

 State Board of Equalization

STRATEGIC PLAN 2007-2011



Board Members (Names Updated 2010)

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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, Sacramento

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A MESSAGE FROM THE EXECUTIVE DIRECTOR

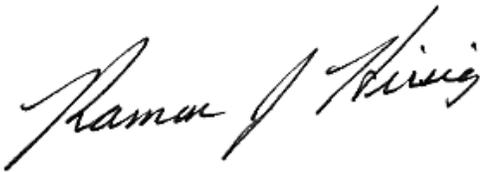
March 2007

As the Board of Equalization's (BOE) 13th Executive Director, I am pleased to present the agency's *Strategic Plan* for the next five years.

This plan recommits the Members and staff of the BOE to outstanding customer service and increased efficiency in government service. Technology presents us with opportunities to reach more people, more efficiently in more timely and creative ways. This plan spells out how we will use technology to improve how taxpayers interact with the Board of Equalization.

This plan lays out our core purpose, core values and vision, but the focus of it is in the goals we are setting for the next five years. Here, you can see our ideas for maximizing voluntary taxpayer compliance, improving the efficiency of BOE's tax and fee programs, improving the BOE's organizational efficiency, creating an expanded and responsive infrastructure, and fostering a skilled, motivated, and diverse workforce. Each of these goals is supported by an objective statement and action items that serve as a prelude to specific tasks that will be articulated in a separate implementation plan.

At the core of this *Strategic Plan* is the agency's dedication to recognizing and honoring the rights of taxpayers. They are our customers and serving them well must inspire and motivate each task we undertake and the goal for which we reach. We look forward to meeting these challenges as we move closer to the next decade.



Ramon Hirsig
Executive Director
California State Board of Equalization

PART I: OUR ORGANIZATION

The California State Board of Equalization is the nation's only elected tax commission. That obligates state tax agents to explain in a public forum why a taxpayer owes the government money, and it provides taxpayers the right to appear in that same public forum and explain to their elected officials why they do not agree with the tax agent's assessment. This unique relationship is a credit to California.

The BOE is comprised of five officials who are elected to concurrent four-year terms. Four of the members are elected from districts, each representing about a quarter of the Golden State's population (approximately 9.5 million people in 2006). The fifth member of the Board is the State Controller. The Board hires an Executive Director who in turn directs the work of the more than 4,000 employees who carry out the BOE's mission, goals, and directives.

The Board is charged by the State Constitution and the State Legislature with administering the state's sales and use tax, fuel, alcohol, and tobacco taxes as well as collecting fees to fund specific state programs. More than one million California businesses are registered with the agency to engage in retail sales in the state.

The result of the successful administration of those taxes is the collection of 36% of the state's annual revenue. In fiscal year 2004-05, the BOE collected \$49.95 billion in taxpayer money that the state used to fund education, public safety, transportation, housing, health and social services, and natural resources management.

In addition to administering more than 30 state tax and fee programs, the Board also acts as the appellate body for franchise and personal income tax appeals, and it plays a significant role in the assessment and administration of property taxes.

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:

- Administering agency tax and fee programs
- Adopting rules and regulations to clarify the laws it administers
- Acting as an appellate body for the review of property, business, and income tax determinations
- Assessing and allocating property values of railroads and specified utilities
- Overseeing 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 remain committed to the following:

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 taxpayer and employee 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 fundamental 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 at the lowest possible cost
- Provide services and work products of the highest quality
- Foster and encourage teamwork, creativity and innovation

C. Vision

The BOE strives to be a progressive and innovative organization that seeks to serve the public with integrity, efficiency, and courtesy. This *Strategic Plan* will benefit our customers and improve their interactions with the BOE, our employees and how efficiently they work, and other agencies and organizations in the exchange of information and data.

Consistent with this vision, the BOE will:

- Increase the level and quality of our “on-demand” services so that our customers 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 their work.
- Provide expanded protection of taxpayer rights.
- Increase the efficiency of our tax and fee collection efforts.
- Respond quickly and effectively to new tax and fee programs and changes in existing programs.
- Integrate our services internally and with those of other related agencies and organizations to help create a seamless experience for our customers.

PART III: GOALS AND OBJECTIVES

Goal 1: Maximize Voluntary Compliance in BOE's Programs

Objective: 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.

Consistent with this objective, the BOE will:

1. Evaluate current business processes and work cooperatively with stakeholder groups, clarifying and simplifying the laws, regulations, and materials, to enhance taxpayers' understanding of the programs we administer.
2. Develop creative tools and marketing and outreach programs to educate California's diverse taxpayer base and provide them with the information and materials they need to comply with their legal responsibilities.
3. Increase public awareness of taxpayer rights, and incorporate education and outreach in support of taxpayer rights in all BOE classes, workshops, seminars, and conferences.
4. Explore new cost-effective technology-based delivery methods that offer self-service options available 24/7, and provide easier, more convenient access to information.
5. Identify and analyze areas of noncompliance and develop approaches (such as enhanced partnerships with other governmental agencies) to address targeted areas of concern.
6. Implement effective audit and collection modeling to ensure ease of compliance with the legal requirements of doing business in California.

