

Memorandum

To: Honorable Jerome E. Horton, Chairman
Honorable Michelle Steel, Vice Chair
Honorable Betty T. Yee, First District
Senator George Runner (Ret.), Second District
Honorable John Chiang, Controller

Date: August 31, 2012

From: Jeffrey L. McGuire, Deputy Director
Sales and Use Tax Department, MIC-43



David J. Gau, Deputy Director
Property and Special Taxes Department, MIC 63



Subject: Board Meeting September 12-13, 2012
Item P1-Executive Director's Report
Introduction of Proposed Efficiency and Effectiveness Initiative

Please place this item on the Board's September 12-13, 2012 Sacramento meeting calendar under "P. Other Administrative Matters."

P. Other Administrative Matters

P1. Executive Director's Report Ms. Bridges

Efficiency and Effectiveness Initiative – Introduction, Discussion; Request for Approval
..... Mr. McGuire/Mr. Gau

JLM:bem

Attachment

cc: Ms. Regina Evans-Jarrett
Mr. Joel Angeles
Mr. Alan LoFaso
Mr. Sean Wallentine
Ms. Marcy Jo Mandel
Ms. Kristine Cazadd

Approved _____



Cynthia Bridges
Executive Director



EXECUTIVE SUMMARY

Efficiency and Effectiveness Initiative

The Board of Equalization (BOE) continues to face significant challenges due to the state's economic situation. We remain committed to our on-going efforts to enhance efficiencies, effectiveness, and responsiveness by continuing to review and improve internal processes and procedures, eliminate waste, provide continuity of service throughout the customer experience, and capture the knowledge and experience of employees for the benefit of the organization, stakeholders and the next generation of employees.

The BOE's holistic approach for enhancing efficiencies, consolidating functions, and optimizing customer service across all tax programs parallels the BOE's four goals and objectives detailed in the BOE's Strategic Plan 2010-2015:

- Improve the Taxpayer Experience
- Maximize Voluntary Compliance
- Invest in a Skilled, Motivated and Diverse Workforce
- Enhance Operational Effectiveness

The approach taken by the BOE has been successful and resulted in enhanced efficiencies through recent efforts and accomplishments.

In conjunction with the BOE's Strategic Plan and "Best Practices" learned from the BOE's current efficiency and effectiveness efforts, we are recommending the Sales and Use Tax Department (SUTD) and Property and Special Taxes Department (PSTD) continue to engage in a focused commitment to identify, develop, and implement goals and objectives by taking our overall efficiency and effectiveness efforts to the next level through the "Efficiency and Effectiveness Initiative" (Initiative). Pursuing this Initiative provides the BOE with the opportunity to build upon our innovative achievements, shepherd resources, and evaluate overall agency effectiveness. The Initiative includes but is not limited to the following goals and objectives:

- I. Improve the Taxpayer Experience:
 - Enhance Communication through Web Services
 - Enhance Continuity of Service throughout the Customer Experience
- II. Maximize Voluntary Compliance:
 - Improve Taxpayer Education and Outreach
 - Enhance the Statewide Compliance and Outreach Program (SCOP)
- III. Invest in Skilled, Motivated and Diverse Workforce:
 - Enhance Staff Productivity
 - Improve Recruitment, Retention and Upward Mobility



EXECUTIVE SUMMARY

Efficiency and Effectiveness Initiative

IV. Enhance Operational Effectiveness

- Enhance Audit Program
- Enhance Compliance Program
- Build upon Best Practices

In order to achieve and measure the goals set forth in the Initiative, the SUTD and PSTD will coordinate their efforts by moving in step with the BOE's "The 2020 Plan, Roadmap to the Future" (the 2020 Plan). The foundation provided by the roadmap established in the 2020 Plan will be used by SUTD and PSTD to tap into our wealth of internal knowledge and experience and to find innovative ways to deliver greater efficiency, effectiveness and responsiveness.

With your support, we recommend moving forward with this Initiative. During the November 2012 Board meeting, the Deputy Directors of the Sales and Use Tax Department and Property and Special Taxes Department will provide an update on their progress.