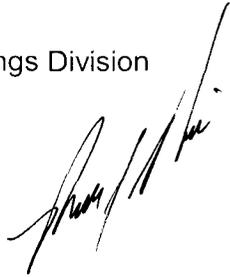


# Memorandum

To : Ms. Diane Olson  
Chief, Board Proceedings Division

Date: August 10, 2010

From : Ramon J. Hirsig  
Executive Director



Subject : **Board Meeting – August 24-25, 2010  
Executive Director’s Report**

Please place the following item on the Board’s August 24-25, 2010 calendar under Administrative Session:

**P. Other Administrative Matters**

- P1. Executive Director’s Report ..... Ramon J. Hirsig**
- a. *BOE 2010-15 Final Strategic Plan and 3 Year Business Plan 2010-13*.....Mr. Hirsig**  
Briefing on the Final BOE 2010-2015 Strategic Plan and accompanying 3-Year Business Plan. No Board action required.

# 3 Year Business Plan 2010-2013

State Board of Equalization



Honorable Betty T. Yee  
First District  
San Francisco

Honorable Michelle Steel  
Third District  
Rolling Hills Estates

Honorable Jerome E. Horton  
Fourth District  
Los Angeles

Honorable John Chiang  
State Controller

Honorable Barbara Alby  
Acting Member  
Second District  
Sacramento

Ramon J. Hirsig  
Executive Director



## FOREWORD

The attached Board of Equalization *3 Year Business Plan 2010-2013* is the work plan that will help BOE achieve the four Goals of the recently adopted Strategic Plan 2010-2015:

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

The *Business Plan* adopts the Objectives that support each Goal and, through Measures of Success and Key Deliverables, details the concrete projects and tasks that will enable BOE to meet these Goals.

The Measures and Key Deliverables listed in the *Business Plan* represent only the highest priorities of the BOE departments and staff. The day-to-day work accomplished at BOE and the many special projects that are regular requirements in meeting our mission are too extensive to include this plan.

The *Business Plan* is designed to serve as a guide for BOE staff in the conduct of the Board's business. As a living document, the plan may change over its three-year life as new information becomes available or new priorities arise.

Underlying the *Business Plan* are common threads tied to BOE's core values of fairness, effectiveness and efficiency. In addition, the plan is consistent with the Strategic Plan Vision Statement: BOE will to be a trusted partner to the citizens of California and will provide taxpayers easy and convenient processes to interact with BOE.

Some tasks listed in the plan will require BOE to obtain added resources. As these needs are identified, BOE will prepare the requisite funding requests and present them to the Board for approval.

Accountability for *Business Plan* tasks and projects will be monitored through semi-annual reports. The reporting task will be aided by a 3 Year Business Plan database.

I encourage all staff to review this latest version of BOE's *3 Year Business Plan 2010-2013* for an overview of BOE's operational and administrative goals.

**Ramon J. Hirsig**  
Executive Director



## GOAL 1: IMPROVE THE TAXPAYER EXPERIENCE

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
<p><b>1.1 Expand Communication through Web Services</b></p> <p>BOE will expand eServices to provide additional options for filing and registering electronically while providing means to enable other taxpayer transactions.</p>	<p>a. BOE will facilitate easy online registration and filing by:</p> <ul style="list-style-type: none"> <li>• Implementing eRegistration for all tax and fee programs.</li> <li>• Providing more efficient electronic payment options.</li> <li>• Initiating other online services for the convenience of taxpayers.</li> </ul>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Implement the Online ACH Debit Payments phase of the eServices Expansion Project (ESEP).</li> <li>2. Determine additional online services to be provided in conjunction with the development of the Centralized Revenue Opportunity System (CROS) that will replace IRIS and ACMS (see Measure 4.2.b).</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Implement the ESEP phases for eRegistration, which will enable most taxpayers to apply for permits online, and for Online Request, which will allow electronic submissions of declarations of timely mailing and requests for relief of penalty and extensions.</li> <li>2. Develop FSR and BCP for a new eServices project as determined by evaluation during FY 10/11.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Implement the ESEP phase for Cigarette Manufacturers and Distributors enabling these taxpayers to electronically file returns and supporting schedules.</li> <li>2. Start new eServices project.</li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
	<p>b. BOE will explore customizing website access that will enable taxpayers to:</p> <ul style="list-style-type: none"> <li>• Access individual account information, including account history.</li> <li>• Allow taxpayers to modify their account information without having to call or visit a BOE Office.</li> <li>• Access and download information using devices other than computers.</li> </ul>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Customized website access will be designed in conjunction with the development of CROS which will replace IRIS and ACMS (see Measure 4.2).</li> <li>2. Establish a Knowledge Management Unit to identify resources, reporting relationships, and key responsibilities.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Develop custom website functions as part of CROS project.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Develop custom website functions as part of CROS project.</li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
<p><b>1.2 Provide Continuity of Service throughout the Customer Experience</b></p> <p>BOE will establish a concierge-style customer service system that enables taxpayers to obtain the information they need through a single contact.</p>	<p>a. BOE will ensure that each taxpayer has a single point of contact, guiding them in the handling of their various tax-related questions and needs through development of:</p> <ul style="list-style-type: none"> <li>• Procedures that will enable BOE staff to facilitate information services across all tax programs.</li> <li>• Training for staff that crosses tax program lines (enterprise training).</li> </ul> <p>b. BOE will train and enable personnel in its call center and customer service counters to make immediate updates to taxpayer records.</p>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Evaluate procedures needed to ensure taxpayers can obtain needed information with a single customer contact, even when inquiries cross tax program lines.</li> <li>2. Start development of enterprise training plan.</li> <li>3. Evaluate existing Interactive Voice Response (IVR) scripts.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Start enterprise training.</li> <li>2. Evaluate call center infrastructure and identify gaps.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Implement recommendations from call center evaluation.</li> </ol> <p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Evaluate changes needed to expand the duties of BOE call center and customer service counter staff to update taxpayer records.</li> <li>2. Evaluate training gaps.</li> <li>3. Develop a training program.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Expand classifications of BOE staff allowed to update taxpayer records.</li> </ol>

