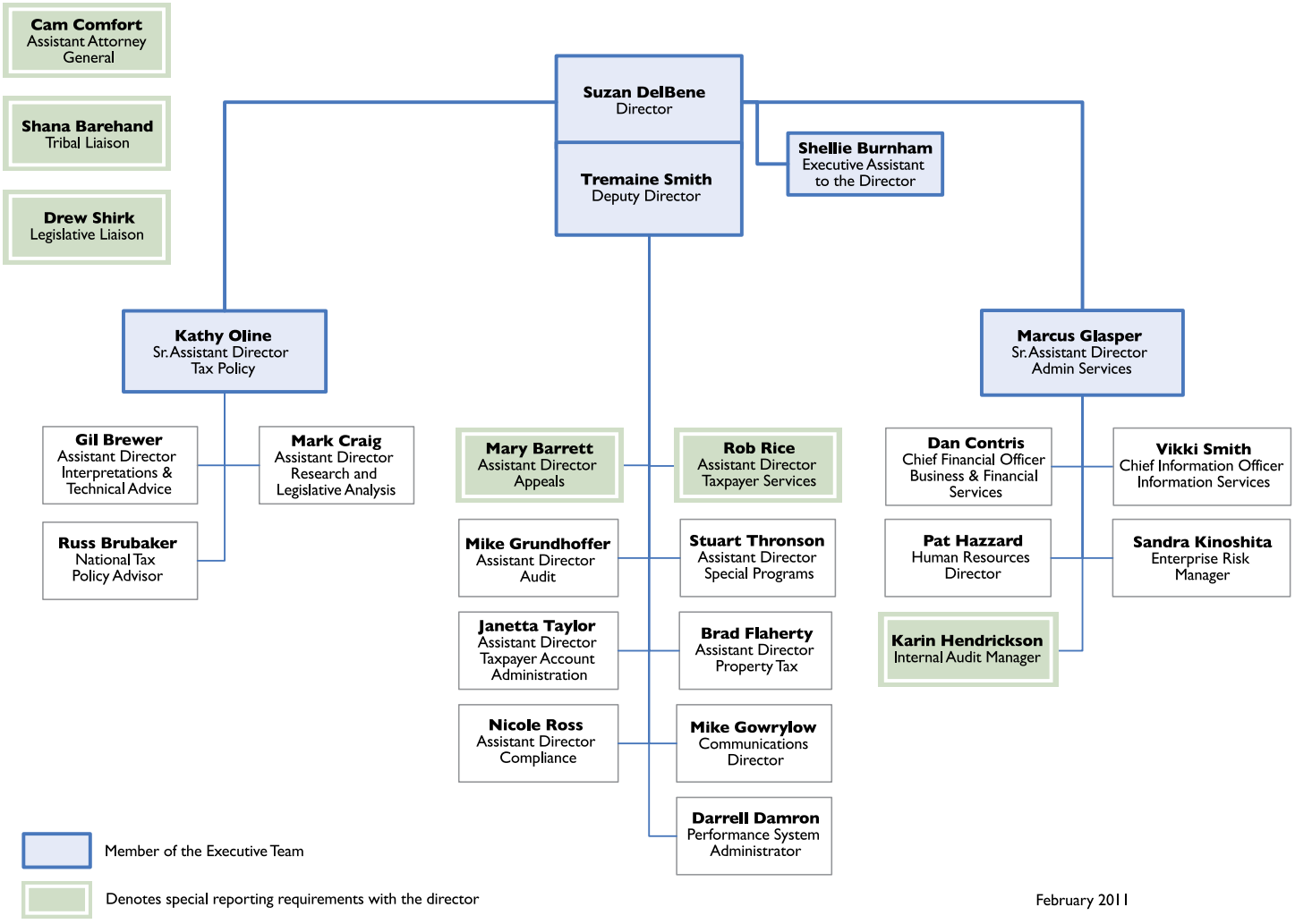
2011 Washington State

Quality Award

Lite Application

Department of Revenue
Washington State

Agency Organization



February 2011

Acronyms

AD:	Assistant Director
ATRS:	Automated Training Registration Systems
AWB:	Association of Washington Business
B&FS:	Business and Financial Services Division
BAT:	Business Activity Tax
BLS:	Bureau of Labor Statistics
CAT:	Customer Advisory Team
CFD:	Combined Fund Drive
DIS:	Department of Information Services
DOP:	Department of Personnel
DOR:	Department of Revenue
DOT:	Department of Transportation
ECY:	Department of Ecology
EEB:	Executive Ethics Board
E-file:	Electronic Filing
E-pay:	Electronic Payment
ERFC:	Economic and Revenue Forecast Council
ESS:	Employee Satisfaction Survey
ET:	Executive Team
FTA:	Federation of Tax Administrators
FY:	Fiscal Year
GIS:	Geographic Information System
GMAP:	Government, Management, Accountability, and Performance
HR:	Human Resources Division
HRMR:	Human Resources Management Report
IRS:	Internal Revenue Service
IS:	Information Services Division
KSA:	Knowledge, Skills, and Abilities
L&I:	Labor and Industries
LGAC:	Local Government Advisory Council
MTC:	Multistate Tax Commission
NAICS:	North American Industry Classification System
NEO:	New Employee Orientation
OFM:	Office of Financial Management
OpsTm:	Operations Team
PD:	Position Description Form
PDP:	Performance Development Plan
PM:	Performance Measure
PMBOK:	Project Management Body of Knowledge
RITS:	Request for Information Technology Service
POG:	Priorities of Government
SAO:	State Auditor's Office
SBP:	Strategic Business Plan
SCS:	Statewide Climate Survey
ST:	Strategy Team
SWOT:	Strengths, Weaknesses, Opportunites, and Threats Analysis
TA:	Taxpayer Advocate
TAA:	Taxpayer Account Administration Division
TIC:	Telephone Information Center
TPS:	Taxpayer Services Division
TSS:	Taxpayer Satisfaction Survey
UCP:	Unclaimed Property
WSQA:	Washington State Quality Award
WSU-SESRC:	Washington State University Social and Economic Sciences Research Center

Preface: Organizational Profile

P.1 Organizational Environment

P.1a(1) Main Product Offerings and Delivery Mechanisms

The Department of Revenue (DOR) is a medium-sized, cabinet level state agency. As the state's principal tax collection agency, DOR collects 90% of state tax revenues plus most local taxes, for a total of $16.3 billion in FY10. DOR's mission is "To fairly and efficiently collect revenue and administer programs to fund public services and advocate sound tax policy." DOR has thirteen divisions, ten that provide direct services to support DOR's mission: appeals, audit, compliance, executive, interpretations and technical advice, research and legislative analysis, property tax, special programs, taxpayer account administration, and taxpayer services. The three other divisions, business and financial services, human resources, and information services, provide internal support. DOR has four work systems (Figure P.1-1) designed to provide products and services to carry out DOR's mission.

Figure P.1-1 DOR Work System, Products/Services, and Delivery Mechanism

Key Products/Services	Delivery Mechanism(s)	Customer/ Stakeholder
Voluntary & Enforcement Collections Work System		
Appeal Determinations	2, 5, 6, 7	Businesses
Audit Assessments	2, 5, 6, 7	
Delinquent Tax Collection	2, 5, 6, 7	
Involuntary Business Registrations	2, 5, 6, 7	
New Business Registrations	5, 8	
Tax Return Examinations	5, 8	
Written Rulings	5, 6, 7, 8	
Tax Law & Policy Development Work System		
Bill Drafts	2, 7, 8	• State Agencies • Governor & Staff • Legislature & Staff
Fiscal Notes	2, 7, 8	
Interpretations & Technical Advice	1, 2, 4-8	All
Tax Policy/Rules	1, 2, 4-8	
Program Administration Work System		
Unclaimed Property Returns	5, 8	WA Citizens
Valuation Appraisals	4, 7	Local Gov't
Support Processes Work System		
Employee Evaluations	2	Employees
Network & Application Availability	8	All
Service Requests	8	

Delivery Mechanism Key: 1. Website; 2. Face-to-face meetings; 3. Media outreach; 4. Mailings; 5. Correspondence; 6. Telephone; 7. Email; 8. Web applications

P.1a(2) Organizational Culture

DOR culture is built upon professionalism, steadfast ethics, and stewardship of public trust and funds. Pride and commitment are demonstrated through attentive and resourceful customer service. DOR is competitive and determined, with a solid record of creating innovative solutions with limited resources. Participatory management and collaboration are practiced in all aspects of business, while recognition programs are widespread throughout DOR. The overall culture of DOR is reflected in its motto: *"Working together to fund Washington's future."*

Vision, Mission, and Values

The Vision, Mission, and Values are outlined in Figure P.1-2.

Figure P.1-2 Vision, Mission, and Values

Vision	
An open and collaborative environment that maximizes service delivery and achieves the highest level of voluntary compliance.	
Mission	
To fairly and efficiently collect revenue and administer programs to fund public services and advocate sound tax policy.	
Values	
Open Communications	Listening and being clear and forthright in all communications to enhance understanding.
Cooperation	Working together to achieve DOR goals.
Respect	Honoring diversity, recognizing individual contributions, and treating people with courtesy.

Integrity	Committing to honest and ethical behavior.
Professionalism	Demonstrating competence, resourcefulness, and the highest standards of conduct.
Accountability	Taking responsibility for our actions and performance.
Excellence	Working effectively in a supportive and fun work environment to achieve success.

Core Competencies

Figure P.1-3 demonstrates the relationship and alignment between the Department's mission, core competencies, and work systems.

Figure P.1-3 DOR Core Competencies

Mission	Core Competencies	Work System
To fairly and efficiently collect revenue and administer programs to fund public services and advocate sound tax policy.	• Collecting Taxes in a Fair Manner • Integrating Information Technology with Operations	Voluntary & Enforcement Tax Collections
		Support Processes
	• Researching & Analyzing Tax Law • Advocating Sound Tax Policy	Tax Law & Policy Development
		Program Administration

P.1a(3) Workforce Profile (FY10)

DOR has 1,156 employees located throughout the state. Approximately 37% of employees work in DOR's field offices and 3.5% of employees work out of state. The remaining DOR employees are housed in the Olympia and Tumwater headquarters. DOR employees consist of auditors, revenue agents, tax examiners, tax policy specialists, and information technology specialists. At the end of FY10 approximately 96% of employees were full time, 14.7% were superviors or managers, and 78% were represented in a bargaining unit. Figure P.1-4 displays additional workforce profile information. DOR's workforce diversity is represented in Figure 7.4-1.

Employee Motivation and Engagement

The DOR measures employee motivation and engagement by conducting employee surveys every other year since 1987. The 2009 Employee Satisfaction Survey addressed the following key motivation and engagement factors: service quality, career development, communication, morale, supervision, overall satisfaction, work climate, and human resource practices.

Figure P.1-4 Workforce Profile FY10

Tenure	>1	1-5	6-15	16-25	26+
	4%	35%	28%	24%	9%
Education	Up to Some College	AA Degree	Col Grad 4 Yr Degree	Master Degree	Advanced Degree
	30%	3%	57%	7%	3%
Age	20-29	30-39	40-49	50-59	60+
	11%	22%	26%	29%	12%

Benefits

The state establishes key employee benefits. Employees obtain these benefits through private insurance plans offered by the state PEBB, including medical, dental, retirement, life for employees/life for retirees, long term disability, auto/home insurance, long-term care, and Flexible Spending Account (FSA). All agency employees accrue sick and annual leave for personal use.

Health and Safety Requirements

Safety and wellness are agency priorities. All federal and state health and safety requirements, such as OSHA and WISHA, that are applicable to DOR are integrated into our internal policies and procedures and reported as required to the regulating agency. Additionally, DOR is dedicated to ensuring a safe working environment through regular monitoring, assessments, education, and emergency preparedness. Employee wellness is also encouraged by providing training, activities, resources, and tools for first aid, self-assessment, and developing personal wellness solutions.

P.1a(4) Facilities

DOR offices are located throughout the state, and most offer in-person assistance to taxpayers and the public. DOR has headquarters located in both Olympia and Tumwater. DOR offers taxpayer assistance in Bellingham, Everett, Kent, Port Angeles, Richland, Seattle, Spokane, Tacoma, Vancouver, Wenatchee, and Yakima. Additional DOR locations include Aberdeen, Bothell, Bremerton, and Federal Way.

Technology and Equipment

DOR prides itself on innovative technological solutions to meet the demands of increasing workloads with existing staff. DOR has implemented Project Server to centralize the management of IT projects and associated resources. User interface design standards have been established for applications used by agency employees. This streamlines the development of applications and simplifies training for new applications and for new employees. DOR uses the Internet as a major technological customer service resource. DOR's website contains current tax information, video tax tutorials, a local tax rate look-up tool, and a variety of other services. DOR's electronic filing and payment (E-file and E-pay) options, secure

messaging, and other online applications provide taxpayers with the opportunity to report and pay their taxes anytime and anyplace in a safe and secure environment. DOR continues to build and maintain its technology infrastructure. DOR has Hewlett Packard non-stop high availability servers, redundant processors, updated appliances to block viruses and SPAM, Voice over Internet Protocol (VOIP) telecommunications, a predictive dialer, and modern call centers. DOR also uses web conferencing technology to reach out to its employees for training and to communicate key updates regarding legislative and budget activities. This technology enables DOR to effectively and efficiently communicate to staff, while mitigating the cost of travel in the current economic climate.

