Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR’s Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR’s website does not indicate CalHR support for the proposal.

### A. GENERAL INFORMATION

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<th>1. Date</th>
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<td>04/13/2022</td>
<td>Franchise Tax Board</td>
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3. Organizational Placement (Division/Branch/Office Name)

Technology Services Division

4. CEA Position Title

Chief Technology Officer

5. Summary of proposed position description and how it relates to the program’s mission or purpose. *(2-3 sentences)*

The Franchise Tax Board (FTB) requests to establish a new Chief Technology Officer (CTO) to assist with the demands of running the Technology Services Division (TSD) for the FTB and the taxpayers of California. By utilizing a CTO, the Chief Information Officer can focus on the mission of the TSD while the CTO can focus on the development of innovative ideas and new technologies and begin preparing the enterprise for the path of change.

6. Reports to: *(Class Title/Level)*

Chief Information Officer, CEA C

7. Relationship with Department Director *(Select one)*

- [x] Member of department’s Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.

- [ ] Not a member of department’s Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

*(Explain):*

8. Organizational Level *(Select one)*

- [ ] 1st
- [x] 2nd
- [ ] 3rd
- [ ] 4th
- [ ] 5th (mega departments only - 17,001+ allocated positions)
9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The Chief Technology Officer (CTO) will be responsible for a broad range of compatible activities that support both the Chief Information Officer (CIO) and its reporting Bureau Directors including all phases of the System Development Life-cycle while specifically focusing on enterprise architecture, technology operations management and technology innovation, and identifying strategies to meet governance objectives. The CTO will be responsible for transformation efforts while moving the FTB towards cloud-based infrastructures where appropriate, and establishing departmental standards for software, hardware, tool sets, and platforms setting the proper landscape due to the inherit risks that are associated with cloud-sharing of data and systems. The CTO will allow the CIO to lead the Technology Services Division and fulfill the role in sponsoring internal governance committees and representing FTB externally as part of the Statewide CIO Team.

The CTO will serve in a variety of roles, all which are technical in nature but will create and implement policies associated with the enterprise architecture, technology infrastructure, any future technology supporting the needs of FTB's programs. This role will help support the CIO's vision and mission for leading the TSD forward into tomorrow's ever-changing Information Technology (IT) landscape, which allows the CIO to focus on running the Division.

For instance, the CTO gives direction, leads innovation, and establishes policy, standards, and frameworks for FTB's technology architecture, utilizing the architecture review board made up of IT Specialist III's across TSD and the privacy and security bureau. The CTO will direct the enterprise architecture activities and provide design strategies and policies such as target architecture, platform standardization, real-time processing, environment design, and IT process automation.

This position will also interact with the TSD Bureau Directors, which includes setting innovation policy and processes, compliance methods, and developing road-maps and phasing strategies for implementation of governance objectives, to-be target architecture and TSD's strategic initiatives.
B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- ✔ Program is directly related to department's primary mission and is critical to achieving the department's goals.
- ☐ Program is indirectly related to department's primary mission.
- ☐ Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The Mission of the Franchise Tax Board is to help taxpayers file timely and accurate tax returns, and pay the correct amount to fund services important to Californians. To accomplish this mission, the CTO is responsible for the use and adoption of innovative technologies to ensure the FTB meets its mission at the lowest possible cost and highest efficiency while meeting all state IT mandates and policies. The FTB and the State do not have unlimited budgets. While budgets are being stretched and reduced, this requires active efforts in evaluating solutions to automate processes, digitizing more products and exploring off premises cloud solutions to allow the FTB to continue to meet its requirements with less cost in staff and equipment. The FTB cannot afford to continue to perform work in a status quo environment and continue to keep up with the demands of the public, our control agencies and Governor's office. In summary, this position will focus on new and standardized solutions to optimize our output while keeping costs down. See specific examples below.