## GOAL 2: MAXIMIZE VOLUNTARY COMPLIANCE

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
<p><b>2.1 Reduce the Tax Gap</b></p> <p>BOE will proactively reduce the tax gap through continuation of its tax gap program, including field visits to unregistered taxpayers, increased audits of SUTD and PSTD accounts, increased collections of accounts receivable, and systematic research and actions to find and collect unreported use tax.</p>	<p>a. BOE will concentrate efforts on identifying and issuing permits and licenses to all businesses and consumers required to be registered with the BOE to report sales tax, use tax, or special taxes through:</p> <ul style="list-style-type: none"> <li>• Maintaining or increasing the number of field contacts with unregistered taxpayers.</li> <li>• Continuing and improving current tax gap efforts.</li> </ul>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Review and refresh tax gap programs for efficiency improvements.</li> <li>2. Perform 90,000 business site visits.</li> <li>3. Identify and register approximately 340,000 qualified purchasers under ABx4-18.</li> <li>4. Complete additional audits resulting from new tax gap efforts.</li> <li>5. Automate process to discover unregistered operators of underground storage tanks through review of certain sales tax classifications.</li> <li>6. Process additional returns and voluntary payments resulting from new tax gap efforts.</li> <li>7. Improve voluntary compliance through enhanced enforcement of violations for operating without a permit or operating while revoked.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Evaluate tax gap efforts and prepare proposals to improve, as needed.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Implement proposed changes, as required.</li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
	<p>b. BOE will continue to maximize collection of past-due amounts by developing a collection model to monitor businesses and industries with a pattern of under-payment or under-reporting using collection modeling and increasing the efficiency of the collection process through review of current processes and adoption of recommendations.</p>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Send 14,500 letters to nonpermitted in-state service businesses.</li> <li>2. Conduct Collection Study based on collector classification.</li> <li>3. Update collection model to replace the current prioritization model.</li> <li>4. Continue monitoring the results of implementing the Enhanced Collections Task Force Study.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Begin the planning of a Field Workload Study which will analyze both SUTD's audit and compliance programs.</li> <li>2. Continue monitoring the results of implementing the Enhanced Collections Task Force Study.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Conduct Field Workload Study for SUTD's audit and compliance programs.</li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
<p><b>2.2 Improve Taxpayer Education and Outreach</b></p> <p>BOE will evaluate and implement a variety of communications channels that will provide better access to education and outreach.</p>	<p>a. BOE will continue to reach out to taxpayers and educate them about the tax code and other information relevant to their businesses through:</p> <ul style="list-style-type: none"> <li>• Expansion of current educational efforts to new communication models, such as online instructional videos, YouTube videos, Internet forums, guided forms, and mobile applications.</li> <li>• Evaluation of taxpayer training opportunities, development of new classes relevant to taxpayers, and evaluation of existing classes.</li> <li>• Maintenance of contacts with selected industry and professional associations and community partners by SUTD and PSTD and identification of opportunities to expand outreach to new industries and groups.</li> <li>• Improvement of electronic access to tax laws, regulations, publications, notices, and administrative policies through adoption of technology that will provide individualized taxpayer notification on pertinent topics.</li> </ul>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Evaluate current industry contact list and determine new industry associations that would benefit from outreach services.</li> <li>2. Evaluate new communications channels for taxpayer outreach and education.</li> <li>3. Evaluate current scope of Cigarette and Tobacco Licensing education, continue current classes, and develop new classes and venues as needed.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Continue evaluating new communications channels that BOE can use for taxpayer outreach and education.</li> <li>2. Review industry and professional contact lists for new outreach opportunities on an on-going basis.</li> <li>3. Evaluate starting a pilot for real-time, online question and answer discussions (chats).</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Initiate implementation of new communication channels.</li> <li>2. Develop a BOE "Tax College" to educate and train corporate taxpayers, assessors, assessment appeals board members, local agencies, and tax agency staff in the application of tax regulations and accepted practices.</li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
	<p>b. BOE will enhance the Speaker’s Bureau and use of publications and online information to communicate regularly with taxpayers on topical issues and concerns.</p>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Develop online system for Speakers Bureau requests.</li> <li>2. Evaluate costs (including infrastructure) and efficiencies of setting up email lists of taxpayer subgroups for distribution of special notices and industry information (email blasts).</li> <li>3. Evaluate costs and efficiencies of automating email communication with individual taxpayers and identifying email groups through the use of NAICS codes.</li> <li>4. As appropriate, increase the number of Special Taxes publications, classes, and services available to non-English speaking customers.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Identify new opportunities to provide information electronically.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Identify new opportunities to provide information electronically.</li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
<p><b>2.3 Ensure Taxpayers' Rights Protection</b></p> <p>BOE will take a proactive approach to ensuring the protection of taxpayers' rights through education of staff and expansion of taxpayer assistance programs.</p>	<p>a. BOE will promote staff's commitment to honor and safeguard the rights of taxpayers through ongoing staff training on the importance of and procedures for protecting taxpayers' rights.</p> <p>b. BOE will enhance the fairness of the appeals process through expansion of the types of tax programs covered by the Tax Appeals Assistance Program (TAAP).</p>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Begin training of HQ and field staff on protection of taxpayers' rights.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Complete training of HQ and field staff on protection of taxpayers' rights.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Assess effectiveness of taxpayers' rights training and develop new training as needed.</li> </ol> <p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Refine policies and procedures for TAAP's handling of consumer use tax appeals based on lessons learned from these cases.</li> <li>2. Expand TAAP to eligible Special Taxes appeals.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Refine policies and procedures for TAAP's handling of Special Taxes appeals based on assessment of cases since 2010.</li> <li>2. Assess additional tax programs or case types for inclusion in TAAP.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Expand TAAP to cover additional tax programs or case types.</li> </ol>