P.1a(5) Regulatory Environment

Chapter 82.01 RCW established DOR and the duties and powers of the Director and the agency. DOR administers and enforces tax law and policy mandated in RCW and WAC. The Washington State Legislature appropriates resources, while the Office of Financial Management (OFM) approves staffing and spending plans. DOR is subject to Internal Revenue Service (IRS) security regulations, Governor executive orders, external audits from the IRS, performance and financial audits by the State Auditor's Office (SAO), the Washington Information Services Board (ISB) guidelines, OFM, GA, and DOP policies and procedures, and state and federal employment laws and regulations. DOR's Internal Audit unit provides management independent and objective analysis, recommendations, and counsel through professional audit and advisory services to improve the effectiveness of DOR's risk management, controls, and governance processes.

P.1b Organizational Relationships
P.1b(1) Organizational Structure and Governance System

DOR is led by a Governor-appointed Director. The Director is a member of the Governor's Cabinet, the Job Creation Sub-Cabinet, Governor's Board of Economic Advisors, and the Economic and Revenue Forecast Council (ERFC). The Director's Executive Team (ET) meets weekly to chart DOR's strategic direction and set expectations throughout DOR. The Strategy Team (ST), the next level of senior DOR leaders, meets monthly to share and discuss agency and divisional management information as well as make policy and administrative decisions. Most ST members directly report to an ET member, provide broad agency direction to ensure alignment with and progress towards achieving DOR's vision, mission, and goals, and support the ET in setting policy. The third level of DOR leadership is the Operations Team (OpsTm), which extends to the mid-management and supervisor level and encompasses approximately 160 people.

P.1b(2)Customers and Stakeholders

The major customers and stakeholders are outlined in Figure P.1-5. There is significant overlap between customers and stakeholders, and both are often consulted through multiple channels to gather information and determine requirements and/or expectations. Methods such as stakeholder forums and feedback processes, employee and customer satisfaction surveys, intra- and interagency work, and advisory groups are crucial to the development of policy, tax administration, and workforce management at DOR.

Figure P.1-5 Customer and Stakeholder Expectations

		Products	Services
Business	Requirements	2,3,4,7	1,7
	Expectations	6	6
Employees	Requirements	1	2,4,7
	Expectations	3,5	6
WA Citizens	Requirements	2	1,4,7
	Expectations	3	6
State Agencies	Requirements	2,5	1,7
	Expectations	1	6
• Governor & Staff	Requirements	2,3,7	1
• Legislature & Staff	Expectations	6	6
Tribal Governments	Requirements	4	1
	Expectations	5,7	1
Local Governments	Requirements	2, 3	1,7
	Expectations	5	5
Labor Organizations	Requirements	1,5	1,5
	Expectations	4	4
• Industry Associations	Requirements	2,3	1
• Professional Organizations	Expectations	4,5,7	4,5,7

Key: 1=Accessibility of information; 2=Accuracy; 3=Clarity; 4=Fairness; 5=Opportunity for involvement; 6=Quality; 7=Timeliness

P.1b(3) Key partners and collaborators

DOR partners with state and local governments, industry associations, professional organizations, FTA and MTC, and businesses for policy development, service delivery, and process improvement. DOR partners play an essential role in the agency value creation and support processes. Collaboration with other public agencies and local governments is the keystone to numerous priority projects. These relationships consistently provide feedback and a means to inclusively and innovatively address problems and customer and stakeholder needs.

Communication

DOR's first point of contact with many partners and collaborators is the web. DOR has championed the web as a primary communication tool and pioneered the use of online videos and tutorials. DOR hosts workshops on emerging tax subjects and staffs a speakers bureau ready to attend events upon request. DOR partners with business associations (e.g., Association of Washington Business (AWB), Independent Business Association, Washington Retail Association) to reach businesses through additional channels such as attendance at association meetings and providing information for member newsletters. Traditional communication methods include letters, publications, newsletters, the agency's toll-free Telephone Information Call Center (TIC), and front counter assistance at 12 offices statewide.

Innovation

DOR regularly reaches out to partners and collaborators when developing tax policy or when considering a key process improvement. Including partners and collaborators in improvement projects ensures that DOR obtains the right and necessary feedback to meet and exceed customer expectations. One way DOR includes businesses in its innovation process is through the user-centered design process. They are recruited to test the "usability" of new website applications, forms, and documents. DOR also collaborates with technology and financial partners to implement the most efficient, accessible, dynamic, and cost-effective ways to provide DOR's products and services to its customers. DOR also works in concert with other regulatory agencies in the state to streamline and improve processes for its shared customers. This includes joint analysis and implementation of priorities.

P.2a Competitive Environment

As a regulatory agency, the DOR does not compete for business. Taxpayers are required by law to collect, report, and remit taxes. Debt collection is an activity frequently performed by the private sector. A 2008 SAO Performance Audit of collection of state debt found that DOR's collection activities were exemplary and cost effective for the state of Washington. DOR employs all eight best practices identified by the SAO and received no audit findings.

P.2a(2) Principal Success Factors

The DOR does not have any direct competitors but recognizes and supports the principal success factors that are critical to accomplishing the agency's mission. DOR's principal success factors are a high level of voluntary compliance, strong relationships with partners, productivity of workforce, and integration of technology with business processes. DOR supports these critical success factors by maintaining the integrity of the tax system, administering taxes fairly, responding effectively to legislative changes, educating businesses and the general public on their tax rights and obligations, making full use of advanced technology and the creativity of its employees to simplify tax reporting and improve internal processes, conducting extensive stakeholder work, and emphasizing employee development and leadership competencies. Key changes affecting success factors are the economic climate, an increased interest by taxpayers in standardization and simplification, the growing number of multistate business models, a shift in consumer purchasing from remote sellers through Internet, and maintaining current staff levels despite large-scale growth in the number of businesses and amount of collections. DOR is currently meeting with customers and stakeholders to gather feedback about how DOR can simplify their regulatory obligations. This collaborative effort will provide opportunities for innovation in our policy, key business processes, and service delivery and will ultimately feed into DOR's strategic planning efforts.

P.2a(3) Sources of comparative and competitive data

DOR does not have access to competitive data, as the agency does not have any direct competitors. DOR's work differs significantly from other state revenue agencies in that Washington collects no personal income tax. In place of an income tax, Washington collects sales, use, and business and occupation taxes. These differences make direct comparisons less meaningful. DOR does compare its human resource results to other Washington State agencies that submit a Human Resource report card every year. DOR utilizes other key data sources such as reporting detail from taxpayers, the Data Warehouse (matching data from two outside sources, to assist DOR in increasing revenues and internal efficiencies by bringing new and existing taxpayers into compliance), and a unique state input-output model that analyzes business transactions and taxpayer compliance in great detail. Key data sources outside the industry include the U.S. Census Bureau, Bureau of Labor Statistics (BLS), the U.S. Department of Labor, the IRS, other state agencies, research by higher education institutions and the private sector, and the ERFC. DOR also researches the practices of other state DORs, the FTA, MTC, local tax jurisdictions, and the business community. All sources have similar data limitations including time delays and the integrity of data.

P.2b Strategic context

Strategic Challenges

DOR's current strategic challenges are: simplification of tax administration, keeping tax policy current with changing business practices, increasing compliance, economic conditions, and succession planning.

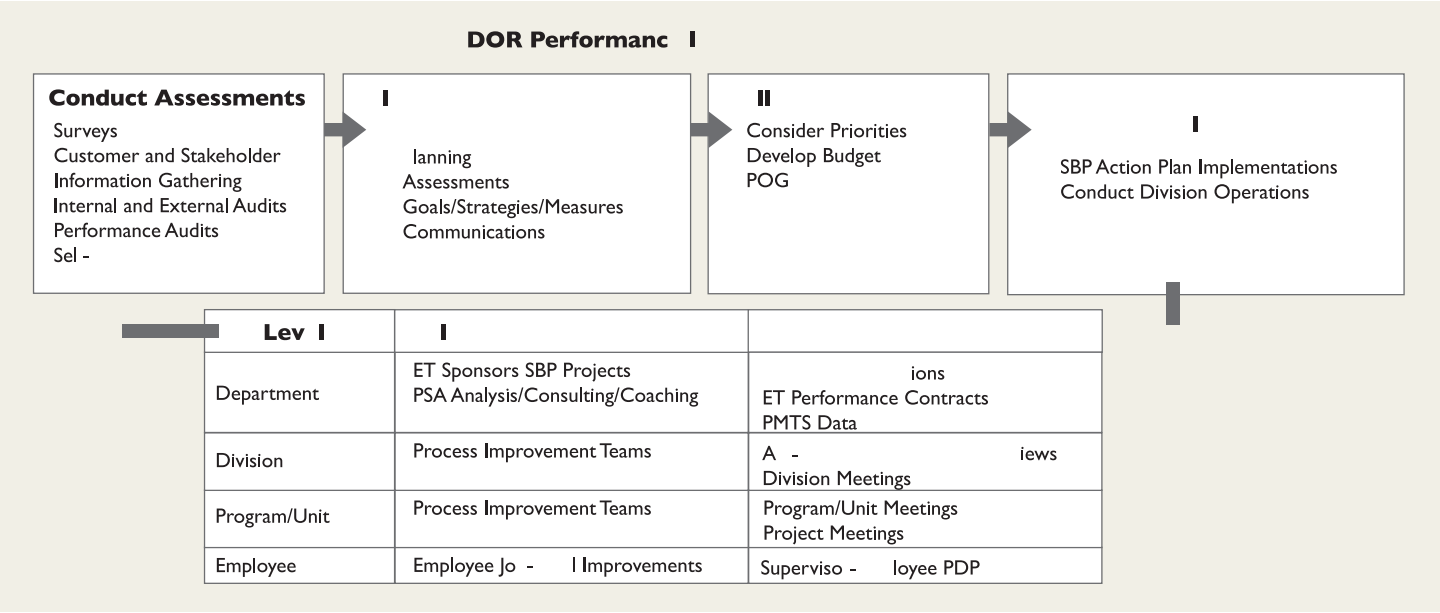
Strategic Advantages

DOR's strategic advantages are: a clear mission, strong workforce and organizational structure, senior management focused on efficiencies, and high rate of voluntary compliance among registered taxpayers. DOR addresses and aligns its business, operational, human resources, and sustainability challenges in the Strategic Business Planning (SBP) process. This approach supports development of strategies and action plans to address current and long-term strategic challenges.

P.2c Performance improvement system

DOR's Performance Improvement System (Figure P.2-1) is an ongoing, systematic approach to improving results through evidence-based decision making, continuous organizational learning, and a focus on accountability for performance. Performance improvement is integrated into all aspects of our management, strategic planning, operations, and policy-making processes, transforming our practices and our focus on achieving and improving results that matter to the citizens of Washington. Data is the starting point for management decisions and is used to lay out options, make choices, and set strategic direction.

Figure P.2-1 DOR Performance Improvement System



Conduct Assessments

Through the use of multiple assessment tools deployed throughout DOR, data and feedback are gathered, aggregated, and evaluated. Assessments are used to gather data internally from staff and externally from stakeholders and taxpayers and are used to identify trends and improvements, spot issues, and monitor progress. DOR conducted three biennial Baldrige self-assessments from 2000-2006. In 2007, DOR was the first Cabinet level agency in Washington State to apply for the full WSQA examination. Thorough review and analysis of feedback was done by the ST and ET to explore the strengths and opportunities for improvement presented. The ST and ET developed key themes and priorities based on the feedback and assigned champions to each theme. Champions developed action plans to address each priority. This required work at both the divisional and agency levels to address specific challenges. Priorities from the Baldrige assessment were incorporated into an SBP initiative or ET sponsored improvement project to ensure progress, accountability, and communication throughout DOR.

Plan Strategies & Actions

Strategic planning is conducted on a cyclical basis through the SBP process, in which emerging risks and management challenges are identified, resource commitments are prioritized, and implementation of projects and strategies are scheduled.

Allocate Resources

The SBP process involves external and internal alignment. External alignment is characterized by a focus on the Governor's priorities and through the budget process. The budget process involves the legislative branch as well as OFM. Internal alignment involves an intentional review of the DOR mission, vision, values, and goals and a review of how these elements are echoed throughout DOR.

Implement Strategic and Operational Activities

Strategic and operational activities are implemented at the agency, division, and individual levels. This is found in individual contracts with the Director, staff evaluations, and divisional operations plans as well as in the action plans for each SBP strategy and other projects.

Monitor Performance

A focus on results is maintained through regular review and monitoring of agency performance measures and key business process data. A vital aspect of this is the adoption of Government, Management, Accountability, and Performance (GMAP) principles by agency leadership and a decision to use those same principles to manage work in divisions, sections, and workgroups. GMAP forums are conducted both internally and before the Governor. The main GMAP principle is the use of trend data to provide a candid view of performance measure targets and results. GMAP also places a high value on examining outside factors and the role and impact of other stakeholders and processes. GMAP forums provide a means to hold managers accountable. A further benefit is the innovation and process improvements that evolve from the intra- and interagency collaborations that are part of the GMAP process.

Improve Performance

Performance improvement projects that result from the cyclical planning process are identified in the SBP process, and progress is regularly reported throughout the year to the ST. An internal performance measure tracking system records monthly results and facilitates data-based decision making. It also provides reports for feedback at all levels of DOR, including those measures regularly reported to the ET.

1. Leadership

1.a How do Senior Leaders set organizational Vision and Values? How do Senior Leaders deploy your organizations vision and values through your leadership system, to the workforce, key suppliers and partners and to customers and other stakeholders, as appropriate?

