

Memorandum

To: Mr. Ramon J. Hirsig
Executive Director, MIC:73

Date: June 22, 2010

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

Subject: ***Update on Reorganization of the Special Taxes Programs***

Board Meeting – July 13 - 15, 2010

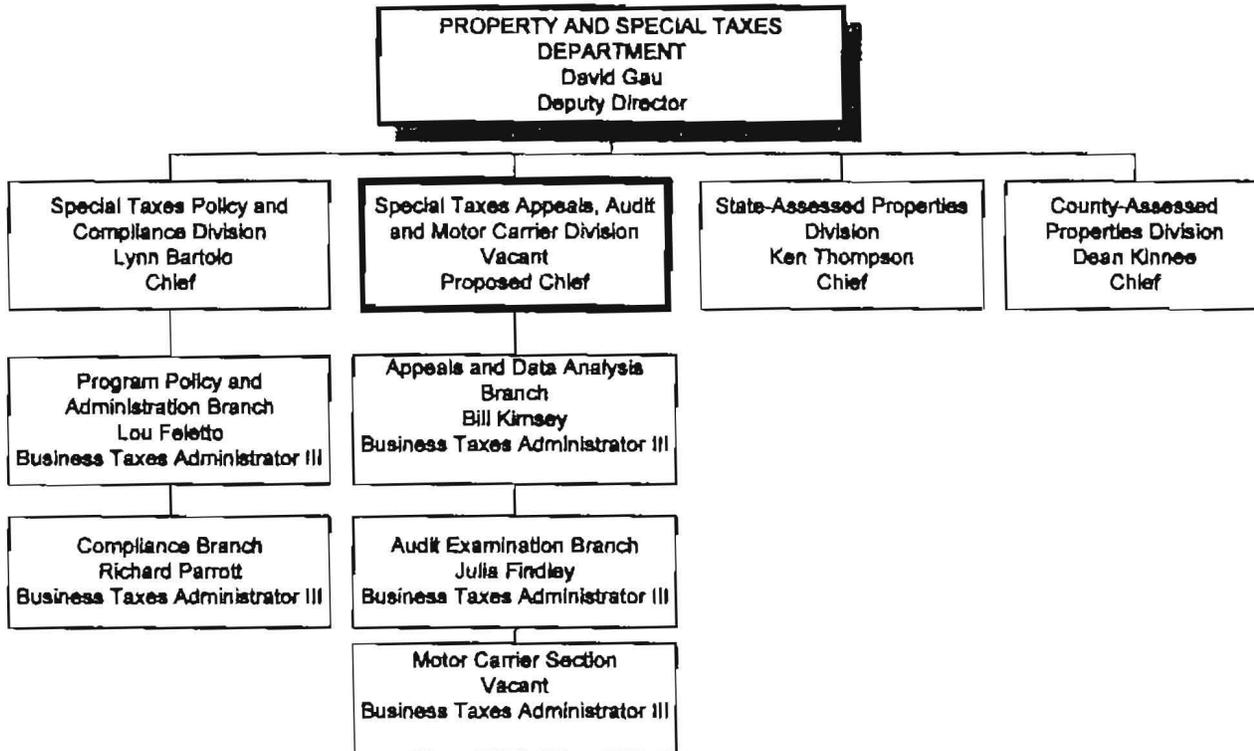
I would like to provide you with a summary of our high level accomplishments relating to the reorganization of the three Special Taxes Divisions. As I reported to you previously, the three Special Taxes Divisions were being reorganized along functional work groups. To date, we have accomplished the following:

- Renamed the Division and each of its Branches to better reflect the functions performed by each area. The new name is the Special Taxes and Fees Division (STFD).
- Assigned corresponding unit codes and MIC numbers.
- Assigned all special taxes and fees employees to their functional branch based on their primary work functions.
- Branch Managers and Section Supervisors met with staff assigned to their areas in "Kick-off" meetings.
- Provided the Human Resources Division and the Financial Management Division with documents they required to implement the reorganization.
- Provided staff with electronic copies of the proposed reorganization charts.
- Arrangements are in place to relocate staff within their new branches. At this time due to remediation work in the building and the relocation of staff to new facilities, relocating the STFD staff will be done in phases. STFD Administration, the Program Policy and Administration Branch and the Collection Section of the Compliance Branch will relocate to the 10th floor. The Appeals and Data Analysis Branch and Audit Examination Branch will relocate to the 8th floor, and the Return Processing and Registration and Licensing Branches will be located on the 18th floor with all but a few staff remaining on the 21st floor. These moves should be completed by the end of August 2010.

We are working with the Budget Branch on a time reporting methodology, staffing allocations and fund code resolutions. Work is also continuing with the Technology Services Department on user security updates and other IRIS system elements. Within the next few weeks, we will be hosting our first official branch meetings. As we proceed with additional phases of the reorganization, we continue to address employee needs, suggestions and ideas. We are striving to make this transition a smooth and successful one for all, in and outside of the agency.

As you are aware, the Board has allowed for a limited number of current vacant positions to be filled. I have two vacant chief positions and believe that the time is right to move forward and begin the process to fill one of them. This next phase of the PSTD reorganization will be to

create two separate divisions, which will continue to operate along functional lines and will serve to enhance the capabilities and work flows of each division. Below is an organization chart of the proposed next phase of the reorganization.



Establishing a second Division will ensure that the 20 tax and fee programs are administered effectively and efficiently, as they will complement each other while keeping within the framework of a functional realignment. Currently, the Motor Carrier Section (MCS) is reporting directly to me. Under this plan, the MCS will merge into the newly formed Division, which just about equally divides the staffing, as well as the functions between the two divisions. The four branches we have developed during the past few months will remain intact, thus staff will not need to be reassigned again.

I will begin moving forward to prepare a Career Executive Assignment (CEA) 2 package in coordination with the Human Resources Division, using the vacant position from the soon to be defunct Fuel Taxes Division, and I will work with your office on the recruitment timeframe.

During the July 2010 Board meeting, I will provide the Board Members with the progress made to date on the reorganization and my plans to proceed with filling one of the two vacant chief positions.

Approved: *Ramon J. Hirsig*
Ramon J. Hirsig, Executive Director

DJG:lg
cc: Executive Team