## GOAL 3: INVEST IN A SKILLED, MOTIVATED AND DIVERSE WORKFORCE

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
<p><b>3.1 Align Employees Around BOE's Core Values</b></p> <p>BOE will ensure that employees are trained in our core values of Fairness, Effectiveness, and Efficiency and that behaviors tied to core values are measured and reinforced at all levels.</p>	<p>a. Incorporate BOE's core values in training and employee evaluation at all levels.</p>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Issue an Administration Department policy Circular outlining BOE core value communication processes including:               <ul style="list-style-type: none"> <li>• Annual reminder from Executive Director;</li> <li>• Inclusion by direct supervisors of core values in annual employee evaluations (STD 637);</li> <li>• Periodic reminders from managers and supervisors to staff.</li> </ul> </li> <li>2. Develop a core value, core competency, and expectations brochure for BOE employees and include in "new employees" packets.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Ensure core values are incorporated into all noncomputer training classes offered by BOE.</li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
<p><b>3.2 Enhance Staff Productivity</b></p> <p>BOE will launch a set of initiatives aimed at improved staff productivity and enabling a mobile workforce.</p>	<p>a. Identify relationship between productivity and mobile and remote workforce programs.</p>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Review personnel policies and technology capabilities related to expansion of a mobile and remote workforce.</li> <li>2. Complete reevaluation of Legal Department mobile and remote workforce policies and procedures.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. In all program areas, use measures of productivity to evaluate classifications, positions, and corresponding workloads/work products that could benefit from a mobile or remote work alternative.</li> <li>2. Develop guidelines for expanding mobile and remote positions.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Select qualified positions and survey for interested staff.</li> <li>2. Initiate processes for expansion of remote and mobile positions.</li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
	<p>b. Implement a formal change management program at BOE by June 30, 2013.</p> <p>c. BOE departments will take steps to introduce and implement improved business process efficiencies.</p>	<p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Develop and implement a formal Change Management Program for BOE to use in events that impact the number of positions or require employees to change where they work or how they do their work.</li> </ol> <p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Departments will develop guidelines for review of business processes falling within their areas of responsibility and use them to identify business processes that can benefit from increased efficiencies.</li> <li>2. Departments will develop plans and procedures to implement efficiencies.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Departments will conduct annual reviews of selected business process efficiencies.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Departments will conduct annual reviews of selected business process efficiencies.</li> </ol>



OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
	<p>c. Optimize BOE’s organizational efficiency by ensuring proper staffing levels and simplifying classification structures.</p> <p>d. Increase the number of staff development tools offered online.</p>	<p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Create a BOE Succession Plan.</li> </ol> <p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Continually re-evaluate appropriateness of all BOE staffing levels.</li> <li>2. Identify additional classes suitable for consolidation.</li> <li>3. Explore utilizing other department’s classifications that meet BOE’s business needs.</li> </ol> <p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Develop online exams for the TaxTech II/III series.</li> <li>2. Identify training tools suitable for conversion to online format; develop a schedule for development of the online courses and staff development tools.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Develop online exams for the Junior Property Appraiser classification.</li> <li>2. Continue development of online training tools and courses according to schedule.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Continue development of online training tools and courses according to schedule.</li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
	<p>e. Decrease significant underutilizations of identified classes based on race/ethnicity and gender, as reported in the Annual Workforce Analysis.</p>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Prepare an action plan to decrease significant underutilizations reported in the 2010/2011 Workforce Analysis Report. Action plan will include: <ul style="list-style-type: none"> <li>• Increase hiring managers' awareness of significant underutilizations found in the 2010/2011 Workforce Analysis Report.</li> <li>• Work with BOE recruiters and the Disability Advisory Committee to increase outreach to groups where underutilizations exist.</li> <li>• Review BOE's hiring practices to ensure that any significant underutilizations are not the result of any illegal, nonjob related employment barriers.</li> </ul> </li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Assess effectiveness of the FY 10/11 action plan for decreasing underutilizations by reviewing the 2011/2012 Workforce Analysis Report.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Continue analysis of BOE's workforce composition and action plan for decreasing significant underutilizations identified in each fiscal year.</li> </ol>