DOR's core mission and purpose is established through statute while the vision, values, goals, and strategies are set by the ST in Step 3 of the SBP process referenced in 2.a and 2.b. After considering the SWOT analysis in Step 2 the ST confirms or establishes DOR vision and values to align them with current priorities. DOR values and SBP goals and strategies are aligned with DOR's vision of "An open and collaborative environment that maximizes service delivery and achieves the highest levels of voluntary compliance." DOR's vision and values are reinforced demonstratively by senior leaders in their interactions with employees, customers, stakeholders, and partners. Vision and values are deployed in Step 5 of the SBP process through the design, development, and implementaiton of an agencywide communication plan. Figure 1.1-1 displays routine vision and value deployment activities.

Figure 1.1-1 Vision and Values Deployment Activities

How senior leaders deploy vision and values	Timing	Effectiveness Evaluated
Audience: Workforce		
By example; demonstrating leadership competencies	Ongoing activities	• ESS -Q33, Q34, Q35 • Annual performance contracts and PDPs
Messages from Senior Leaders – email and Intranet		ESS - Q35
SBP Process		
New Employee Orientation	As scheduled	Participant evaluations
Cross Training Courses		
Division staff meetings	At least monthly	• ESS - Q5a, Q5b, Q18 • Real-time feedback
Field office visits	As scheduled	
Recognition events		
Webcasts		
Audience: Customers/Stakeholders/Partners		
Wall posters in DOR offices	Ongoing activities	TSS
DOR Website		
Face-to-face meetings		Real-time feedback
Legislative updates and hearings		
Presentations/speaking engagements		Participant evaluations
Outreach		

1.b How do Senior Leaders communicate with and engage the entire workforce? How do Senior leaders encourage frank, two-way communication throughout the organization?

Figure 1.1-2 displays how DOR senior leaders encourage open communication, engage employees, and promote two-way conversations.

Figure 1.1-2 Communication Mechanisms

How senior leaders communicate and engage the entire workforce	Timing	Effectiveness Evaluated
Having an open door policy; demonstrating leadership competencies	Ongoing	• ESS - Q20, Q21 • Annual performance contracts and PDPs
Email and Intranet communications		
ESS feedback and priority action plans		ESS - Q37
PDP Process	Yearly	SCS - Q10
Division staff meetings	At least monthly	• ESS - Q5a, Q5b, Q18 • Real-time feedback
Field office visits	As scheduled	
Recognition events		
Webcasts		

The Director provides regular updates on topics like the budget process, impacts of new legislation, SBP, litigation news, and improvement efforts through Director Messages, WebEx, Critical Alerts emails, and the Director's page located on the Intranet. Important agency decisions are communicated directly to all agency employees via email or WebEx, and other decisions and information are cascaded through agency leadership. The use of two-way communication methods such as staff meetings and WebEx allows senior leaders to directly engage with staff and provide an opportunity for open discussion and questions. ADs are held responsible for maintaining open communications within their divisions through use of email and regular staff meetings. The OpsTm members have regular staff or unit meetings where they are responsible to communicate information to employees. The OpsTm members conduct annual performance reviews with their employees, providing feedback on their performance, recognizing their accomplishments, and outlining training needs and career development plans.

1.c Describe how your organization addresses its responsibilities to the public and ensures ethical behavior.

Legal and ethical behavior is consistently emphasized throughout the organization, which is particularly necessary in a regulatory agency such as DOR. This emphasis begins by establishing the "tone at the top" and conveying expectations for all employees through messaging of DOR's stewardship responsibilities and communicating the importance of DOR's role in state government. DOR has a designated agency ethics advisor that serves as an internal resource for all staff and also serves as the liaison with the Washington State Executive Ethics Board (EEB). DOR has had no formal EEB violations since 2006. DOR has a dedicated Intranet site that provides specific

Figure 1.1-3 describes how DOR ensures ethical behavior of employees.

Inputs	Steps	Timing	Owner	Repeatable	Effectiveness Evaluated
SAO Whistleblower Program	Send information to employees	Every year	Director	Yes	Investigation of reports
Ethics Training	Complete online training	Every two years	Employee	Yes	# of ethics violations
Confidential Taxpayer Information Training					CTI is not given to unauthorized individuals

information about the State Ethics Law, links to resources, and an FAQ answering questions raised by employees that describes how the policies and laws are applied to everyday scenarios in the agency. Legal and ethical behavior is reinforced from the point an employee is hired and follows throughout their employment with DOR. Each new employee must complete a New Employee Checklist signed by both the employee and supervisor to verify they have read and understood agency policies related to legal and ethical behavior. Criminal background checks are performed before offers of employment are made to ensure prospective employees have committed no crimes related to the job. All employees are required to sign and file a notarized Secrecy Clause Affidavit before being granted access to agency information systems. Not only does DOR have a policy related to conflict of interest, but any employee who engages in outside employment or volunteer activities is required to complete an outside employment/conflict of interest form upon employment or prior to engaging in that activity. To reinforce DOR's external responsibilities and behavior, DOR has a designated position that serves as the Taxpayer Advocate to help resolve issues and complaints from taxpayers. Taxpayers can view their "rights and responsibilities" on the Internet and, if needed, use the complaint/compliment system to provide feedback.

2. Strategic Planning

2.a and 2.b How does our organization perform its strategic planning? What are the key process steps and who are the key participants? What are your strategic objectives? How do your strategic objectives address your strategic challenges and advantages?

DOR has a mature and well-developed strategic planning process which culminates every two years in a written formal plan. The process has been in place since the late 1980s and is part of DOR's performance improvement system (Figure P.2-1). The most recent plan was published in August 2010 and provides a comprehensive description of DOR's work environment as a tax administration agency and an outline of the 21 strategies selected for implementation.

DOR's SBP process sets direction, establishes priorities, prompts innovation, and provides accountability. The plan has both a long-term and short-term horizon and establishes alignment with DOR's vision, values, mission, and goals. Short-term projects are those that are less than two years, and long-term projects are those that are planned for completion within two to five years and are normally carried forward in the next plan. The plan's progress parallels the state's FY calendar, and a new plan is created each biennium, with a five-year emphasis. This time frame allows DOR to factor in new workloads, efficiencies, increases in productivity, customer needs, and to operate within budget constraints. The following descibes DOR's SBP process:

Inputs: Internal and external assessments (including Baldrige), TSS, ESS, operations and performance measurement data, business trends

Timing/Owner/Repeatable: Every two years/Strategy Team/Yes

Steps: 1) Plan the SBP project; 2) Review input from employees, customers, partners, and stakeholders to develop SWOT analysis; 3) Establish vision, values, goals, objectives, strategies, and performance measures; 4) Prepare written document; 5) Implement communication plan (deployment); 6) Conduct lessons learned and identify improvements.

Effectiveness Evaluated: Process effectiveness is evaluated in Step 6 during lessons learned.

The final SBP, particularly the strategies, reflects a planning process that incorporates ideas, feedback, and input from employees, business associations, stakeholders, and customers. Strategy proposals are developed in a number of ways depending on scope and scale of the activity or issue, ranging from line staff brainstorming ideas to interdivisional quality teams. Requesting feedback from customers as well as staff continues to play a key role to assure that both the issue and proposed solution are clearly understood and unintended consequences are avoided. Both the 2008-2013 and 2010-2015 SBP planning process addressed several OFIs from DOR's 2007 WSQA full application feedback report. Strategies must consider environmental conditions and trends, current and ongoing activities, assessment of performance, and support of statewide results. Each of the proposed strategies are carefully reviewed at the division level and evaluated in terms of what issue the strategy is addressing, the value it will create, and at what cost. Proposed strategies must directly contribute to agency objectives and goals. Each strategy is assigned a lead

division, participating division(s), and an estimated start and end date. The proposed dates may be revised based on a ST review of internal capacity in competition with other projects, support of new statewide programs, legislative impacts, and budgetary issues. The ST is responsible for making the final decisions on which proposals will go into the plan. The ST engages in a comprehensive review, critiquing each of the proposed strategies and prioritizing them for inclusion in the final SBP.

DOR relies on its strategic advantages to execute each of the strategies. For example, DOR uses the PMBOK methodology to ensure strategies that require technological development and innovation follow a predicatble and repeatable process.

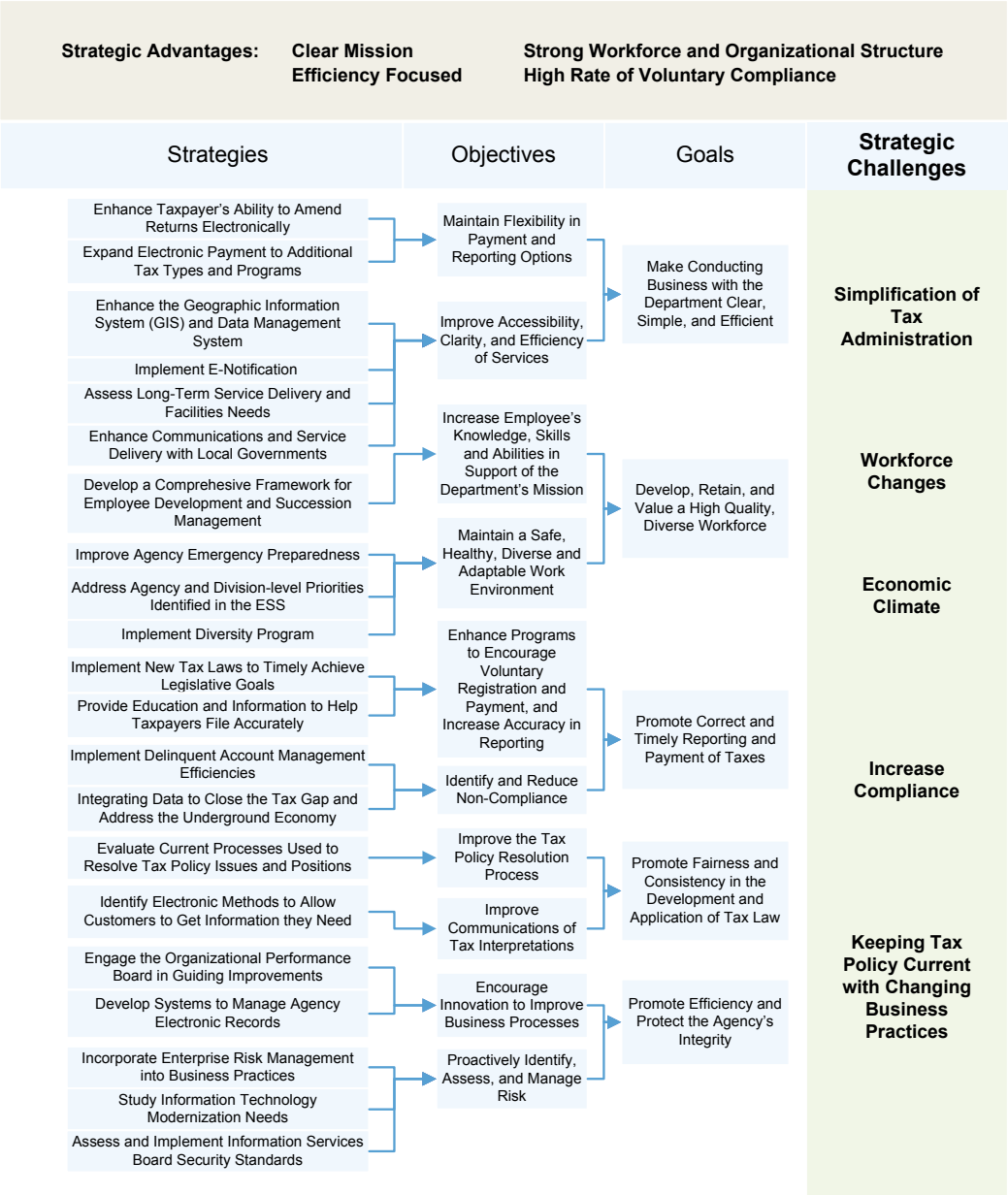
2.c How do you deploy action plans throughout the organization to achieve your strategic objectives.

Each SBP strategy has a SharePoint site on DOR's Intranet where action plans and supporting documents are posted and updated on a routine basis. These sites are available to all DOR employees. The following describes how DOR deploys strategy action plans:

Inputs: SBP strategies

Steps: 1) ET assigns a lead (usually an AD) to each SBP strategy; 2) Leads develop and implement action plans (project, communication, implementation plans); 3) Leads post progress update on SBP SharePoint site quarterly; 4) Leads provide reports to ST two times each year.

Figure 2.1-1 displays DOR's strategic objectives and how our strategic challenges are addressed in the 2010-2015 SBP.