The CTO supports the IT framework essential to the success of the FTB's programs. Technology is a means to help the FTB provide the most efficient and effective service to California's taxpayers. The CTO leverages the latest innovative technologies to facilitate all of its core business functions. The FTB uses technology to help taxpayers quickly and easily meet their tax obligations; whether checking a refund status via mobile device, making a payment via telephone, or finding tax return answers by simply visiting our website. Due to technology, 88% of taxpayers with a requirement to file, utilize FTB's on-line filing program (eFile) which allows taxpayers to file taxes timely and accurately. The CTO's role will use additional innovation increasing automation to provide self-service for taxpayers to help increase this number. This will result in cheaper and more efficient process allowing FTB to better utilize it's limited resources. For example, a return filed and processed electronically is 600% cheaper than processing the same return via paper filing and processing. This is a significant operational savings to FTB and ultimately the taxpayers.
B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

Throughout the IT industry, new technological advances are continuing to enable advances in customer services and experiences. We now see technology advancements and innovation change daily versus yearly or even across decades as in the past. The needs and expectations of the customers are ever changing and at a rapid rate and requires additional focus on innovation and business services. IT departments need business-minded CTOs, empowered with technical savvy, to meet rapidly evolving standards in setting up their organizations for business longevity and success.

An example of the IT complexity at FTB requiring a CTO would be the amount of technology tools FTB utilizes. Currently FTB has over 2800 different technology tools and products stacked on a very complex technical environment. In addition to the need for these tools to interface and work together is the speed and capacity to handle FTB’s peak processing season in April. Many of FTB’s configuration of these tools are unique in the IT industry which adds additional complexity and innovation needed to resolve and maintain our operational needs. The CTO needs to identify new products that can simplify and subsequently reduce the current number of products needed to meet our business goals. Simplifying or reducing the complexity of a system is actually harder and requires more attention than just adding additional products.

A Chief Technology Officer is responsible for overseeing all technology innovation and implementation for a department. Their internal focus on IT operations allows them to understand what technologies help employees become productive and do their jobs, which technologies can increase process efficiency, and ways to improve the overall operation through strategic technology implementation. Having both a focus on understanding FTB’s business operations and a working knowledge of the industry-specific technology tools available, they help to assign the right technology solution to solve business problems, advance opportunities, and make daily operations more efficient at lower departmental cost.

The expectations of California taxpayers for dynamic technological solutions has increased significantly based on direct taxpayer feedback from education and outreach events, online surveys, focus groups, call center complaints and has been further, validated by industry research from McKinsey, Gartner, Forrester and Federal GAO (U.S. Government Accountability Office) reports. This need has been further validated by the new administration’s creation of the Office of Innovation, which is part of Government Operations Agency and the Department of Technology. Both provide oversight to the FTB and any IT efforts including statewide expectations from the Governor’s office. Their key initiative being ‘customer experience’ and their expectations that state services will be dynamic to meet our customer’s needs. For example, taxpayers now want to conduct business on mobile devices and want information in real time. These expectations increase the FTB’s responsibility meet customer needs while keeping costs flat or reduced. FTB measures it’s success by comparing a baseline cost year over year against performance measures including but not limited to revenue generated, returns, payments, refunds and correspondence processed, turn-around time frames, etc.

CIO’s no longer have enough time or expertise to dedicate to a real understanding of new technology and innovation, how it is often applied in their industry, the technical trends, and how they can improve their company with technology. FTB is no exception to this with the CIO being responsible for maintaining over 200 systems ranging from Tax, Non-tax, Human Resources, Financial, Administrative and Security. A CTO is needed to focus on the product FTB provides its customers in these areas while assuring we are using the best technology for these specific customer segments. To have this customer focus, a CTO is needed not just because of the singular focus on the customer, but also because so many technologies exist now that can improve a product, but also add to the level of support customers need with those products.
12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

Being responsible for innovative technologies and their uses, the CTO will be responsible for the strategic alignment of technology and innovative practices to meet the current IT mandates, best practices, industry trends and FTB's future business demands. Specific policies will be identified depending upon the research performed and solutions identified. Policies will cover the implementation of new products or processes and associated protocols for technology maintenance, monitoring, evaluation and optimization. Some examples include: FTB's overall Target Architecture including Server Platform, Operating System, Programming Languages, Database Management Systems, Cloud Technology, Digital First policies, standards, and supporting tool sets and strategies used to enhance technology products and services that directly impact FTB's tax and non-tax programs and FTB's revenue-generating mission.

