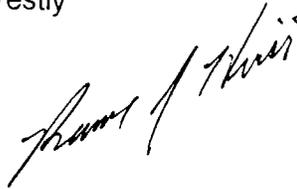


Memorandum

To : Honorable John Chiang, Chair
Honorable Claude Parrish, Vice Chairman
Ms. Betty T. Yee, Acting Member
Honorable Bill Leonard
Honorable Steve Westly

Date : November 15, 2006

From : Ramon J. Hirsig
Executive Director



Subject : 2007-2011 Strategic Plan

Attached please find the latest version of the Board of Equalization's 2007-2011 Strategic Plan, which contains many of the additions made by Board Members and other stakeholders.

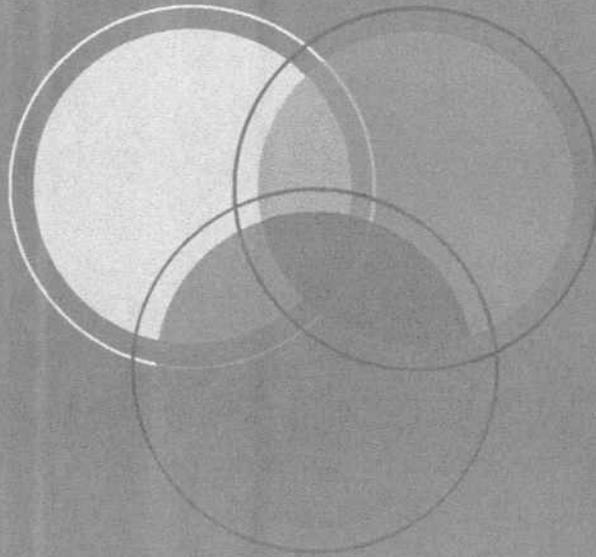
I look forward to providing you with an oral update at the November 20 Board Meeting.

RJH:rar

Attachment

cc: Ms. Audrey Noda
Mr. Neil Shah
Mr. Alan LoFaso
Mr. Mark Ibele
Ms. Barbara Alby
Ms. Marcy Jo Mandel
Executive Team

California State Board of Equalization



2007-2011 Strategic Plan

Betty T. Yee, Acting Member, First District

Bill Leonard, Second District

Claude Parrish, Third District

John Chiang, Fourth District

Steve Westly, Controller

Executive Director, Ramon J. Hirsig

2007 – 2011
California Board of Equalization Strategic Plan

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2007 – 2011
California Board of Equalization Strategic Plan

A MESSAGE FROM THE EXECUTIVE DIRECTOR

November 2006

As the Board of Equalization's 13th Executive Director, it is with great pleasure that I present to you our agency's strategic plan for the period 2007 – 2011.

While this plan continues the Board's long-standing commitment to customer service and efficiency in governmental services, it represents a major turning point in how we plan to deliver those services. Through technology, we will provide more services at reduced costs with increased accuracy.

This document defines the agency's purpose, core values and vision, along with the goals, strategies and measures of success we intend to follow to achieve the vision. This strategic plan also recognizes that the rights of taxpayers are truly important and will be honored.

We look to the challenges before us and are very proud to be a part of the Board of Equalization as we move closer to the next decade.



Ramon Hirsig
Executive Director
California State Board of Equalization

2007 – 2011
California Board of Equalization Strategic Plan

PART I: OUR ORGANIZATION

The Board's five Members, who serve concurrent four-year terms, constitute the nation's only elected tax commission. One Member is elected from each of California's four Equalization Districts. The State Controller, elected at large, serves as the Board's fifth Member. The Board's Executive Director, appointed by the Board Members, directs approximately 4,000 agency employees, who carry out the Board's mission, goals and directives.

The State Board of Equalization collects taxes and fees that provide more than 36 percent of the annual revenue for state government and essential funding for counties, cities, and special districts. In fiscal year 2004-05, Board-administered taxes and fees produced \$49.95 billion for education, public safety, transportation, housing, health services, social, and natural resources management.

The Board administers the state's sales and use tax, fuel, alcohol, tobacco, and other taxes and collects fees that fund specific state programs. More than one million businesses are registered with the agency.

In addition to administering key revenue programs, the Board plays a significant role in California property tax assessment and administration. It also acts as the appellate body for franchise and personal income tax appeals.