Timing/Owner/Repeatable: Step 3 of SBP planning/ Strategy leads/Yes

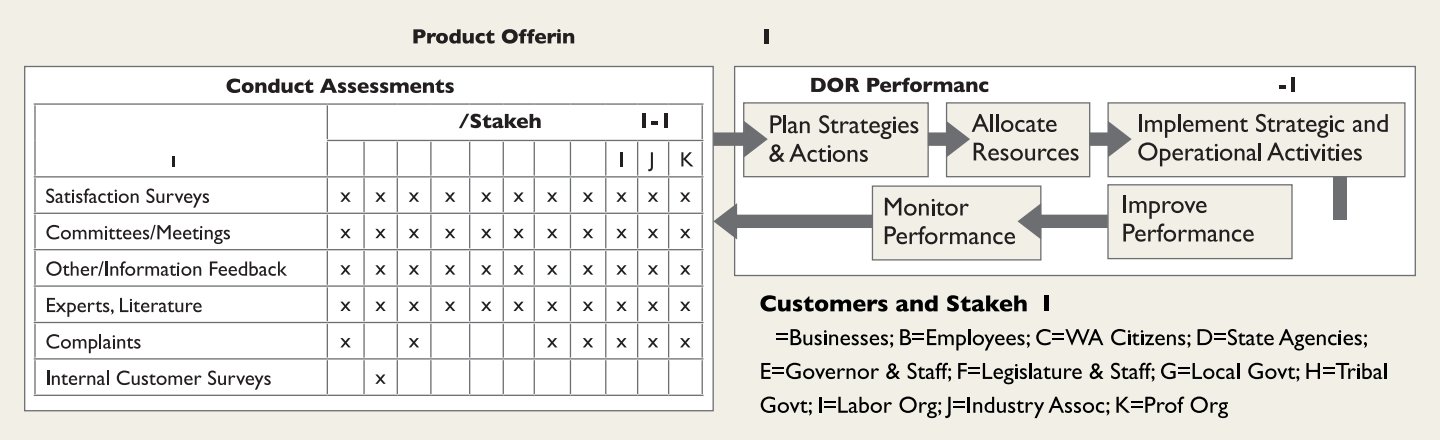
Effectiveness Evaluated: Strategy progress is evaluated every six months formally by ST. PMs assigned to a specific strategy are monitored at regular intervals by the Budget Office, Strategy leads, and the ET. Progress on stratgies is monitored and tracked throughout the year and is adjusted in response to new information. Success of these objectives has depended on the stability of the SBP process, ability to shift resources quickly, use of project plans, and open communication. A communication plan is developed to roll out the final plan, featuring articles on the Intranet site that highlight DOR goals and demonstrating how the plan applies to DOR's mission and employees' day-to-day work.

3. Customer and Market Focus

3.a How do you identify and innovate product offerings to meet the requirements and exceed the expectations of your customer groups and market segments?

Listening to customers is part of DOR culture. DOR routinely, through multiple channels, consults customers and stakeholders to keep the lines of communication open for improvement and innovation. DOR reaches out to taxpayers each year through our TPS division where businesses have the opportunity to be a part of the agency's improvement process (see 3.b). Figure 3.1-1 illustrates how DOR gathers, aggregates, and analyzes assessment data (inputs) to make sure its products and services provide value to our customers. These listening and learning methods, both formal and informal, feed into DOR's Process Improvement System (see Figure P.2-1). By eliciting and incorporating customer feedback regarding its products and services, DOR is continually building and fostering relationships – a key component in administering a tax reporting system based on voluntary compliance. The feedback DOR receives from listening and learning methods gauges how well DOR meets and exceeds customer expectations and requirements. This process is invaluable, and with the evolution of technology and the use of dynamic surveying tools, DOR is able to obtain more real-time feedback than ever before. In 2011, DOR is exploring ways, through extensive outreach and stakeholder work, to simplify tax administration for businesses in Washington. DOR developed an online survey that all taxpayers can access to submit their ideas for tax simplification. This is another example of how customer feedback is part of the larger process improvement system. By combining all of these listening and learning approaches, DOR is able to understand taxpayer interactions and interests and gain insight into the services they need. In many cases DOR has been able to make immediate changes, create new SBP strategies, and redirect resources.

Figure 3.1-1 Product Offering Identification & Innovation Process



3.b How do you determine your key mechanisms to support use of your products and enable customers to seek information and conduct their business with you? What are your key means of customer support, groups or market segments?

As part of the product offering identification and innovation process (Figure 3.1-1), DOR utilizes customer feedback and data from operational activities and listening and learning methods to determine the most effective and efficient ways to serve its customers and make it easy for them to obtain the information they need to do business with DOR. Access is a fundamental requirement (see P.1.b.2), so taxpayers and citizens can utilize a variety of mechanisms to access DOR. DOR's website is the first point of access for many customers, and the ability for taxpayers to self-serve saves time and money for both customers and the agency. DOR acknowledges that its customers require accurate and timely information and uninterrupted access to the agency's website. DOR's website makes it easy for taxpayers to file tax returns, pay taxes, and find up-to-date reporting instructions, general information, and background information for sophisticated analysis of complex tax issues. DOR uses a web analytics tool (Google Analytics) to track the keywords users are looking for as well as their behavior on the site. This information helps DOR maintain a focus on user-centered design and better understand and meet customer needs. Institutionalizing user-centered design into DOR's culture has improved user satisfaction, increased voluntary compliance, and reduced taxpayer errors. Taxpayers can also visit field offices located throughout the state, request written assistance, and call to obtain personal assistance. DOR also provides ongoing workshops and education to taxpayers both in person and online. DOR's workshop and educational outreach efforts for FY07-10 included: 469 New Business Outreach Workshops, 49 industry specific workshops, 206 speaking engagements (invited), and 428 tax consultant visits. Additionally, DOR online workshops and tutorials recieved 93,570 views. DOR also has a Taxpayer Advocate (TA) process available to taxpayers. The TA reports to the Director and provides an independent, effective system for problem solving when issues cannot be resolved through regular channels. The TA also looks for root causes so that systemic, procedural, and organizational changes can be made to prevent the same issues from arising in the future. Immediate responses are a key factor in resolving the conflicts stemming from advocate inquiries. During FY10 the advocate staff responded to l00% of the requests for assistance within one business day. Not every complaint rises to the level of requiring assistance from the TA. To promote resolving concerns, DOR has an online feedback system for receiving customer complaints and compliments. Customers can use the web form themselves or an employee can complete and submit the form on a taxpayer's behalf when they receive verbal complaints or compliments. The system allows feedback to be quickly routed to the appropriate division for response.

3.c How do you determine customer satisfaction, dissatisfaction and loyalty?

DOR's process for determining customer satisfaction, dissatsifaction, and loyalty is the TSS. Every three years DOR contracts with Washington State University Social and Economic Sciences Research Center (WSU-SESRC) to conduct this survey. This nationally recognized research center advises DOR on ways to improve the effectiveness of the TSS as a listening and management tool. The survey determines the effectiveness of services and operations while assessing customer needs and expectations. It serves as a baseline for DOR to judge progress in improving the quality of its programs and is useful in analyzing trends. When completing this survey taxpayers are asked to answer many questions about the services, material, and programs provided by DOR. Taxpayers are also asked to rate the quality of services they receive. The following describes DOR's process for determining customer satisfaction, dissatsifaction, and loyalty:

Inputs: TSS results

Timing/Owner/Repeatable: Every three years (2010 TSS postponed due to budget)/Cross-divisional/Yes

Steps: 1) Analyze and aggregate data; 2) Identify changes, trends from past surveys; 3) Identify priorities and make recommendations for future actions and improvement.

Effectiveness Evaluated: During SBP process in Step 2

The 2007 TSS was the sixth survey administered by DOR since 1992, and it was sent to 2,468 businesses. The sample of businesses was stratified into groups of taxpayers representing small and large businesses in each of eight industry groupings for both Eastern and Western Washington. Although the survey reflected things that DOR is doing well, it also identified opportunities for improvement. To analyze the results of the survey, a team was formed with representatives from several DOR divisions. The team reviewed the survey data in detail, looking for trends or specific areas that could be improved. The team compared survey results from 1992, 1995, 1998, 2001, and 2004. The team reached conclusions on what DOR is doing well and developed recommendations for future actions or improvements. These recommendations became an input into the DOR's Performance Improvement System (see Figure P.2-1) and were considered when planning strategies and actions (see 2.a) and allocating resources. Most DOR divisions conduct surveys focused on the specific services they provide. The intent is to measure efficiency, fairness, helpfulness, effectiveness, courtesy, and professionalism of DOR employees within specific programs. If appropriate, there are different versions of the divisional surveys for taxpayers and taxpayer representatives because they have different experiences with DOR. Many of these survey mechanisms have been in place for multiple years and cycles. As a result, they create baseline data that help evaluate change over time and measure success or failure of new initiatives. Through the use of the WSU-SESRC staff and an expert in-house research analyst, DOR can make changes to surveys that are statistically valid and capture new and changing customer requirements.

4. Measurement, Analysis, and Knowledge Management

4.a How do you select, collect, align, and integrate data and information for tracking daily operations and for tracking overall organizational performance? What are your key organizational performance measures, including key short-term and longer-term financial measures?

DOR has a history of using data to drive strategic decisions and to evaluate the efficiency and effectiveness of its organizational performance. Figure 4.1-1 shows the processes for selecting data and information for daily operations and overall organizational performance.

Figure 4.1-1 Processes for Data Selection, Collection, Alignment, and Integration at DOR

Inputs	Steps	Timing	Owner	Repeatable	Effectiveness Evaluated
Current Performance Measures	1. Review current measures 2. Identify changes necessary 3. Design measure formula and data collection method 4. Assign data collection responsibility 5. Collect, distribute, and report data	Annually	Budget Manager	Yes – used annually	Yes – in GMAP Sessions
SBP Action Plans	1. Identify output and outcome 2. Determine type of measure most important to the customer 3. Design measure formula and data collection method 4. Assign data collection responsibility 5. Collect, distribute, and report data	During Step 3 of the SBP Process	Assigned SBP Strategy Lead	Yes – used in SBP cycles since 1986	Yes – in SBP Phase 6 Lessons Learned
Improvement Project Action Plans		During Project Implementation Phase	Assigned Assistant Director	Yes – used in projects for many years	Yes – in each Project Lessons Learned Activity
Key Work Process Requirements		During State Budget and POG Process	Assigned Assistant Director	Yes – used in Budget and POG process for many years	Yes – in GMAP Sessions

Each of these processes helps managers assess performance, manage risks, and increase proactive approaches to tax administration. DOR's Budget Manager meets with each of the ADs annually to review current and proposed performance measures against criteria to determine whether or not the measures a) achieve the purpose of contributing to statewide results, b) are reliable, accurate and verifiable, c) connect to challenging/achievable targets, d) are stated in positive terms, e) can be obtained at a reasonable cost and effort, f) are understandable and relevant to citizens and stakeholders, g) cascade goals and objectives throughout DOR, and h) are aligned down to operational levels. Some key work processes include data and information requirements set by other state agencies (OFM, DIS, SOS, SAO) and the Federal Government (IRS, Dept. of Labor). Data and information are collected in various mission-critical applications, the data warehouse, databases, and simulation models. DOR uses a data warehouse to gather, integrate, and use data to help manage the results of the agency. Databases and simulation models on Washington's tax sources, tax incentives, and exemptions also allow DOR to provide useful information to the ERFC, Legislature, the Governor, local governments, and the ET for use in making policy decisions. The ability of Washington DOR to match income, wage, employment, and geo-coordinates for business location (using DOR's GIS technology) is unique among the states. National and regional economic data such as U.S. Census block level, IMPLAN business input and sales, and BLS consumer expenditures supplement state and local government data sources. To help assess the needs of customers, DOR conducts a TSS every three years (see 3.c). Other surveys include periodic surveys in field offices, TIC, and front counter locations and smaller division specific surveys. Other means of collecting data include: asking taxpayers to participate in committees, focus groups, and panel discussions to resolve specific issues or discuss policy matters, meeting with industries to discuss tax issues of specific importance to them and to gather ideas for improvement and possible legislative proposals, creating LGAC to build greater collaboration, holding DOR-sponsored Industry Trends Seminars to help develop policies that foster economic growth, and participating at regional and national tax conferences. These methods help DOR learn about changes in business practices and long-term trends in industries as they relate to taxation. By listening to stakeholders DOR is able to gather important information to enhance tax policy development, increase communications, and respond to changing customer needs.

Figure 4.1-2 shows the Key Organizational Performance Measures for DOR's Key Work Systems and Strategic Goals.

Key Work Systems and Strategic Goals	Key Organizational Performance Measures
Voluntary & Enforcement Collections Work System	Total Collections
Tax Law & Policy Development Work System	• Total Collections On-Time Delivery of Bill Drafts • Cycle-Time for Fiscal Notes
Program Administration Work System	• Production of Valuation Appraisals • Unclaimed Property Dollars Returned to Owners
Support Processes Work System	• Budget Allotment and Expenditures • On-Time Completion of Employee Evaluations
Strategic Goal: Make conducting business with DOR clear, simple, and efficient	Accuracy of Returns Filed
Strategic Goal: Develop, retain, and value a high quality, diverse workforce	• Turnover Rate • Diversity of Workforce • Employee Satisfaction with Work-Life Balance
Strategic Goal: Promote correct and timely reporting and payment of taxes	• Timeliness of Returns Filed • Enforcement Collections
Strategic Goal: Promote fairness and consistency in the development and application of tax law	Taxpayer's Satisfaction with DOR
Strategic Goal: Promote efficiency and protect the agency's integrity	Efficiency of DOR Collections

4.b How do you review organizational performance and capabilities?

Performance measures are reviewed, evaluated, and updated annually through the budget process. Divisions report actual versus estimated performance measures every month to DOR's Budget Office via PMTS. Performance measures are used by the ST to monitor workloads, activities, and trends. Performance results are reported to OFM, presented during DOR and Governor GMAP sessions, and selected measures are reviewed by the ET on a monthly, quarterly, and annual basis. All of these review processes tie together with DOR's Performance Improvement System (see P.2c), GMAP, POG, SBP, OFM budget guidelines, and HRMR scorecard. The information helps provide the tools to measure key functions, monitor success, and provide for performance accountability.

4.c How do you make needed data and information available? How do you make them accessible to your workforce, suppliers, partners, collaborators, and customers, as appropriate?