The CTO will review proposed legislation, statewide policy and create new policy creation and/or amend existing policies to ensure IT solutions meet the intent of the law and business needs for the administration including fair and equitable treatment of taxpayers and/or stakeholders and optimum use of technology. An example of new legislation is the recent healthcare mandate that puts the FTB into the healthcare business by capturing healthcare information on the income tax return, reconciling healthcare subsidy information and implementing penalty provisions. This requires us to look at virtually all technology solutions and processes to determine where we can integrate into existing technology and processes and where we have to build anew. Policies include IT methods or guidelines for development, target architecture, policies and models, software and hardware policies and standards as well as interpretation and application of the FTB and statewide security policies, State Administrative Manual (SAM) policies and mandates (especially those impacting IT), and Statewide Information Management Manual (SIMM) policies and mandates. For example, the Internal Revenue Services (IRS) has mandates around how we process and store Federal Tax Information (FTI) that requires us to update our systems and processes to keep up with the latest security standards. The impacts to IT policies are analyzed for effects on our 200+ systems ranging from tax, compliance, filing enforcement, audit, legal, non-tax, human resources, administration, and financial. A single proposed legislation for data might impact all systems and changes policies, procedures and standards for all IT areas. These changes are very complex and takes and understanding of state IT policies, FTB IT policies, FTB business policies, FTB strategic and operational goals as well as numerous other national and federal guidelines. The CTO also sets departmental policy to support statewide policies and mandates, such as IT letters issued by the California Department of Technology to convey official communications regarding state IT policies and procedures. The CTO establishes FTB's overall technology direction, policies and standards used to develop technology products and solutions in support of external mandates and FTB strategic objectives and delivery of mission critical services in support of the FTB's automated systems, Systems of Work (SOW), and other FTB customers and stakeholders. The CTO will work with its senior leadership colleagues, stakeholders and CIO to ensure FTB adheres to the technology policies, standards and direction.

As a member of the FTB's executive management, the CTO will be expected to collaborate with all stakeholders by participating in the FTB's governance process as voting members of the FTB's action committees such as the Compliance Action Committee (CAC), Resource Allocation Action Committee (RAAC), Customer Service Action Committee (CSAC), Technology Action Committee (TAC), Internal Business Action Committee (IBAC), or the Privacy and Security Action Committee (PSAC). Each of these action committees address enterprise-wide policies and practices affecting the FTB's business processes, external customers, finances, security, human resources, and operations.
13. What is the CEA position's scope and nature of decision-making authority?

The CTO is responsible for the use and adoption of innovative technologies to ensure FTB meets its mission at the lowest possible cost and efficiency while meeting all existing state IT mandates and policies. Unlike the existing CIO and Bureau Directors, the CTO looks at innovation and the use to technologies to better meet FTB business needs while the CIO and Bureau Directors are more focused on enhancing and maintaining existing technologies and tools. For example, the existing CIO and Bureau Directors are supporting and maintaining the existing demands of 88% of the taxpayers filing electronically while the CTO is looking at new technologies and innovations to increase the percentage of taxpayers to file electronically. The decision-making authority of the CTO involves new technology and innovative process policies to further improve FTB's processing cost or efficiency, while the CIO and bureau directors is around existing operational policies and practices. In other words, the CTO is primarily focused on innovation whereas as the CIO and Bureau Directors are primarily focused on running the operation without having the time needed to spend on innovation.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The CTO will be developing new policies for the adaption, use and support of new technologies and innovation. For example, they will be required to develop policies on FTB's use of new technologies, such as moving digital first in our creation of products and services, and introducing and enforcing target technology architecture. Policies will be determined based on research, results and identified solutions.