## GOAL 4: ENHANCE OPERATIONAL EFFECTIVENESS

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
<p><b>4.1 Improve Partnerships</b> Collaborate with government and industry partners to establish cooperative agreements and partnerships.</p>	<p>a. Develop new exchanges of data in collaboration with government and industry partners, including continuing work with FTB and EDD to consolidate services and streamline the taxpayer experience through:</p> <ul style="list-style-type: none"> <li>• Transfer of certain tax return processing functions to another state tax agency.</li> <li>• Joint taxpayer outreach and education.</li> </ul>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Implement MyCalPERS.</li> <li>2. Initiate verification of prospective tax permit registrants through online data from DMV.</li> <li>3. Conduct proof of concepts and pilots of secure data exchange infrastructure established with other agencies.</li> <li>4. Initiate an exchange of payroll data with EDD of audit information directly relating to Environmental Fee and Occupational Lead programs.</li> <li>5. Implement state (FTB) and county California e-Recording Transaction Network Authority (Certna) portals for electronic recording of liens and lien releases (eLiens).</li> <li>6. Explore automation of an interagency offset program with FTB and EDD.</li> <li>7. Implement State Tax Collector Portal supporting best practices and consistent collection policies.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Implement MyCalPAYS (21st Century Project).</li> <li>2. Review and develop new topic guidelines for State Tax Collector Portal.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Replace BOE's core accounting system through implementation of FI\$CAL.</li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
	<p>b. BOE will partner with courts and district attorneys to closely monitor and maximize collection of restitution dollars from cases prosecuted through the courts.</p> <p>c. Partner with DGS to ensure BOE staff is provided a safe working environment.</p> <p>d. BOE will continue working at local, state, and national levels to ensure equitable treatment for all taxpayers and property owners.</p> <p>e. Partner with HR Modernization (Statewide Initiative) to decrease the number of classifications and exams at BOE.</p>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Establish best practices and develop guides for a streamlined restitution collection process.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Begin development of application enhancements for a restitution management system.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Implement restitution management system.</li> </ol> <p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Partner with DGS to ensure they complete remediation of the 450 N Street building by January 30, 2011.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Partner with DGS to complete elevator modernization at the 450 N Street building by April 2012.</li> <li>2. Partner with DGS and DOF to identify funding sources to complete infrastructure repairs identified in the Stantec Report.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Implement a comprehensive audit program in Exemptions program for Welfare Exemption for low income housing.</li> </ol> <p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Work with HR Modernization executive management to identify future projects.</li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
	<p>f. BOE will enhance its participation in the California High Intensity Financial Crimes Area (HIFCA) task forces, comprised of local, state, and federal law enforcement agencies designated to combat financial crimes and money laundering.</p>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Evaluate potential fiscal benefits to BOE by establishing a specialized financial crimes team; develop proposal for program.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Implement special financial data analysis program to identify high-dollar audit, collection and investigative leads, as well as identify emerging trends and mechanisms to evade business taxes.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Evaluate and report post-implementation results of special financial data analysis program.</li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
<p><b>4.2 Leverage Technology</b></p> <p>BOE will become a “digital office” providing the ability to intelligently convert over time a substantial amount of its existing paper onto a digital platform. This will allow stakeholders flexible and timely access to information they need to accomplish their work. Integral to the achievement of a digital BOE is the development of a new consolidated tax administration system.</p>	<p>a. Establish the foundation for the transition to a Digital BOE.</p>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Review and update the Digital BOE Master Plan.</li> <li>2. Begin implementation of updated Digital Master Plan.</li> <li>3. Develop an online Law Library for internal use by attorneys and other BOE staff.</li> <li>4. Develop field test application of paperless data collection system for cigarette and tobacco license field inspectors.</li> <li>5. Develop automated bankruptcy data match system for current manual reviews of FTB Bankruptcy Filing data.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Begin phased roll-out of paperless data collection system to cigarette and tobacco license inspectors.</li> <li>2. Provide taxpayer access to public segments of the online Law Library.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Implement paperless data collection system statewide for cigarette and tobacco license inspections.</li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
	<p>b. Replace BOE’s legacy systems with CROS to improve access to services and business processes allowing for:</p> <ul style="list-style-type: none"> <li>• Increased productivity and ease of usability.</li> <li>• Expanded online services.</li> <li>• Quicker response to statutory and Board mandates.</li> <li>• Generation of additional general fund revenue for the state.</li> </ul> <p>c. Save staff time and operating costs by leveraging technology to transform critical administrative functions to electronic processes.</p>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Establish modernization project team.</li> <li>2. Develop a Feasibility Study Report and obtain approval.</li> <li>3. Submit and obtain approval of Budget Change Proposal.</li> <li>4. Develop a conceptual business solution and solicitation for proposal.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Evaluate final proposals for “best value” and negotiate contract terms and conditions.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Award contract.</li> <li>2. Initiate the project.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Implement an enterprise contracts database for BOE.</li> <li>2. Develop a plan to leverage technology to achieve same-day auto-deposit of taxpayer checks.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Implement an automated, enterprise workforce management solution compatible with MyCalPays and FISCAL (time management).</li> <li>2. Secure funding to procure an automated, enterprise workforce management solution compatible with MyCalPays and FISCAL (time management).</li> <li>3. Implement plan to achieve same-day auto-deposit of taxpayer checks.</li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
	<p>d. Implement programs to further protect the confidentiality and security of taxpayer and BOE data.</p>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Develop and implement an Information Security Incident Management Program at BOE.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Coordinate with the Digital BOE steering committee to update the records retention policies and schedule to explicitly include digital records.</li> <li>2. Coordinate with the Digital BOE steering committee to develop online training on digital records retention policies at BOE.</li> <li>3. Provide overview of eDiscovery as it relates to the records retention schedule and individual employees.</li> <li>4. Implement a Risk Management Program that includes ongoing risk assessment, analysis, acceptance, and communication.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Partner with the State ISO to develop risk management and IT infrastructure policies and guidelines providing common standards, methodology, and enterprise reporting. Incorporate BOE's incident and risk management programs where appropriate.</li> <li>2. Partner with the State ISO to develop state Information Security Awareness Training and incorporate BOE's training program where appropriate.</li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
	<p>e. BOE will improve the efficiencies of the appeals programs it administers (Franchise and Income Tax, Homeowners and Renters Assistance, Sales and Use Tax, and Property and Tax Appeals Programs).</p>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Implement the eAppeals Phase 1 Project. <ul style="list-style-type: none"> <li>• Enhance scanning and imaging processes for the Board Proceedings and Legal Appeals Divisions.</li> <li>• Create a central electronic appeals repository.</li> <li>• Provide Board Proceedings, Legal Appeals Division, and Board Member staff access to central electronic appeals repository.</li> <li>• Create automated workflow processes to guide appeals through the complex appeal briefing, review, and decision process.</li> </ul> </li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Implement the eAppeals Phase 2 Project. <ul style="list-style-type: none"> <li>• Provide Sales and Use Tax and Property and Special Taxes Departments access to central electronic appeals repository.</li> <li>• Automate appeals related workflow processes for the Sales and Use Tax and Property and Special Taxes Departments.</li> </ul> </li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Implement the eAppeals Phase 3 Project. <ul style="list-style-type: none"> <li>• Develop the functionality to allow taxpayers to electronically submit their appeals and electronically receive information related to their appeals over the Internet.</li> <li>• Develop the functionality to provide taxpayers on-demand access to their appeals information.</li> </ul> </li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
<p><b>4.3 Implement “BOE of the Future”</b></p> <p>BOE will respond to on-going changes in technology and funding by structurally reorganizing by function, moving to new facilities that better meet the agency’s business needs, and making changes that support its core values.</p>	<p>a. Improve organizational efficiency and effectiveness by reorganizing how the Agency is structured so that functions currently housed within different tax programs are aligned.</p>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Complete functional reorganization of Special Taxes programs.</li> <li>2. Develop plan to functionally integrate all BOE tax programs.</li> <li>3. Conduct classification review of impacted classes.</li> <li>4. Conduct labor relations review.</li> <li>5. Obtain allocation approvals from DPA and SPB as needed.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Functionally reorganize key HQ processes for SUTD and PSTD.</li> <li>2. Assist program areas with position allocation.</li> <li>3. Obtain allocation approvals from DPA and SPB as needed.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Functionally align tax administration functions BOE-wide.</li> <li>2. Assist program areas with position allocation.</li> <li>3. Obtain allocation approvals from DPA and SPB as needed.</li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
	<p>b. BOE will move to new facilities and redesign existing facilities to better meet the agency's business needs.</p>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Begin efforts to secure new Headquarters Campus (HQC) location.</li> <li>2. Evaluate field office sites and identify changes needed to align physical space footprint with the new service delivery model.</li> <li>3. Complete fiscal study for 450 N Street building.</li> <li>4. Complete space needs assessment for the new HQC.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Develop comprehensive plan for relocation of HQ and BOE offices of the future.</li> <li>2. Identify and secure funding to relocate HQ to a new campus.</li> <li>3. Implement field office changes to align physical space with the new service delivery model.</li> </ol> <p><b>FY 12/13</b></p> <ol style="list-style-type: none"> <li>1. Begin implementation of relocation plan for the HQC.</li> <li>2. Implement field office changes to align physical space with the new service delivery model.</li> </ol>