Since many of DOR's customers/stakeholders expect information to be accessible (see P.1.b.2), DOR makes a wealth of tax information available for employees, customers, and stakeholders via internal applications and DOR's website - including tax laws, research reports, rules, forms, tax guides, tax publications, online tutorials, industry-specific guides, and forms for reporting. DOR's formal process for providing the infrastructure to make data and information available and accessible to the workforce, customers, and stakeholders is through the Customer Advisory Team (CAT). DOR's CAT provides guidance and oversight for DOR's IT project portfolio through the prioritization, selection, and monitoring of investments in IT solutions. Divisions submit a Request for Information Technology Service (RITS) as needed (based on business need) and the CAT meets monthly to 1) triage RITS, 2) prioritize projects and resources, 3) track and report progress, and 4) implement projects. The effectiveness of this process is evaluated by capturing lessons learned in each improvement project.

DOR has pioneered the use of technology to make it easier for customers to conduct business in a secure environment. The online services portion of the website enables taxpayers or their authorized representatives to pay their taxes and provides the ability to view the status of the taxpayer's account. E-file taxpayers can view outstanding returns or credit information and make changes to their accounts and utilize secure messaging to contact DOR. Taxpayer outreach and information is also provided through business workshops, industry-specific assistance, presentations at business association meetings, and distribution of timely and understandable information in publications like "Tax Facts." Brochures and guides are produced regarding property taxes, estate taxes, and other smaller tax and fee programs, along with publications that provide data regarding tax collections and exemptions. These publications are available in hard copy and can also be accessed on DOR's website. The GIS system that resides on the site allows taxpayers to quickly identify the applicable sales tax rate and location code that applies to their business. DOR's online Taxpedia service is designed for both employees and the public. The system allows users to search laws, rules, audit directives, and Washington Tax Decisions. It is updated on a regular basis and helps provide consistent and accurate tax information. It is user friendly, available 24/7, and receives over 30,000 visits a year.

DOR staff in headquarters, field locations, and out-of-state locations access mission-critical internal applications through DOR's Intranet. DOR's Intranet provides links to information and access to the state's Intranet and other relevant materials such as employment-related information. Performance data is visible in PMTS and accessible to all employees via the Intranet. Information is kept current through the activities in Performance Improvement System (see P.2c) Monitoring and Improving Performance elements. DOR also supports many external data sharing agreements with cities, counties, and other state and federal entities, MTC, and the FTA. These exchanges of data are governed by formal information sharing agreements signed by all parties involved. They are monitored, and critical care is taken to make sure that IRS data is maintained under federal security requirements.

Figure 4.1-3 shows the process for reviewing organizational performance and capabilities.

Inputs	Steps	Timing	Owner	Repeatable	Effectiveness Evaluated
Operational Outputs	1. Analyze estimate vs. actual 2. Determine root cause of off-target performance 3. Take action to get on target	Monthly – Exec Team, Divisions, Units Quarterly – Exec Team, GMAP Annually – SBP, GMAP, POG	Monthly – Deputy Director, Assigned Assistant Directors, Supervisors Quarterly – Deputy Director Annually –Director	Yes – used in Budget and POG process for many years	Yes – in GMAP Sessions

4.d How do you manage organizational knowledge to accomplish the collection and transfer of workforce knowledge?

DOR manages the transfer of organizational and workforce knowledge through deliberate succession planning. DOR uses succession planning to systematically identify and prepare for its talent needs over time. Succession planning was a priority that came out of the 2007 WSQA feedback and continues to be a current strategic challenge for DOR. To address this challenge DOR chartered a Succession Planning Committee as a SBP strategy to develop strategies and planning tools for DOR. The committee's work resulted in the development of succession planning tools and best practices, and the launch of a succession planning website for senior leaders. Both the ET and ST have successfully modeled succession planning through the use of ten open competitive job rotations in senior leadership positions throughout DOR. The successes of the job rotations were highlighted in a quarterly newsletter on the Ops Team web page.

DOR leaders manage the transfer of workforce knowledge in the succession planning process by carrying out the following roles and responsibilities outlined in Figure 4.1-4. ET and ST members are held accountable for succession planning management in their annual performance contracts.

DOR collects workforce knowledge through interactions with a variety of agencies, associations, customer groups, and governments during the rules development process, appeals, business roundtable events, joint meetings, speaking engagements, workshops, and advisory councils. DOR shares knowledge and information with employees via the Intranet, Internet, messages from the Director, email, staff meetings, and training opportunities. Through DOR's Intranet site, employees have instant access to information on work-force issues, policies and procedures, guides, newsletters, and manuals. The site also contains information about ongoing and upcoming efforts with industries as they relate to rules, interpretative statements, industry guides, and legislation. Each division has a SharePoint site on DOR's Intranet that allows employees to access a variety of information as it relates to their division's performance measures, process documentation, data, newsletters, and training manuals. Many divisions utilize their site specifically for cross-training activities that support the transfer of knowledge for succession management.

Figure 4.1-4 Succession Planning Process

Who	Role/Responsibility
Assistant Directors (AD)	• Determine positions key and/or critical to their division operations • Use the succession planning tool to identify current or future knowledge gaps • Develop strategies to close the knowledge gaps
Managers/supervisors (Ops Team)	• Help the AD complete/update the succession planning tool • Provide opportunities for staff to gain knowledge in areas identified as gaps
HR Director	• Complete annual workforce analysis • Provide statistics on retirement-eligible employees to Assistant Directors • Provide resources through Human Resource staff • Help the ADs analyze their division and complete the succession planning tool • Provide annual summaries of succession planning efforts

5. Workforce Focus

5.a How do you determine the key factors that affect workforce engagement and workforce satisfaction? How do you assess workforce engagement and workforce satisfaction?

The primary way DOR determines the key factors that affect workforce engagement and satisfaction is through the process of reviewing changes in response to the ESS. The following describes that process:

Inputs: ESS results

Steps: 1) Analyze survey results; 2) Conduct division feedback sessions; 3) Determine workplace improvements needed; 4) Develop and implement action plans and improvement projects.

Timing/Owner/Repeatable: Every other year/ST/Yes (since 1987)

Effectiveness Evaluated: During division feedback sessions

The ESS results are calculated by division, location, tenure, manager, or employee status and provide comparative data from previous surveys. The ST analyzes the data, looking for areas that receive low ratings or have had a drop in satisfaction, and then identifies action plans. Employee feedback sessions are conducted for each division to identify and prioritize areas for improvement within their division. The ADs use the information from the feedback sessions to finalize divisional priorities. In addition, they discuss those areas that the ST identified for potential agency focus in order to obtain more direct feedback and information. Divisional priorities are then rolled up to agency priorities and communicated to employees via email and DOR's Intranet. Work teams are established for both the divisional and agency priorities to develop and deploy tools, solutions, and improvements based on ESS feedback. The primary way DOR assesses workforce engagement and satisfaction is through the process of conducting the ESS and the process of analyzing HRMR data. Figure 5.1-1 shows the processes for assessing workforce engagement and satisfaction. The biennial ESS is independently administered by the WSU-SESRC, is anonymous, and, for the first time in 2009 electronically administered. Employees are asked to rate their overall satisfaction with employment at DOR and respond to approximately 35 questions in these categories: service quality, career development, communication, morale, supervision, overall satisfaction, work climate, and HR practices. Employees are asked about their work unit and provide information regarding their supervisor, divisional leadership, and overall performance of the ET. There are also questions that relate to ethics, harassment, and discrimination prevention. Additionally, DOR's ESS includes the DOP SCS survey questions, providing DOR with comparative employee satisfaction data. DOR analyzes ESS results at the Department, division, and unit levels. The HR AD analyzes PMTS and HRMR related data each month and works with other Assistant Directors to determine the root cause of off-target measures and take action to get on target. The annual GMAP session review of the HRMR provides DOR leaders with the ability to assess workforce engagement and satisfaction through the review of standard HRMR performance measures and ultimate outcomes tracked by all state agencies. The HRMR allows for identification and sharing of best practices, access to benchmark data, and collective accountability to the state of Washington. The ET, ST, and Ops Team members regularly visit field offices or use WebEx to communicate information about current activities and issues as well as to listen to employee ideas and concerns.

5.b How does your workforce development and learning system address your core competencies, strategic challenges, and the accomplishment of your action plans?

Employees complete a training and development plan annually as a component of the performance evaluation process with their supervisor. These plans provide an opportunity to focus on training based on job responsibilities and individual development as well as linking the employee's performance to agency goals, objectives, and strategies. To meet these opportunities DOR conducts in-house training, partners with other agencies and the DOP, and contracts

Figure 5.1-1 DOR Processes for Assessing Workforce Engagement and Satisfaction

Inputs	Steps	Timing	Owner	Repeatable	Effectiveness Evaluated
Division ESS feedback sessions	1. Consider modifying survey questions 2. Conduct survey 3. Compile results 4. Analyze results 5. Develop and implement action plans and improvement projects	Every Other Year	ST	Yes – DOR has used an ESS since 1987	Yes – During division feedback sessions
PMTS	1. Analyze data 2 . Determine root cause of off-target measures 3. Take action to get on target	Monthly	ADs	Yes - Monthly	Yes – During GMAP
HRMR		Monthly, Annually in GMAP Session		Yes – HRMR has been in place since 2006	Yes – During GMAP DOP

with trainers when appropriate. DOR's centralized Training Unit is responsible for identifying, coordinating, and communicating training and developmental opportunities available to employees that focus on targeted competencies and required training. The Training Unit also provides technical consultation and assistance to employees, supervisors, and the ST to address needs for staff development, ongoing learning, and career progression. HR conducts "Hot Topics" training based on feedback from the divisions for OpsTm and division AAs. DOR requires all employees to complete online video training for the Public Records Act, handling confidential taxpayer information, computer security, and ethics. This interactive training tests knowledge retention throughout the training, and tracks course completion and feedback. Every employee is also required to attend sexual harassment prevention training. Each division has additional specialized technical training requirements and programs based on the type of work and services performed by the division. In order to address emerging technology, DOR maintains a computer training lab and offers in-house computer-related training on new hardware and software. All employees can access and sign up for internal and external training opportunities online through ATRS. Compliance with required training is tracked through ATRS and provides training reports to supervisors upon request. To address new employee needs, DOR provides a comprehensive NEO session which includes a presentation by the ET about DOR and its vision, mission, and goals. Employees can also access an online, self-guided NEO overview to DOR, its mission, services, and programs. The online information acquaints new employees with some of their benefits and agency policies as they relate to their employment and is meant to supplement the orientation provided by their supervisor. In early 2011, DOR deployed a formal Succession Planning program to the ST. This program was established based on feedback from DOR's 2007 WSQA (see 4.d; Fig. 4.1-4). DOR uses succession planning to systematically identify and prepare for its talent needs over time. The succession planning process involves assessment of the potential for vacancies in leadership and other key positions, assessment of the readiness of current staff to assume these positions, and development of strategies to address these needs based on the gaps including mentoring, formal training, and job shadowing. The succession planning program ensures DOR continues to operate effectively when individuals occupying critical positions depart and addresses DOR's strategic challenge of a changing workforce. Leadership and career development are vital mechanisms to prepare employees for the business challenges of today and tomorrow. DOR's 2009 ESS revealed that employees are seeking defined career paths and career development materials so they can be prepared and competitive for future promotional opportunities. Additionally, more than half of DOR's divisions have identified leadership and career development as division-level priorities. A Leadership Management Committee was created to design a leadership competency framework as part of the DOR's SBP and annual Baldrige Self Assessments. This tool supports DOR's objective to increase employee knowledge, skills, and abilities in support of DOR's mission. The tool also allows employees the opportunity to build their own employee development plans to prepare and be competitive for future promotional opportunities. At the agency level, the leadership competency framework is useful in a number of key Department programs including performance development plans, performance contracts, recruitment, employee development, succession planning, and leadership training. Additionally, the Leadership Competencies provide accountability for DOR's Senior leaders as they assess themselves during their performance contract with the ET or in a PDP. DOR's leadership competencies are: Aptitude – Mental horsepower; Attitude – Emotional intelligence; Character – Strong sense of self; Grow – Personal development; Initiate– Make things happen; Know – Business and technical acumen; Relate – Building relationships: Sell – Influencing others; and Tell – Giving direction. DOR's leadership competencies are available to all employees through a comprehensive site on the Intranet. The leadership competency framework includes instructions, practical application, and learning opportunities for supervisors, managers, and employees.

5.c How do you assess your workforce capability and capacity needs, including skills, competencies, and staffing levels?

The primary way DOR assesses workforce capability and capacity needs is through the PDP process outlined in Figure 5.1-2. During the PDP process, supervisors discuss key results the employee is expected to produce, evaluate the employee's performance in relation

Figure 5.1-2 shows the processes for workforce development and learning.

Inputs	Steps	Timing	Owner	Repeatable	Effectiveness Evaluated
PDP Expectations	1. Review and update PD 2. Identify position alignment with mission and SBP 3. Establish performance expectations 4. Identify training and development needs 5. Provide employee opportunity to discuss career development and support	Annually	Senior Management (ET, ST, OpsTm)	Required every year	During Part 5 of PDP (Evaluation)
Succession plans	1. Identify high risk positions (risk assessment) 2. Develop succession plans 3. Deploy succession plan components	Annually; Upon notification	ET, ST, OpsTm	Yes	Every year in performance contract and PDP
Leadership competencies (ET, ST)	1. Evaluate proficiencies in nine leadership competencies 2. Identify KSA gap 3. Develop and implement training and development plan	Annually	ET and ADs	Required every year	

to expectations and DOR goals, recognize and reward the employee's accomplishments, identify opportunities for learning and improvement, and reinforce employee performance. The PDP is completed on an annual basis and helps identify needs and training opportunities for the employee. Part 3 of the PDP, which can only be completed by the employee, alows the employee to provide suggestions on how their supervisor, co-workers, and/or agency management can better support the employee in their present job and future career goals. The PDP evaluation is applied uniformly across the organization, and all work units are required to use the system and process. Compliance and timeliness are monitored through DOR's Performance Evaluation Tracking System, a software application that provides supervisors with scheduled notification and data for conducting evaluations. HR staff track this information, review completed evaluations, and provide coaching and resources to ensure success of the evaluation process. The system supports a customer and business focus by having managers identify the linkage of employees' positions to the organization's mission. Achieving that mission is critical to DOR operations and, as a result, DOR provides opportunities for employees to take career developmental job rotations to other positions within DOR. The job rotation program assists employees in finding new career ladders. DOR's "Job Shadowing" program is a short-term, work-based learning experience that allows employees to observe and learn about work being performed by other employees, usually in jobs outside the employee's division. DOR provides career counseling for all employees to assist them in identifying career paths within state service and how best to prepare for their chosen career field. DOR also assesses workforce capability and capacity needs in the SBP Process referenced in 2.a.