PART II: STRATEGIC FOCUS

A. Purpose

“The mission of the State Board of Equalization is to serve the public through fair, effective, and efficient tax administration.” Responsibilities include:

- Administer agency tax and fee programs
- Adopt rules and regulations clarifying the laws it administers
- Act as an appellate body for the review of property, business, and income tax determinations
- Assess and allocate property values of railroads and specified utilities
- Oversee the property tax assessment practices of 58 county assessors

B. Core Values

As we carry out our mission and work toward accomplishing our goals, we must be sure that the decisions we make, strategies we adopt and the actions we take are consistent with our fundamental and shared beliefs and values as expressed below:

- ***Fairness:***
 - ❑ Adhere to the highest ethical and professional standards
 - ❑ Be fair and objective in our treatment of all taxpayers and consistent in our administration of the law
 - ❑ Maintain a work environment free of discriminatory practices
 - ❑ Treat every individual with respect and courtesy
- ***Effectiveness***
 - ❑ Honor and safeguard all taxpayer and employee rights
 - ❑ Value the individual and the contribution each makes to our organization
 - ❑ Be persistent promoting and encouraging voluntary compliance with the tax laws
 - ❑ Be firm in adhering to our fundamental principles and values, yet flexible in our methods for serving the public and accomplishing our goals
- ***Efficiency***
 - ❑ Achieve program objectives at lowest possible cost
 - ❑ Foster and encourage teamwork, creativity and innovation
 - ❑ Provide services and work products of the highest quality
 - ❑ Be diligent in identifying ways to improve and simplify the process for understanding, reporting and paying taxes and fees

C. Vision

This plan will lead this Agency into the future with a positive impact on taxpayers and their interaction with the Board of Equalization, our employees and how efficiently they work, and other state agencies in the exchange of information and data.

For example, if a taxpayer owns a retail store with an attached service station, they likely have to file sales and use taxes, electronic waste fees, underground storage tank fees, tire fees, and perhaps more. For each of these taxes and fees, the taxpayer currently fills out a different form each month, mostly on paper and with different due dates. If this strategic plan is fully implemented, it is our vision that the taxpayer will enjoy a seamless experience between these separate tax programs, with the ability to either file on-line or by paper, in a consolidated way, at the taxpayer's leisure any time day or night.

For our employees, this would mean a simple way to access all information from all programs about any given taxpayer. This will lead to greater efficiencies and the ability to be more productive in day-to-day tasks.

And to the other state agencies with whom we share common tasks, we will more easily be able to exchange data that will allow each of us to more efficiently and effectively conduct our business.

Consistent with this vision, the Board of Equalization of the future will:

- Dramatically increase the level and quality of our "on-demand" services so that taxpayers and other stakeholders can access what they need, when they need it.
- Develop a staff that cares deeply about our core values and continually enhances the quality of our work.
- Provide expanded protection of taxpayer rights.
- Increase the efficiency of our tax and fee collection efforts.
- Respond timely and effectively to new tax and fee programs and changes in existing programs.
- Integrate our services internally and with those of other related agencies to help create a virtual, seamless experience for tax and fee payers and other stakeholders.

PART III: GOALS, STRATEGIES AND OBJECTIVES

Goal 1: Improve Voluntary Compliance

The Board of Equalization is committed to eliminating barriers that may prevent tax and feepayers from meeting legal requirements for doing business. The following strategies will provide new ways to help them understand and comply with the tax and fee laws administered by the agency.

- Provide more self-service options for tax and feepayers to manage their own accounts and liabilities
- Constantly seek opportunities to simplify taxes and fees, and the associated administrative burdens
- Create new educational tools/guides in multiple languages to easily assist tax and feepayers
- Provide tools for tax and fee payers to self audit
- Integrate our services internally with those of other related agencies to help create a vital, seamless experience for the tax and feepayers and other stakeholders

Measures of Success/Progress

- Make e-filing and e-registration available to all tax and feepayers by 2010
- Develop and implement proposals to address areas of non-compliance
- Evaluate all existing educational tools and identify and address unmet needs

Goal 2: Improve Ease of Access to BOE Information

Our agency recognizes the diversity of California's population. To meet the varied needs of our tax and fee payers, the Board of Equalization will use different outlets to make information readily available.

- Cultivate external partnerships with tax and fee payers to better identify access needs
- Deliver new/innovative outreach programs
- Continuously improve the usability of web services
- Expand online distribution of tax information
- Respond to Public Records Act requests in a legal, timely, and courteous manner

Measures of Success/Progress

- Improve accessibility of web services to meet federal requirements
- Leverage internal resources for translation services and improve translation services
- Provide legal opinions and related documents on web
- Provide online account maintenance on demand

Goal 3: Create a Great Workplace

Our agency will actively pursue ways to keep our employees informed, acknowledge their contributions to the agency's overall success, and champion an effective statewide civil service process, while maintaining and improving program efficiencies.