OBJECTIVE	MEASURE OF SUCCESS	KEY DELIVERABLES
<p><b>4.4 Expand Environmental Stewardship</b> BOE will reduce its consumption of resources and increase its levels of recycling.</p>	<p>a. Increase awareness of BOE incentives for HQ employees using public transit.</p> <p>b. Increase the number of green/hybrid vehicles in the BOE Fleet.</p> <p>c. Reduce energy and resource usage in the 450 N Street building.</p> <ul style="list-style-type: none"> <li>• Achieve 20% reduction in paper towel usage by January 30, 2012.</li> <li>• Reduce the number of employee-generated water events by January 30, 2012.</li> <li>• Recycle/destroy 12 bins of redundant paper files per floor during remediation move process.</li> </ul>	<p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Implement incentives to encourage use of public transit.</li> <li>2. Resurvey BOE employees using public transit.</li> </ol> <p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Establish a policy to replace vehicles in BOE's fleet with greener alternatives as they come up for replacement.</li> <li>2. Partner with DGS to comply with the State's directive to replace state fleets with greener alternatives.</li> </ol> <p><b>FY 10/11</b></p> <ol style="list-style-type: none"> <li>1. Transition to an electronic energy management system for lights and HVAC.</li> <li>2. Enforce the indoor plant policy.</li> <li>3. Review and update the BOE Records Retention Schedule/Policy for taxpayer records.</li> <li>4. Provide periodic training to staff on the BOE Records Retention Schedule/Policy for taxpayer records.</li> </ol> <p><b>FY 11/12</b></p> <ol style="list-style-type: none"> <li>1. Install automated paper towel dispensers in employee restrooms during remediation process.</li> <li>2. Install automated faucet sinks in employee break rooms and restrooms during remediation process.</li> <li>3. Remind staff scheduled to move floors to clean out files during preparation period and dispose of nonessential personal files in appropriate bins.</li> </ol>



# Strategic Plan 2010-2015

State Board of Equalization



BETTY T. YEE  
First District  
San Francisco

MICHELLE STEEL  
Third District  
Rolling Hills Estates

JEROME E. HORTON  
Fourth District  
Los Angeles

JOHN CHIANG  
State Controller

BARBARA ALBY  
Acting Member  
Second District  
Sacramento

RAMON J. HIRSIG  
Executive Director

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## A MESSAGE FROM THE EXECUTIVE DIRECTOR

It's not business as usual any more!

As California looks for innovative ways to address the state's economic crisis, there is a growing need for optimization. I believe the Board of Equalization (BOE) has an obligation to improve its workflow in ways that will benefit our taxpayers, stakeholders, and employees.