Goal 2: Improve the Efficiency of BOE's Tax and Fee Programs

Objective: The BOE is committed to fair and responsible administration of its tax and fee programs. This includes assessing, collecting, and allocating revenues more efficiently.

Consistent with this objective, the BOE will:

1. Create an environment that encourages innovative and creative ideas for changing and streamlining our business processes without diminishing the quality of our services or products.
2. Identify and implement new approaches to traditional audit, collection, and return processing functions that ensure compliance with the legal requirements.
3. Enhance communications with our external customers to allow prompt and accurate responses to issues and questions and improve existing feedback methods to ensure their concerns are heard and addressed.
4. Continually seek changes to streamline and/or expedite the appeals process in support of taxpayer rights and due process.
5. Continually assess changes in the business environment and evaluate and modify processes and services to ensure that customer expectations and needs are met or exceeded.
6. Provide convenient, timely access to accurate information while ensuring the continued integrity of our operations and confidentiality of taxpayer information.

Goal 3: Improve the BOE's Organizational Efficiency

Objective: The BOE is committed to actively pursuing ways that continue to deliver quality services in the most cost-efficient and effective manner. This includes using innovative management practices and methods to drive program and organizational efficiencies as operational priorities occur and expectations change.

Consistent with this objective, the BOE will:

1. Enhance working relationships with the Legislature and state agencies by providing timely, accurate, and reliable information.
2. Promote cooperative working relationships with other agencies, stakeholder organizations, and programs within the BOE, by sharing data and resources, as appropriate, to ensure the efficient use of time and resources.
3. Continually seek changes for resolving taxpayer complaints more rapidly.
4. Evaluate current processes, tools, and procedures and, through an effective change management process, modernize, update, and modify those that are no longer effective.
5. Ensure that adequate contingency plans are in place to quickly recover the agency's critical operations and provide uninterrupted service to customers in the event of a disruption to our business processes.
6. Improve our ability to measure and evaluate how efficiently and effectively we are meeting the needs and expectations of our customers by establishing a performance measurement system that includes both agency- and program-level measures.
7. Further empower our leaders throughout the agency by streamlining decision-making processes and enhancing procedural efficiencies.

Goal 4: Create an Expanded and Responsive Infrastructure

Objective: The BOE will strive to respond quickly and efficiently to new laws and evolving business needs. As changes and improvements to current systems and structures are made, we will continue to safeguard the rights and confidentiality of taxpayers. We will use a systematic approach to change that is more responsive to the needs of those we serve.

Consistent with this objective, the BOE will:

1. Create a stable yet flexible state-of-the-art technology infrastructure using industry best practices; and respond timely, effectively, and efficiently to new tax and fee programs and changes to existing programs.
2. Enhance the internal controls of our information technology system to ensure that data integrity is maintained and confidential data are protected from unauthorized access and use.
3. Continually evaluate the agency's external and internal environments and introduce new or enhanced technology as changing customer needs and expectations are identified.
4. Create and employ an enterprise asset management system that optimizes cost savings and identifies and plans for new and emerging trends.
5. Expand our external partnerships with other entities and organizations; explore, use, and share best practices that capitalize on the development and implementation of successful models and applications.

Goal 5: Foster a Skilled, Motivated, and Diverse Workforce

Objective: The BOE will actively pursue ways to maintain a positive and healthy work environment that keeps our employees informed, provides the tools necessary for them to perform their work, and acknowledges 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.

Consistent with this objective, the BOE will:

1. Evaluate the effectiveness of the agency's current recruitment and personnel management programs and develop new methods to attain a well trained and knowledgeable workforce that reflects the state's diverse population and best serves the taxpayers' needs.
2. Enhance current internal communications, improve information sharing, and use team work to promote a cohesive, unified organization.
3. Ensure the essential information, tools, and equipment needed by employees to perform efficiently and successfully are provided on a timely basis.
4. Sustain staff training in all program areas on taxpayer rights.
5. Develop innovative management practices that promote a sense of purpose and accountability; continually recognize employees' accomplishments, contributions, and innovative ideas; and provides opportunities for growth, development and advancement of employees.
6. Provide a safe and healthy work environment that allows employees to work efficiently and effectively.

PART IV: OUR STRATEGIC PLANNING PROCESS

A. Developing the *Strategic Plan*

Development of the BOE's *Strategic Plan* was based on a series of processes that allowed us to look at today's environment, consider future needs of our organization and those we serve, and develop goals and strategies that will help our organization move forward.

As part of the process, BOE 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 is to make this a viable and living plan. We have 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 management team will annually develop a joint three-year implementation plan that identifies the specific actions each will take to achieve the overall goals and objectives of the agency and its individual programs. As a part of that annual process, we will prepare regular status reports and prepare a formal report evaluating our overall success in the previous year.

California State Board of Equalization