

- For Information
 For Discussion
 For Decision Making

BOARD OF EQUALIZATION
INFORMAL ISSUE PAPER

Customer and Taxpayer Service Level – 1-800 Number/Information Center

Issue:

Maintaining service levels in the Board's Information Center

Background:

As part of an overall agency effort to improve customer and taxpayer service, an agency-wide 1-800 Number/Information Center was established in 1995. Its purpose was to provide a central point of contact where customer and taxpayers could quickly and easily obtain tax information, forms and other services, thereby improving customer service and enhancing voluntary compliance. The Information Center was originally staffed with 11 Customer Service Representatives (CSRs) who initially handled calls from Sales and Use Tax Department (Tax Opinion Expert), different areas within Special Taxes Department (Excise Taxes, Environmental Fees and Fuel Taxes) and the Fresno District Office. Board of Equalization (BOE) staff throughout the state began providing the 1-800 number to facilitate service delivery, thus generating direct calls to the Information Center. Over time, the remaining field office phone numbers were forwarded to the 1-800 number, providing English or Spanish-speaking callers with answers to general tax information questions and other services. Callers requiring account-specific assistance were directed to the respective field offices.

In 1997, the Board directed staff to meet a quarterly 90-second Average Speed of Answer (ASA). (*Average Speed of Answer is the average time you are expecting or targeting callers to wait in queue before connecting to a CSR.*) At that time, the annual call volume for the Board's 1-800 number was 75,000 calls. The 90-second ASA target was recommended after staff reviewed existing industry standards, both government and private, and identified improvements that would help meet the goal.

Today the 1-800 number is widely publicized as part of the Board's education and outreach programs and in Board publications. Workload associated with answering 1-800 number calls includes processing applications for seller's permits, updating taxpayer registration information, closing out taxpayer accounts, preparing tax evasion referrals to the appropriate field offices, and is also known as After Call Work (ACW). CSRs also respond to over 8,000 email inquiries annually.

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The number of callers choosing to speak to a CSR continues to surpass the number of callers choosing automated services. Automated information and services offered through the 1-800 number has changed little since its inception. While useful for obtaining forms and publications and other static materials, automated services are limited for those who require more complex information.

As with all call center operations, our service level goals are continually challenged by staff turnover. Our ability to recruit and hire has been complicated by a variety of factors beyond our control, such as:

- Hiring Freeze (Executive Order D-48-01);
- Budget Change Proposal No. 11 (mandatory staff reductions identifying four positions in the Customer and Taxpayer Services Division); and
- Assembly Bill 2866 (Chapter 127, Statutes of 2000) abolishing positions vacant for six consecutive monthly pay periods.

There are currently 24 permanent/fulltime positions on line in the Information Center (Tax Technician I, II, and IIIs). As of this date there are seven vacancies. Two of those vacant Tax Technician positions will be permanently eliminated as of July 1, 2002. Five vacant Tax Technician positions remain. A third position in the Information Center, an Assistant Information Systems Analyst (AISA) has been identified for elimination, which would leave the actual proprietary phone system vulnerable. (The fourth position targeted for elimination is in the Education Outreach Section.)

During calendar year 2001, the Information Center vacancy rate average was 41.7%. Through the first quarter of 2002, the Information Center has experienced an average vacancy rate of 29%.

Turnover rates of 20.8% in the Information Center are higher than the agency turnover rate of 8.2%. High rates of employee turnover are typical for both government and private information center environments. The intensity of the work, scheduling requirements, ongoing training and educational demands, promotional opportunities or lateral transfers to entities with freeze exemptions result in continuous vacancies.

During the calendar year 2001, the Information Center received a total of 622,000 calls. CSRs handled 391,000 (62.7%) with 191,000 calls (30.6%) going to automation. In the same time period, CSRs processed 5,000 applications for seller's permits; processed 10,500 registration-related changes to taxpayer accounts, closed out 2,800 accounts, and handled 8,400 emails. While we have not significantly exceeded the quarterly ASA goal, the recent increase in the number of vacancies, the typically high turnover rate and the increasing workload have made the Board's 90-second ASA difficult to reach and maintain. Board Members were apprised of recent spikes in the ASA by Mr. Speed and Ms. Dale. A subsequent request from Board Member Klehs requested an item be placed on the Customer and Administrative Efficiency Committee. Committee Chair Parrish and Board Member Klehs agreed on the April 17, 2002 calendar.

Discussion:

The Customer and Taxpayer Services Division was implemented as part of an overall agency effort to improve customer and taxpayer service. Centralizing certain functions in the Information Center is consistent with many of the strategies identified in the BOE Strategic Plan, and has enhanced our ability to fulfill our mission and attain our goals.