6.a How do your work systems and key work processes relate to and capitalize on your core competencies?

DOR has developed expertise in several core competencies (listed in Fig. 6.1-1) which provide a strategic advantage as DOR pursues strategic goals and manages its key work processes. The value chain of the Tax Law & Policy Development and Program Administration Work Systems begins with changes outside DOR – changes in the economy and changes in the way DOR's customers/stakeholders conduct business. DOR is kept informed of these changes as it incorporates input from customers and stakeholders (see Fig. 3.1-1)to help determine requirements and improve key work processes. When economic and business changes prompt the Legislature to contemplate new tax laws, or modifications of existing tax laws, DOR provides expert research and analysis early in the legislative process to ensure that new laws are administrable and advocate sound tax policy. Expertise in fairly collecting tax, and the integration of information technology with key work processes, help DOR provide excellent service in the key work processes of the Voluntary & Enforcement Tax Collection and Support Process Work Systems. Figure 6.1-2 diplays DOR's key work systems and the value they deliver to customers and stakeholders.

6.b What are your organization's key work processes? How do these processes contribute to delivering customer value, organizational success, and sustainability?

DOR's key work processes are listed in Figure 6.1-1.

6. Process Management

Figure 6.1-1 DOR Process Management

Work Systems & Key Work Processes	Key Customers & Stakeholders	Key Requirements	Key Performance Measures (C) =Control; (I)=Improvement	Core Competencies
Voluntary & Enforcement Collections Work System				• Collecting Taxes in a Fair Manner • Integrating Information Technology with Operations
Appeals Determination Process	A	2, 4, 6, 7	On-Time Determination Processing(C)	
Audit Process	A	1, 2, 3, 4, 6, 7	On-Time Audit Assessments (C) Audit Accuracy Production(C) Enforcement Collections (I)	
Delinquent Tax Collection Process	A	2, 3, 4	Collected Dollars Production(C)	
New Business Registration Process	A	1, 3, 6, 7	On-Time New Business Registrations(C)	
Tax Discovery Process	A	2, 3, 4	Involuntary Business Registration Production(C)	
Tax Return Reception & Examination Process	A	1, 2, 6, 7	On-Time Document Capture & Correction Production(C) Tax Return Errors (I) E-Filed Tax Returns (I)	
Taxpayer Advocate Process	A	1, 3, 4, 6, 7	On-Time Advocate Responses(C)	
Taxpayer Information & Education Process	A, G, H, J, K	1, 2, 3, 6, 7	Customer Satisfaction with Phone Assistance(C) On-Time Written Rulings(C) Visits to DOR Internet Site (I)	

Tax Law & Policy Development Work System				
Bill Drafting Process	E, F	1, 2, 3, 6, 7	On-Time Delivery of Bill Drafts(C)	• Researching & Analyzing Tax Law • Advocating Sound Tax Policy
Fiscal Estimate Process	E, F	1, 2, 6, 7	On-Time Delivery of Fiscal Estimates(C)	
Fiscal Note Process	E, F	1, 2, 6, 7	On-Time Delivery of Fiscal Notes(C)	
Tax Interpretation/Technical Advice Process	A	1, 2, 3, 6, 7	On-Time Delivery of Technical Advice(C)	
Rule Development Process	A, E-H, J, K	1-7	Interpretations and Rules Production (C)	
Program Administration Work System				• Collecting Taxes in a Fair Manner • Integrating Information Technology with Operations
Property Tax Program Administration Process	G	1, 2, 3, 6, 7	Valuation Appraisal Production(C)	
Unclaimed Property Program Administration Process	C	1, 2, 6, 7	On-Time Claim Processing(C)	
Support Processes Work System				
Budgeting Process	E, F	2		
Cash Management Process	A, G	2, 6, 7	On-Time Delivery of Lockbox Batches(C)	
Facilities Management Process	B	1, 6, 7	On-Time Service Requests(C)	
General/Revenue Accounting Process	A, G	2, 6, 7	On-Time Completion of Transactional Activities(C)	
Human Resource Management Process	B, D	1, 2, 4-7	On-Time Completion of Employee Evaluations(C) Turnover Rate (I) Employee Satisfaction (I)	
Information Services Process	A, B	1, 2, 3	Network Availability Time(C)	
Purchasing Process	B	2, 6, 7	Cycle-Time for Purchase Requests(C)	
Public Records Disclosure Process	A, C	1, 6, 7	On-Time Public Records Requests(C)	

Requirements Key: 1=Accessibility of information; 2=Accuracy; 3=Clarity; 4=Fairness; 5=Opportunity for Involvement; 6=Quality; 7=Timeliness

Customers and Stakeholders: A=Businesses; B=Employees; C=WA Citizens; D=State Agencies; E=Governor & Staff; F=Legislature & Staff; G=Local Govt; H=Tribal Govt; I=Labor Org; J=Industry Assoc; K=Prof Org

Figure 6.1-2 DOR's Key Work Systems and the Value they Deliver

The processes in the…	Deliver…
Tax Law & Policy Development Work System	• New tax laws that are able to be administered efficiently and are more likely to result in the estimated collection amounts. • Tax rules, interpretations, and advice that help businesses voluntarily comply with tax obligations.
Program Administration Work System	• Information and guidance to help local governments fairly assess property tax. • Easy identification and recovery of unclaimed property.
Voluntary & Enforcement Tax Collections Work System	• Information and guidance to help customers and stakeholders pay taxes correctly and on time. • The fair assessment and collection of taxes to ensure everyone pays their fair share.
Support Processes Work System	Resources and information that keep key work systems operating efficiently.

6.c How do you determine key work process requirements, incorporating input from customers, suppliers, partners and collaborators as appropriate? What are the key requirements for these processes?

DOR's mission is derived from the powers and duties established for DOR by the Legislature in chapter 82 RCW. DOR determines key work process requirements primarily by having process owners or leaders meet with and gather information from customers and stakeholders. Generally, DOR determines its key process requirements through the Performance Improvement System (see Fig. P.2-1), specifically during the SBP Process (see 2.a). DOR assesses customer needs and satisfaction through satisfaction surveys, internal customer surveys, complaints, information gathered at committees and meetings, and WSQA feedback. By gathering information from its employees and customers, DOR is able to determine how well a process is performing and what opportunities there are for improvement. DOR also monitors the economy, business climate, and revenue forecast to help understand the impact of environmental conditions and trends on process requirements. DOR's values (see Fig. P.1-2) also help shape key work process requirements. Requirements for DOR's key work processes are listed in Figure 6.1-1.

6.d What are your key performance measures or indicators and in-process measures used for the control and improvement of your work processes? How do implement and manage your work processes to ensure that they meet design requirements? How is workforce, customer, supplier, partner and collaborator input used in managing these processes as appropriate?

DOR's key performance measures are listed in Figure 6.1-1. The following describes the process for implementing and managing key work processes:

Inputs: Monthly performance measure data from divisions

Steps: 1) Review unit/program measures; 2) Identify off-target performance; 3) Identify root cause; 4) Report off-target measures; 5) Develop and implement improvement action plans; 6) Report results.

Timing/Owner/Repeatable: Monthly/Unit Supervisors and/or Program Managers/Yes (PMTS)

Effectiveness Evaluated: During GMAP Sessions

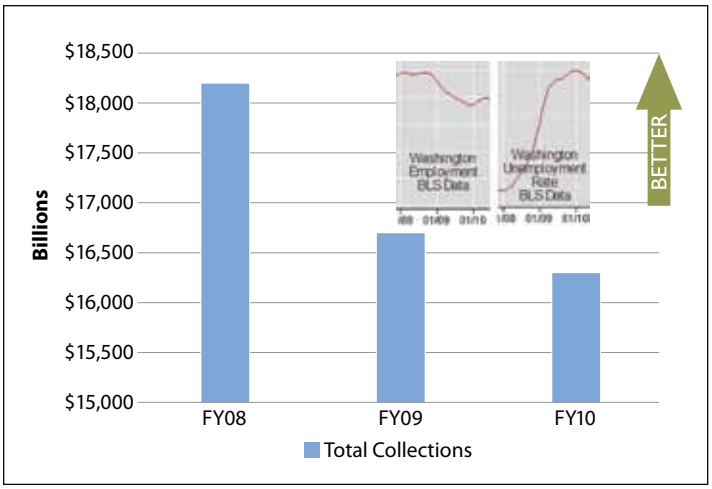
Unit supervisors and program managers are responsible for monitoring in-process performance measures to control variations in key work processes. Most measures are reviewed monthly to enable timely improvement action. Some measures, in the Tax Return & Examination Process for quarterly and annual filers for example, are reviewed at other appropriate intervals to control process variation. Division operational reviews are important in managing key work processes. Reviews are conducted in a variety of ways including GMAP sessions, management performance contracts, divisional reviews, special studies, budget discussions, and quality teams.

7. Organizational Results

7.1 Product Outcomes

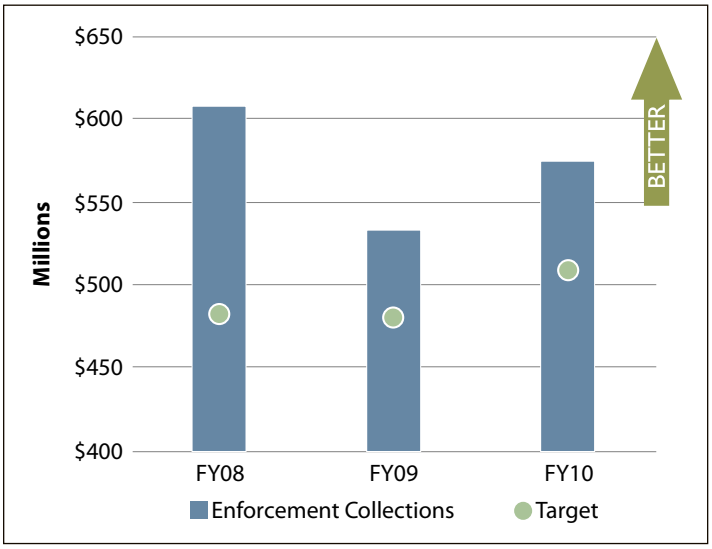
7.1a What are your current levels, trends in key measures or indicators of product performance that are important to your customers? How do these results compare with the performance of your competitors and other organizations with similar product offerings?

7.1-1 Total Revenue Collections



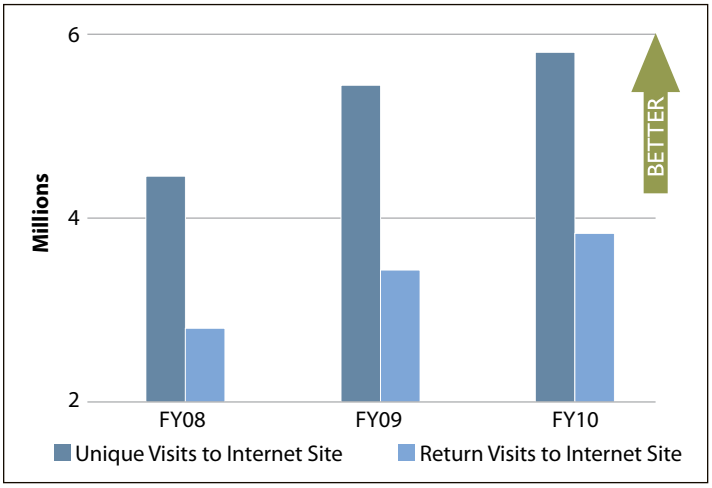
The downward trend of total collections can be attributed to the overall downturn in the economy and specifically the unemployment rate in Washington State.

7.1-2 Enforcement Collections



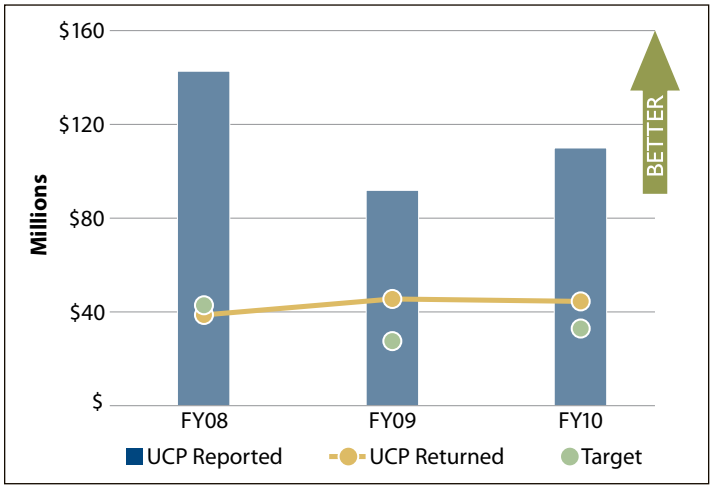
DOR's vision is for all taxpayers to voluntarily comply with their tax obligations to Washington State. DOR's high voluntary compliance rate offers confidence in the DOR's performance, but DOR must also ensure a level playing field for all taxpayers and citizens. DOR's enforcement efforts through education, assessment, and investigation contribute to the voluntary compliance rate and result in further collections to fund critical services.