Our roadmap to future optimization is captured in our Strategic and Business plans. These plans are living documents that must be routinely evaluated and updated to take advantage of new concepts, technologies, and possible changes in strategic direction.

Since the release of our *Strategic Plan 2007–2011*, much has been achieved, much has been learned, and much has changed. We have made great strides in expanding the level of eServices provided to our taxpayers, we have charted the course to going completely digital (paperless), and we are beginning to functionally realign the organization to eliminate duplication of effort and to improve communication and efficiencies.

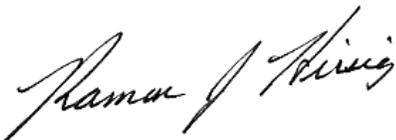
With the *Strategic Plan 2010–2015* (Plan), we are preparing the organization for the future by developing our staff so they are ready to move into positions of leadership. We will also initiate the process of replacing our mainframe legacy systems with the technology of the future, which will create a stable yet responsive and flexible technology infrastructure.

The true spirit driving the BOE of the future is embodied in the Plan's Vision Statement: BOE must be a trusted partner to the citizens of California and must provide taxpayers easy and convenient processes when interacting with BOE. I encourage you to adopt these guidelines as your own as we implement the BOE of the future.

As I consider the challenges we have faced and overcome during my time as Executive Director, I have developed what I consider to be guiding principles, which I believe significantly enhance our potential for success. I would like to open this next chapter of BOE's future with those principles:

- Have a clear vision of goals
- Establish realistic short and long range plans
- Keep it simple
- Obtain necessary support
- Be relentless in your pursuit
- Turn obstacles into opportunities
- Don't neglect the details
- Challenge the status quo
- Be optimistic and enthusiastic
- It takes a team

It is my privilege to present to you the Board's *Strategic Plan 2010 – 2015*.



Ramon Hirsig  
Executive Director  
California State Board of Equalization

## PART I: STRATEGIC FOCUS

### A. Mission

The mission of the Board of Equalization is to serve the public through fair, effective, and efficient tax administration. The BOE administers agency tax and fee programs; adopts rules and regulations to clarify tax laws; acts as an appellate body for the review of property, business and income tax assessments; assesses and allocates property values of railroads and specified utilities; and oversees the property tax assessment practices of all 58 county assessors.

### B. Core Values

As we carry out our mission, we are committed to the following core values, which are essential to the success of the BOE:

#### 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
- Treat every individual with respect and courtesy
- Maintain a work environment free of discriminatory practices

#### Effectiveness

- Be persistent in promoting and encouraging voluntary compliance with the tax laws
- Be firm in adhering to our core principles and values, yet flexible in our methods for serving the public and accomplishing our goals
- Honor and safeguard all taxpayer and employee rights
- Value the individual and the contribution each makes to our organization

#### Efficiency

- Be diligent in identifying ways to improve and simplify the process for understanding, reporting, and paying taxes and fees
- Achieve program objectives while recognizing current resource constraints
- Provide services and work products of the highest quality
- Foster and encourage teamwork, creativity, and innovation

## C. Vision

Our vision as an agency is to be a trusted partner to the citizens of California. We want taxpayers to be able to retrieve and enter their tax information easily, online, how they want it, when they want it. We want taxpayers to enjoy continuity of service throughout all of their interactions with BOE. As a result of making it much easier for taxpayers, our vision is that BOE will be better positioned to maximize voluntary compliance with its tax and fee programs.

This vision will allow us to:

- Provide continuity of service throughout the customer experience
- Provide the right information the first time
- Serve our customers how they want to be served
- Make all relevant and appropriate information available online

Internally, our vision for our organization is to create a safe and positive workplace in which people can perform their jobs effectively. Our vision is to realign the organization to operate more efficiently. We want to develop a staff that cares deeply about our core values and continually enhances the quality of our work. We want to develop the technology infrastructure that enables BOE to realize its vision. Finally, we want to make sure we are preparing the organization for the future by developing our people and enabling them to acquire the skills and competencies needed to move into positions of leadership.

This vision will allow us to:

- Leverage other revenue and tax agencies to maximize efficiency
- Continue to develop our workforce
- Develop a central office and field offices that more efficiently serve our needs
- Restructure the organization to align functions more effectively

To implement this vision, we will increase our capacities to provide:

- Timely response to taxpayer inquiries
- Improved access to taxpayer information
- Updated and more functional technology
- Prepared and skilled workforce

## PART II: GOALS AND OBJECTIVES

### **Goal 1: Improve the Taxpayer Experience**

The BOE wants to improve the taxpayer experience so that it is easy to do business with BOE electronically. This includes expanding our eServices and making relevant and appropriate information available online. We also want to make our processes more accessible, more efficient, and more transparent to the taxpayer, always mindful of protecting taxpayer rights.

