTB can leverage pre-

negotiated, lower rates for cloud connectivity circuits and fulfill its contractual obligation to the SP. If this request is not funded, FTB will not be able to meet its contractual obligation and leverage IaaS.

IT Training – \$100,000

In anticipation and for planning purposes, FTB requests an annual appropriation of a \$100,000 training budget to support the demanding and emerging technologies that come with a project of this magnitude. During the EDR2 project, staff workloads will be migrating from their current legacy platform to the enterprise platform which most likely will require additional training, so that staff can gain the necessary knowledge and skills to successfully complete their new enterprise platform workloads. This budget is to support those on-demand needs that are outside the scope of knowledge management that the contractor supplies. In addition, this budget is required to prepare state staff to assume maintenance and operations support responsibilities once the EDR2 solution is fully implemented.

Audit Travel for Training for Trainers – \$11,000

FTB requests an annual appropriation of \$11,000 for Audit Division to send a few select trainers from thirteen offices to attend a Training for Trainers (T4T) session in one location. The EDR2 project is replacing Audit's current case management, modeling, and reporting systems. This will require training 1,000+ Audit staff, located in California, Texas, Illinois, and New York. This allows the trainers to become EDR2 SMEs who will return to their offices to train the business areas. T4T is provided directly to division specific trainers by the EDR2 vendor. FTB anticipates T4T training to be one to two weeks with classes running six to eight hours per day.

ARMD Travel for District Office Training – \$9,000

FTB requests an annual appropriation of \$9,000 for ARMD Trainers to deliver in-person training to field office staff. ARMD's career center plans to facilitate the development and presentation of EDR2's training to 1,225 staff including 171 field collection and public counter staff in five public field offices throughout California in the tax programs on the new systems and functionality.

C. Departmentwide and Statewide Considerations

The EDR2 project represents phase 2 of an enterprise wide TSM effort to align FTB's IT infrastructure with its strategic business plan.

The EDR2 project is vital to FTB's operations. The technology currently supporting two out of three of FTB's major legacy systems {(Accounts Receivable Collection System (ARCS), Integrated Nonfiler Compliance (INC), and Professional Audit Screening and Support System (PASS)}, which annually allow FTB to collect over \$4 billion in compliance revenue, are nearing end-of-life and will no longer be supported after December 31, 2025. Implementing the EDR2 project at this time is critical. Replacing these systems before they reach end-of-life will ensure FTB business operations generating significant compliance revenue for the state will not experience any critical failures. Additionally, the EDR2 project will improve efficiency and provide a better taxpayer experience while increasing revenue.

The EDR2 project supports FTB's mission to fairly and effectively administer the state's tax system and supports FTB's Strategic Plan Goals of Exceptional Service, Effective Compliance, Strong Organization, and Operational Excellence.

D. Outcomes and Accountability

The CDT's approved S1BA, S2AA, S3SD, and S4PRA supports this Budget Change Proposal (BCP) request and provides the details about the project scope, solution requirements, procurement and staffing strategy, solution development, evaluation methodology, and cost/payment model.

The EDR2 Business Director and EDR2 Technology Director will work with FTB's PPORM and Procurement units to oversee project activities and ensure all applicable policies, rules, guidelines and procedures are followed, as well as perform communication management, including status reporting, consistent with stakeholder and overseer needs.

The fiscal oversight of the project is the responsibility of both the Chief Information Officer (CIO) and the Chief Financial Officer (CFO).

FTB has taken various steps and requested funding to ensure a successful EDR2 implementation.

- A CDT IPOC will continue to be engaged to ensure project management activities, including schedule management; earned value analysis; and risk management, are executed consistent with industry best practices and standards.
- An IV&V and QA consultant will continue to be engaged to oversee and perform QA of the EDR2 project contractor and state activities to ensure execution is consistent with requirements.
- The independent security assessment consultant will continue to ensure that the EDR2 project contractor is not introducing new risks via security vulnerabilities to the state.
- FTB's ability to maintain the data integrity of Federal Tax Information, State Tax Information, or Personally Identifiable Information in its critical information systems is ensured to reduce the risk of losing public trust.
- New audit models, strategies, and products are realized. Audit Division has the ability to successfully select best value cases and complete quality cases efficiently, increase automation and process efficiencies, and ultimately reduce audit timeframes.
- PASS case unit data analysis and cleanup tasks are completed to ensure the data is ready for the modeling and conversion processes. Business rules are put in place for automating the data conversion from the legacy system data to the Enterprise Data Store for use by the new case management system in the EDR2 project.
- Cases in the ARMD collection legacy system are analyzed and resolved by the PIT Data Conversion staff prior to the contractor's automated conversion to the new case management system. Data integrity in the legacy collection system has been ensured and account issues have been resolved for the maximized effectiveness of the automated data conversion to the new case management system.
- New data fields from paper returns and stand-alone tax forms are timely captured and utilized for processing, modeling, noticing, validating, and verifying to create additional notices and increase revenue.

- Additional time sensitive workloads in the Health and Safety Unit related to the increase of enterprise staff will be addressed.
- Training and OCM activities will be created and developed to support FTB enterprise and field offices who will utilize the systems impacted by the EDR2 project.
- Creation of new ftb.ca.gov webpages from EDR2 project 22 new initiatives are successfully completed and provide information, next actions, and instruction on how to use self-services to taxpayers, practitioners, and business partners.
- New software and hardware will be acquired for increased activities planned for the EDR2 project.

The FTB will continue to carry out its mission in a manner that is fair, equitable, and consistent with the California Taxpayer's Bill of Rights Act.

E. Implementation Plan

- June 2024 – All documents to establish positions are prepared and approved by the Budget Officer and forwarded to the Department of Finance.
- July 2024 – Department of Finance notifies FTB of position approvals.
- July 2024 – Permanent, limited-term and permanent-intermittent positions are established and FTB begins hiring.

F. Supplemental Information (If Applicable)

None

Program Summary
Program Funding

Program Funding	Current Year	Budget Year	BY+1	BY+2	BY+3	BY+4
<i>(i.e., Program Number and Name)</i>						
Total All Programs	\$0	\$0	\$0	\$0	\$0	\$0

Pending Board Approval