7.1-3 Internet Site Visits



The number of visits to the Department's website continues to steadily increase. During the first six months of 2010, the website received over 500,000 visits each month. In FY10, the number of visits increased by 6.2% compared to FY09, and the number of returning visitors increased by 10.1%. According to survey data, the top reasons users visit DOR's website are to file electronically, look up a tax rate, get a form, and to learn about tax requirements, exemptions, and deductions.

7.1-4 Unclaimed Property Returned

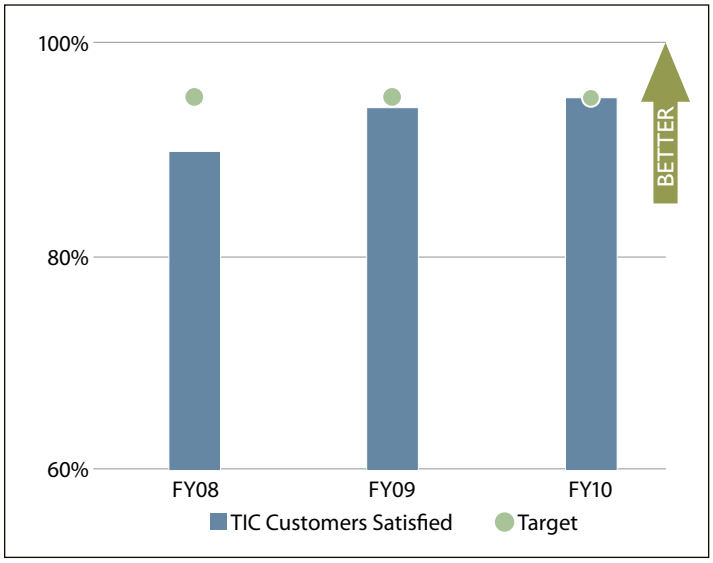


DOR administers the Unclaimed Property Program for the state of Washington in an efficient and effective manner. DOR conducts audits and educational workshops to encourage voluntary reporting of UCP by holders. DOR provides an efficient electronic means for businesses to remit and citizens to claim their UCP. In FY10 DOR processed a record 98,362 claims and refunded $44.5 million, 95% of which was processed in 30 days or less. UCP auditors recovered $8.3 million in FY10, exceeding their goal by $3.5 million.

7.2 Customer-Focused Outcomes

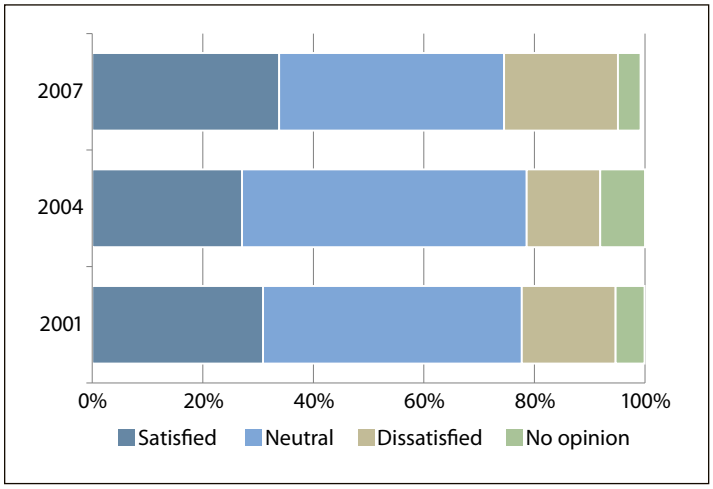
7.2a What are your current levels and trends in key measures or indicators of customer satisfaction and dissatisfaction? How do these results compare with the customer satisfaction levels of your competitors and other organizations providing similar products?

7.2-1 Telephone Information Center Satisfaction



DOR sends 6,000 surveys a year to taxpayers who recently contacted the Telephone Information Center to measure the overall satisfaction of taxpayers with the automated features and the personal assistance and information that was provided through the TIC. Satisfaction is measured by the average of responses to three questions regarding the helpfulness of the agent, wait time, and ease of use.

7.2-2 Taxpayer Satisfaction

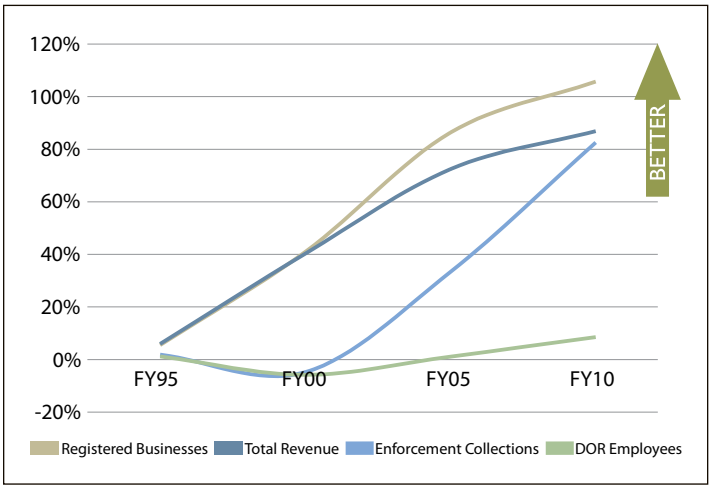


General taxpayer satisfaction has been a DOR performance measure since 2001 and is reported to OFM. DOR measures general taxpayer satisfaction through the TSS process. To gain richer feedback about satisfaction between each TSS, DOR utilizes focus groups and round-table discussions to dialogue with customers about specific issues and improvements. This two-way communciation provides more useful and meaningful information for customers, stakeholders, and DOR.

7.3 Financial and Market Outcomes

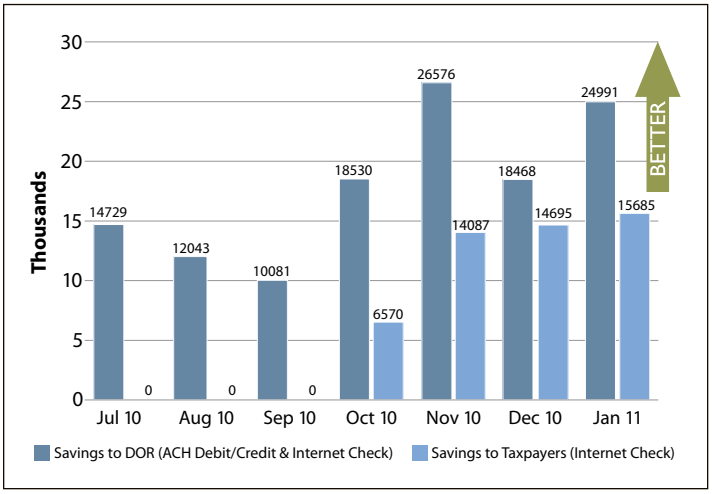
7.3a What are your current levels and tends in key measures or indicators of financial performance including aggregate measures of financial return, financial viability or budgetary performance as appropriate?

7.3-1 DOR Efficiency



As the state's population continues to grow, so does the number of registered businesses, creating an even greater demand for services. DOR has only had a 8.5% increase in FTEs since FY95, while registered businesses increased 105% and revenues collected rose nearly 87%. To operate within budget constraints, DOR is continually looking for new ways to provide effective and efficient services and be responsive to taxpayer needs and be accountable to the public. This trend can be attributed to continuous improvements over the years, from increased use of E-file and audit selection using the data warehouse to the development of DOR's website, all of which result in lower costs to the state of Washington.

7.3-2 Automated Clearinghouse (AHC) Process Improvements

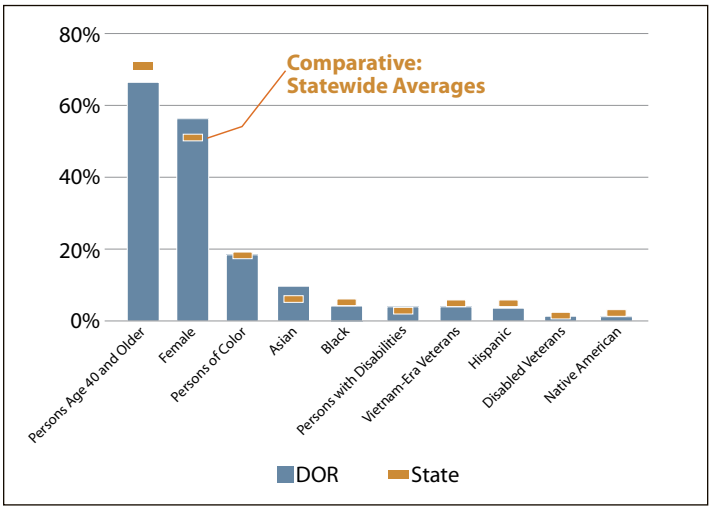


On June 30, 2010, DOR implemented a process improvement and ended a contract with a third-party processor for ACH debit/credit services and contracted services for Internet check operations ended in mid-October. This improvement project resulted in over $125,000 in savings for DOR, and $50,000 to taxpayers in related fees.

7.4 Workforce-Focused Outcomes

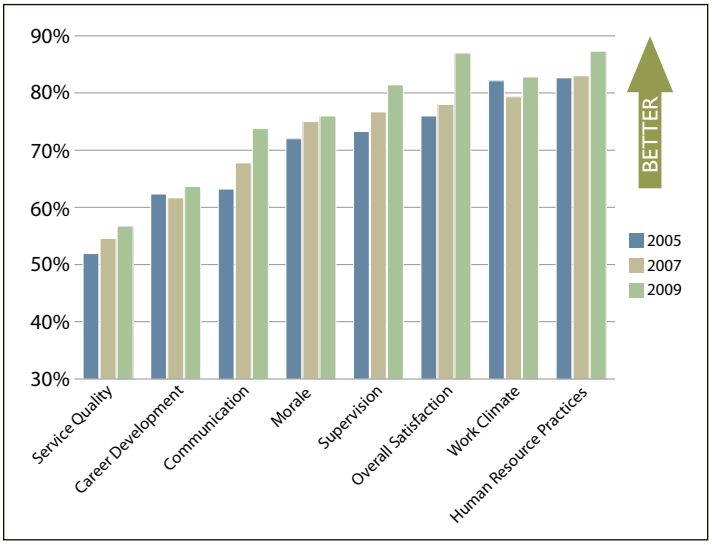
7.4a What are your current levels and trends in key measures of indicators of workforce engagement and workforce satisfaction? How do these results compare with competitors or others with similar workforce?

7.4-1 Diversity (FY10)



DOR's goal to "Develop, retain, and value a high, quality, diverse workforce" is aligned with a strong emphasis on workforce diversity. Since 1998, workforce diversity has been part of DOR's SBP, and DOR currently has a Diversity Committee working to implement a diversity program at DOR. The Committee's work is devoted to maintain and increase DOR's diversity through assessing its cultural competency, recruitment, hiring, learning, recognition, and celebration practices.

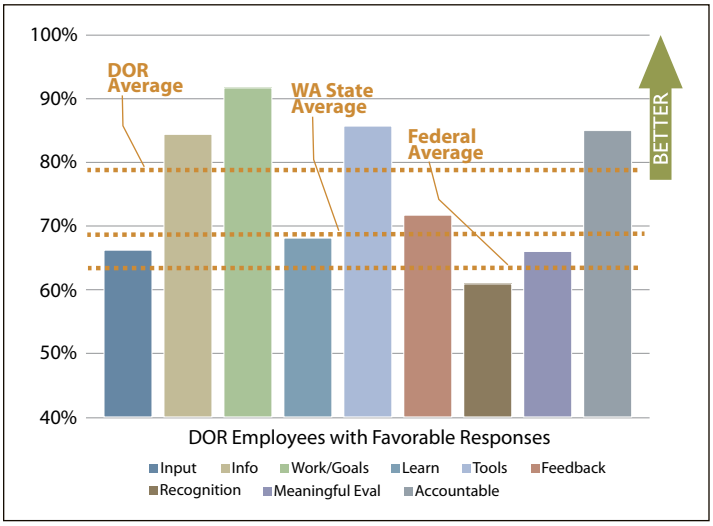
7.4-2 Employee Satisfaction



DOR strives to provide employees with an environment that fosters satisfaction across a abroad spectrum of quality of work life indicators. The ability to sustain a quality of work life for its employees is relfected in the ability to consistently achieve DOR's

vision, mission, and goals, as well as in the response rates to its biennial ESS. The 2009 ESS was only offered electronically. This saved time and money while reducing errors and supporting environmental sustainability. The survey length was also reduced and the "Hot Topics" questions were inserted into the appropriate sections for better flow. The survey secured a record response rate of 89% and employee overall satisfaction increased 9 percent to 87%.