#### **Objectives:**

##### 1.1 Expand Communication through Web Services

- BOE will facilitate easy online registration and filing.
- BOE's website will become customizable for each taxpayer, enabling them to access the information they need easily and receive customized communications from BOE.
- BOE will provide the tools to help taxpayers meet their business needs.

##### 1.2 Provide Continuity of Service throughout the Customer Experience

- BOE will ensure that each taxpayer has a single point of contact, guiding them in the handling of their various tax-related questions and needs.
- BOE will train and empower personnel in its call center and customer service counters to make immediate updates to taxpayer records.

## **Goal 2: Maximize Voluntary Compliance**

The BOE is committed to improving taxpayers' knowledge of the legal requirements for doing business in California. This includes providing new ways for them to understand and voluntarily comply with the tax and fee laws we administer while protecting the rights of the taxpayers.

### **Objectives:**

#### **2.1 Reduce the Tax Gap**

- BOE will concentrate efforts on identifying and issuing permits and licenses to all businesses and consumers required to be registered with the BOE to report sales tax, use tax or special taxes.
- BOE will continue to maximize collection of past due amounts by closely monitoring businesses and industries with a pattern of under-payment (or under-reporting).

#### **2.2 Improve Taxpayer Education and Outreach**

- BOE will continue to reach out to taxpayers and educate them about the tax laws and other information relevant to their businesses.
- BOE will enhance the Speaker's Bureau and use of publications and online information to communicate regularly with taxpayers on topical issues and concerns.

#### **2.3 Ensure Taxpayers' Rights Protection**

- BOE will promote staff's commitment to honor and safeguard the rights of taxpayers.
- BOE will provide a process that ensures fair and timely adjudication of appeals.

### **Goal 3: Invest in a Skilled, Motivated and Diverse Workforce**

The BOE is committed to providing a positive and healthy work environment. BOE wants to develop employees that care deeply about BOE's core values. BOE also wants to keep employees informed, provide them the tools needed to perform their work, and acknowledge their contributions to the agency's overall success. The BOE will continue to champion an effective statewide civil service process while improving organizational and program efficiencies.

#### **Objectives:**

##### **3.1 Align Employees around BOE's Core Values**

- BOE will ensure that employees are trained in our core values of Fairness, Effectiveness, and Efficiency and that behaviors tied to core values are measured and reinforced at all levels.

##### **3.2 Enhance Staff Productivity**

- BOE will launch a set of initiatives aimed at improving staff productivity and enabling a mobile workforce.

##### **3.3 Improve Recruitment, Retention and Upward Mobility Opportunities**

- BOE will ensure that current employees receive the tools, skills, and competencies to maximize their strengths.
- BOE will ensure a plan is in place to meet the workforce needs of the future.

## **Goal 4: Enhance Operational Effectiveness**

The BOE will continue to maximize its efficiency and effectiveness by partnering with other tax agencies to create centralized or shared services where appropriate, moving to a new program delivery model organized by function rather than tax program, reevaluating our headquarters and field office space needs based on the new program delivery model, and relocating to offices that meet BOE's business needs.

### **Objectives:**

#### 4.1 Improve Partnerships

- Working with the Franchise Tax Board (FTB), the Employment Development Department (EDD), and the Internal Revenue Service (IRS), the BOE will develop new exchanges of data that result in higher levels of collections.
- BOE will continue working at local, state, and national levels to ensure equitable treatment for all taxpayers and property owners.
- BOE will continue to work with the FTB and the EDD to consolidate services and streamline the taxpayer experience.

#### 4.2 Leverage Technology

- BOE will become a "digital office." Taxpayers, staff and other stakeholders will have flexible and timely access to information they need to accomplish their work.
- BOE will organize its data so that it is searchable, geographical, and sharable. Services will be developed for accessing and exchanging BOE data.
- BOE will turn its data into information, and information into knowledge for decision making. Specifically, BOE will construct a data warehouse and provide analytical tools, reporting systems, and querying mechanisms to convert information into business intelligence.
- BOE will provide a customizable website that will offer taxpayers information that is useful to their businesses.
- BOE will acquire a new state-of-the-art information system for tax administration and processing.

#### 4.3 Implement "BOE of the Future"

- BOE will reorganize how it is structured so that functions currently housed within different tax programs are aligned.
- BOE will move to new facilities that better meet the agency's business needs.

#### 4.4 Expand Environmental Stewardship

- BOE will reduce its consumption of resources and increase its levels of recycling.
- BOE will reduce the amount of paper required from taxpayers.