- Improve internal communications
- Increase training opportunities for staff development
- Promote ongoing efforts to ensure successful implementation of succession plans
- Create a work environment that continuously recognizes employees accomplishments and contributions
- Implement best practices in personnel administration
- Seek innovative recruitment opportunities to obtain high quality staff

Measures of Success/Progress

- Develop cross departmental communication opportunities through face to face meetings, multi-media information sharing, and written communications
- Increase opportunities for employees to receive continuous education and professional certifications
- Increase leadership opportunities through onsite training and expanded rotational assignments
- Increase candidate pool for job vacancies
- Achieve optimum staffing ratios to ensure ratios support optimum workload management
- Improve parity in the BOE workforce

Goal 4: Improve Tax and Fee Program Efficiency

Board of Equalization programs are directly responsible for the administration of revenue that is vital to the funding of many of California's critical services. The following strategies will provide ways to efficiently assist the assessment, collection, and allocation of revenues as required by law.

- Streamline processes to increase efficiencies
- Improve utilization of data sharing and joint efforts with other state and federal agencies
- Create a constant learning environment to test and identify innovative compliance strategies
- Develop and model specific strategies for collecting unpaid taxes that are due
- Improve audit selection and collection modeling
- Provide effective and timely data and feedback on key program indicators

Measures of Success/Progress

- Increase audit productivity
- Conduct joint audits between tax and fee programs
- Increase the number of potential compliance leads through more effective matching of data
- Identify and implement new approaches to traditional audit, collection, and return processing functions

Goal 5: Create an Effective and Responsive Infrastructure

Today's need for more information faster, coupled with ever-changing shifts in technology make it more important than ever for the Board of Equalization to be able to respond quickly to new laws and evolving business needs. By using a systematic approach to change, our agency will be able to respond more efficiently to the needs of those we serve.

- Identify and plan for new and emerging trends
- Focus on core strengths and competencies and bring in experts as needed
- Extend and modernize the technology systems
- Employ "state of the art" security methods and tools to protect taxpayer information

Measures of Success/Progress

- Initiate repeatable processes to improve responsiveness to mandated changes
- Provide an expanded level of service offerings available directly to the taxpayer
- Exchange data with state agencies and Board business partners in real time
- Continue to ensure there are adequate security measures in place to protect taxpayer information
- Reduce number of IT service requests
- Create a technology system that is more modern and better addresses business needs
- Create a comprehensive plan to develop a corporate data warehouse and data marts to facilitate the use of the Board's data in improving operations and compliance efforts

Goal 6: Provide Better Protection of Taxpayer Rights

Continue to look for more approaches to support taxpayer rights, as we streamline current processes and seek new ways to help improve the hearing process. We will honor and safeguard the rights of all taxpayers in everything we do.

- Increase public awareness of taxpayer rights
- Streamline/expedite the appeals process
- Expand access to legal representation throughout the appeals process

Measures of Success/Progress

- Sustain staff training on taxpayer rights
- Ensure each taxpayer has the opportunity to utilize pro bono services in the appeal process
- Continue education and expand outreach efforts in support of taxpayer rights
- Create a user friendly legal web page
- Resolve taxpayer complaints rapidly

PART IV: OUR STRATEGIC PLANNING PROCESS

A. Developing the Strategic Plan

The development of our strategic plan was based on our active participation in a series of processes that allowed us to look at today's environment, consider future needs of our organization and those we serve, and to develop goals and measures that help our organization move forward. Development of this plan involved our clearly defining the following:

- Purpose – Why the organization exists
- Core Values – What is essential to its success
- Vision – Where the organization is going
- Goals – Long-term priorities
- Measures of Success – Short-term quantifiable results
- Strategies – Long-term plans for allocating resources
- Actions – Specific actions, responsibilities, and timetables

As part of the process, Board staff and key stakeholders were surveyed regarding opportunities for improvement. Each member of the executive management team then developed a vision of success. Those visions were merged and are reflected in this document.

Our goal was to make this a viable and living plan. We have intentionally streamlined the content of the plan to allow us to focus on key opportunities, while keeping it sufficiently broad to allow us flexibility in meeting the challenges that we will face over the next five years.

B. Living the Strategic Plan

A plan is only as good as its execution. Accordingly, as part of this planning process, each member of the Executive Team will annually develop a three-year business plan which identifies the specific actions each will take in achieving the agency's and departments overall goals and objectives. As a part of that annual process, we will prepare a formal report evaluating our success in the previous year.

An accomplishments report will be provided annually.