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Some key advantages of providing information in a centralized manner include the ability to:

- ensure more consistent agency-wide response;
- monitor and evaluate service levels and identify customer needs;
- set measurable standards for service and evaluate program performance;
- enhance taxpayer education and information;
- ensure convenient taxpayer access; and
- allows field office staff to focus on compliance and audit activities that are revenue-producing.

Likewise, some of the disadvantages are:

- customer dissatisfaction with waiting for service;
- costs associated with maintaining the infrastructure of a 1-800 number and associated Center; and
- staff turnover based on the constant and repetitive nature of the activity.

Impact of Call Volume on ASA

The Information Center is subject to peaks in call volume that fluctuate hour-to-hour, day-to-day. The number of CSRs available to answer calls is directly related to the ASA. Many factors increase the call volume including the return mailings, compliance notices and change of reporting requirements, new agency-wide programs, sales tax increases/decreases, special tax and fee programs, special mailings, and legislative mandates. While some of these services can be obtained through automation, email or Internet, the majority of callers select to speak directly to a CSR. Call volume, staffing levels and ASA are routinely monitored and adjusted accordingly. Current vacancies are severely impacting the ability to maintain consistent ASA and provide timely and accurate ACW responses to taxpayers' requests. In addition, other workload previously identified (e.g. registration and closeouts) is being impacted.

Steps Taken to Mitigate the Situation

Executive management continues to engage in collaborative problem-solving, working with all levels of agency management and staff to develop solutions to address call-related and other after-call and non-call workload. To ensure continuity of service to the public while attempting to minimize adverse impact to service levels, several short- and long-term efforts have been implemented to address vacancies and workload issues. For example:

- submitted freeze exemption requests to DOF, which were denied. Hiring freeze exemptions have been resubmitted after a meeting with DOF staff;
- monitoring call volume, ASA and staffing levels, and making adjustments to match the number of staff available to answer calls to anticipated call volume;
- implemented operational efficiencies and process changes;
- re-directed Internet e-mail workload to the Sales and Use Tax Department for processing;
- re-directed calls for all areas of the Property Taxes Department to PTD staff for processing;
- identified staff from the Return Analysis Section to be temporarily re-assigned and scheduled to work in the Information Center until the end of the fiscal year;

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- identified agency staff affected by state-mandated staff reductions via the BOE Internal Restriction of Appointments (IRA) list as a recruiting pool.

Alternatives:

Raise the ASA to two minutes as an acceptable Board-directed standard pending further analysis.

An informal review of industry standard indicates that in general, government customers are willing to wait at least two minutes before abandoning the call. Franchise Tax Board (FTB) sets its goal for answering calls at two minutes 80% of the time; Employment Development Department (EDD) standard is two minutes 90% of the time; and, Sacramento Municipal Utility District (SMUD) sets its goal at two minutes as reflected in a survey of its ratepayers. We have not received customer feedback indicating BOE customers are unwilling to wait. In fact, preliminary statistical information derived from the call system itself, illustrates they are willing to wait about two-and-a-half minutes before hanging up. However, this information has not been validated with the customer.

The agencies we contacted utilize forecasting and scheduling software to manage call volume and staff appropriately. They also have entire units devoted to providing technical support for their systems. For example, FTB staffs 13 positions to provide technical support for their call center.

To effectively evaluate our existing service levels, including the ASA, we must consider several elements, including obtaining customer feedback and identifying customer expectations, and analyze and evaluate existing and future data. This alternative does not conform to the current Board-mandate of 90 seconds and the potential exists for a higher call abandonment rate and customer dissatisfaction. However, it sets a generally acceptable wait time for customers while additional statistical analysis and workload assessment is conducted.

Recommendation:

Staff recommends that the Board:

- adopt a higher ASA;
- in an effort to better assess Information Center service, explore other customer service measurements, such as time to complete after call work, process mail in registrations; and
- continue efforts to better assess resource needs, fluctuations and timing, including evaluation of forecasting software and upgrades to the existing proprietary system.

Conclusion:

The Information Center continues to provide a centralized and cost-effective means for educating the taxpayer, and providing general tax information to the public. To continue doing so, it is critical to maintain consistent levels of trained staff.

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In light of the budget cuts and in today's economic environment, the current ASA standard can no longer be sustained with the existing number of vacancies, but whatever ASA target is set should be chosen with due consideration given to the cost to reach it. At the same time, Board management will continue to explore all staffing alternatives and to seek an optimum mix to address workload peaks and provide a quarterly status to the Board members.

Since customer service is an enterprise priority for BOE, the focus of customer service measurement must change from an internal focus on the resources available to an external focus on the real customer expectation and the methods we select for measuring workload and performance need to reflect all aspects of the workload associated with the Information Center.

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