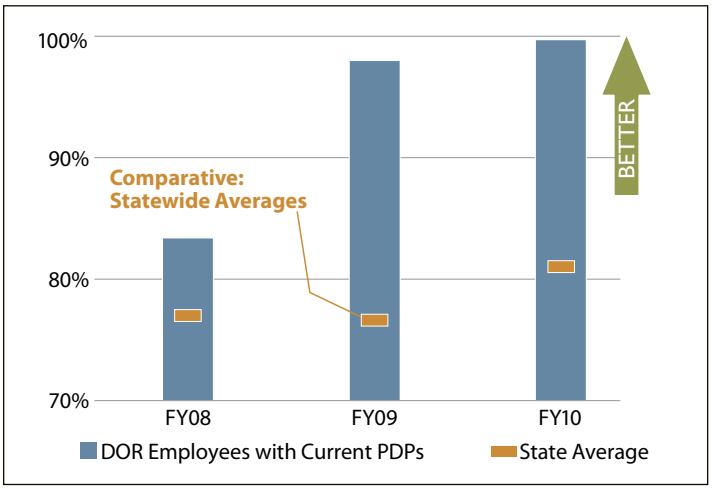
7.4-3 Statewide Climate Survey



State and Federal Comparative Data Source: 2010 State Workforce Report, Washington State Department of Personnel

DOR conducts the Statewide Climate Survey in conjunction with the DOR Employee Satisfaction Survey and DOP. The employee feedback received through the survey provides data that can be compared to peer agencies and used for benchmarking and best practices research. Revenue's response rate in 2009 was 89%. DOR's average responses to the 2009 survey were above both federal and state benchmarks.

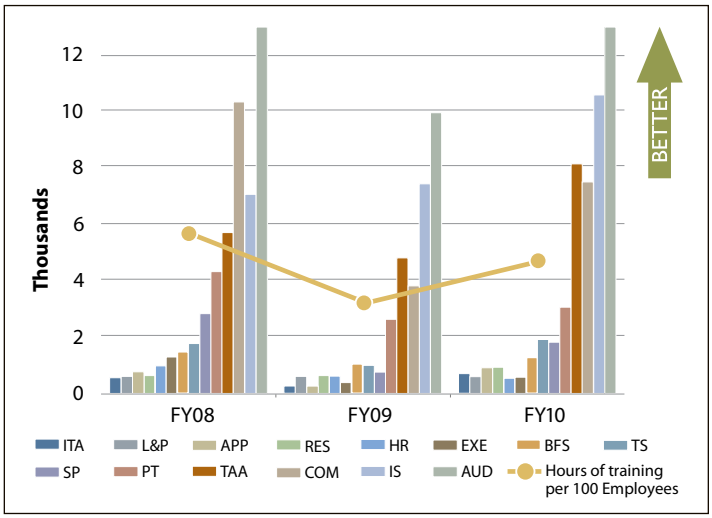
7.4-4 Performance Development Plan Completions



To support DOR's goal to "Develop, retain, and value a high quality, diverse workforce," DOR set a performance measure of 100% PDP completion rate for every employee in FY09.

Compared to other WA State agencies, DOR's completion rate is well above average. Additionally, according to the 2009 SCS results, 75% of DOR employees responded favorably to the question: My performance evaluation provides me with meaningful information about my performance. DOR's results were 5% over the statewide average for this question.

7.4-5 Training Hrs per 100 Employees

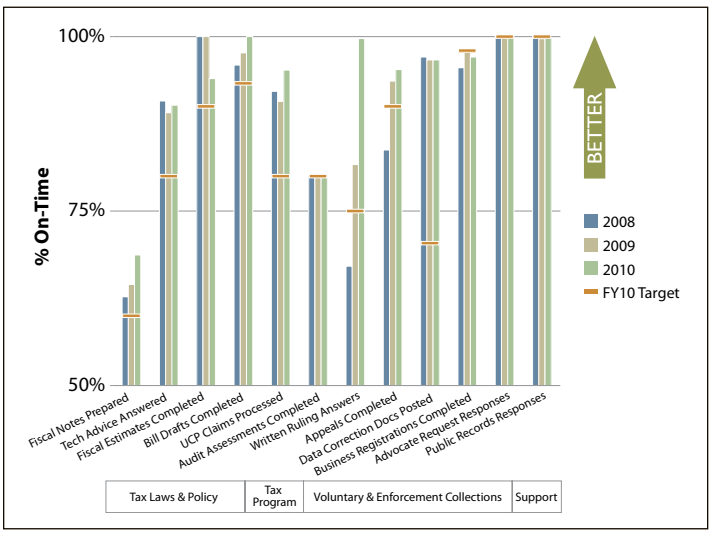


The economic downturn for Washington State is very much a contributing factor for the overall reduction of training hours from FY08. With a sizeable portion of DOR's workforce in locations throughout the state, expenses for travel and lodging impact the amount of training attended by employees. The increase in training hours between FY09 and FY10 was primarily the result of targeted trainings to enhance employee knowledge on technology, mitigate risk through DOR provided sexual harassment awareness and prevention training, and mandatory trainings for auditors joining the agency.

7.5 Process Effectiveness Outcomes

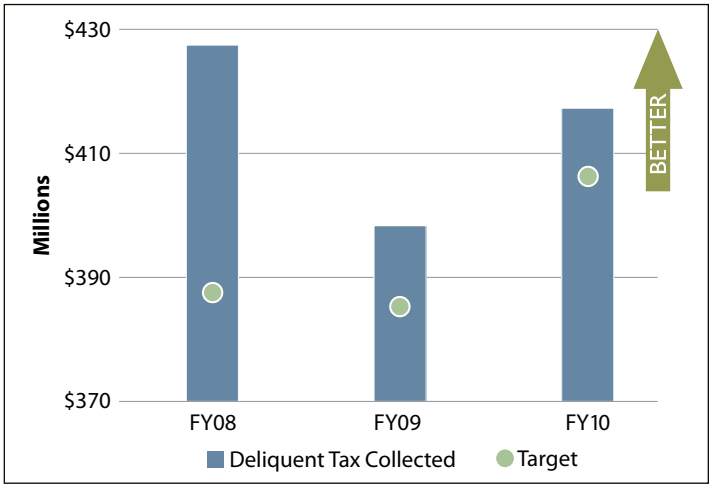
7.5a What are your current levels and trends in key measures or indicators of the operational performance of your key work processes including productivity, cycle time and other appropriate measures of process effectiveness, efficiency, and innovation? How do these results compare with competitors or others with similar processes?

7.5-1 On-Time Product/Service Delivery



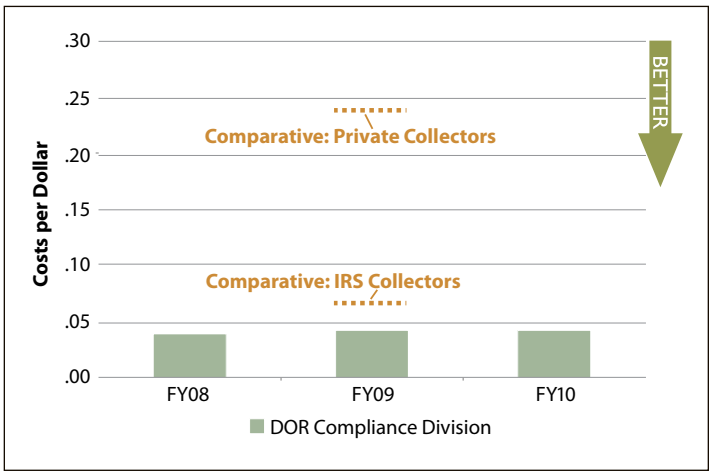
DOR strives to meet and exceed customer and stakeholder expectations (see Figure P.1-7). For each of DOR's work systems, performance measures for key processes (see Figure 6.1-1) are set and monitored at regular intervals to ensure efficient and effective service delivery. Volume and quality of product and service delivery inputs, as well as legislative implementation, can affect DOR's timely product and service delivery. DOR exceeds or meets performance measures for these key processes.

7.5-2 Delinquent Tax Collections



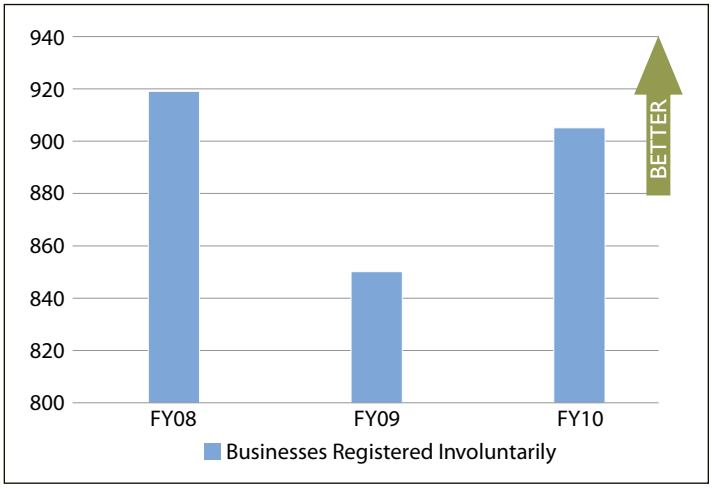
The Compliance Division locates, assesses, and collects delinquent and unreported tax through education, investigation, and enforcement. Figure 7.5-2 shows the effectiveness of compliance processes to exceed the yearly collection goals.

7.5-3 Cost of Collections



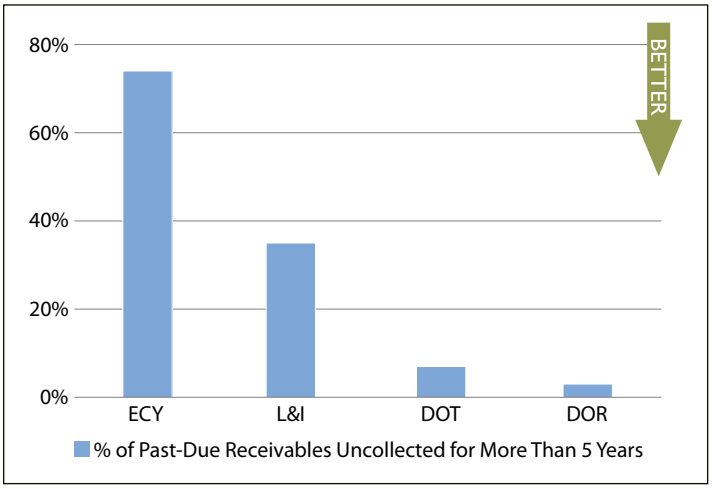
Economic impacts have increased liabilities assigned for collection, but the Compliance Division continues to operate at a lower cost than the IRS and private debt collectors, even while expenses continue to increase, according to the 2009 IRS Private Debt Collection Study. Although the study metholdogy varies from DOR's methodology, the benchmark data is still valuable.

7.5-4 Involuntary New Business Registration Production (Tax Discovery)



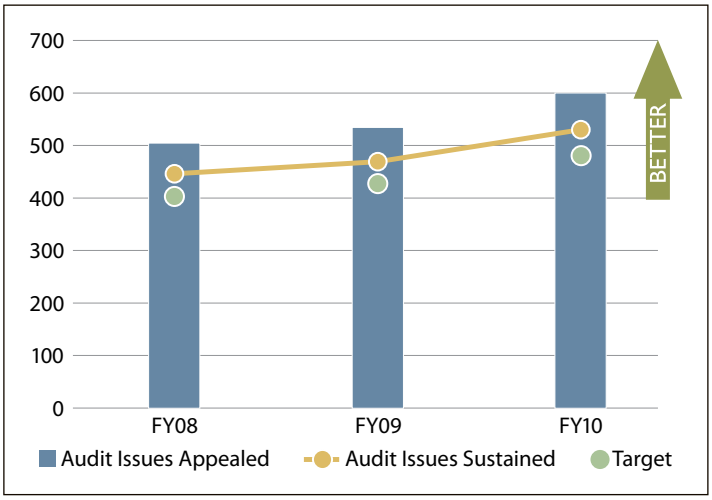
DOR assessed over $28 million in FY10 through its tax discovery efforts. DOR's tax discovery efforts involve conducting investigations to identify and collect unreported taxes from unregistered businesses operating in Washington State. DOR's tax discovery efforts help level the playing field for the thousands of businesses already registered. These efforts also help address the underground economy by working proactively and cooperatively with Labor and Industries and Employment Security. 73% of those registered through tax discovery efforts are businesses that are located out of state.

7.5-5 2008 SAO Debt Collection Audit



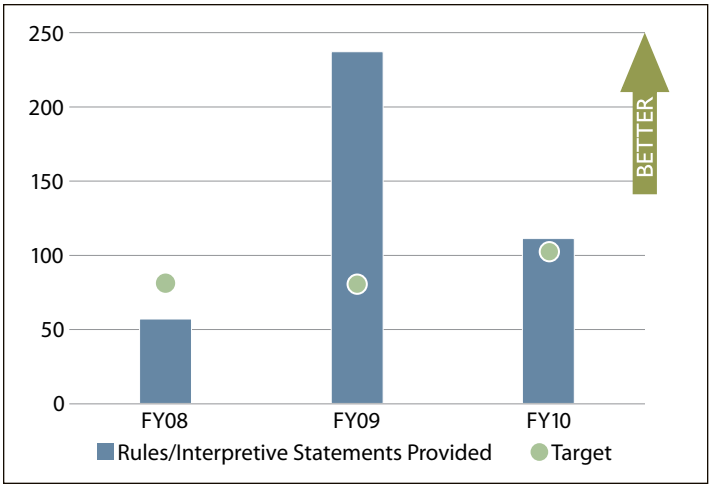
In 2008, the SAO conducted a performance audit on the collection of state debt. DOR received no findings in the audit and was commended for use of industry leading best practices. Compared to other agencies that collect a form of state debt, Figure 7.5-5 demonstrates the DOR has the lowest percentage of past due receivables uncollected for more than 5 years during the FY05 audit period.

7.5-6 Audits Sustained by Appeals



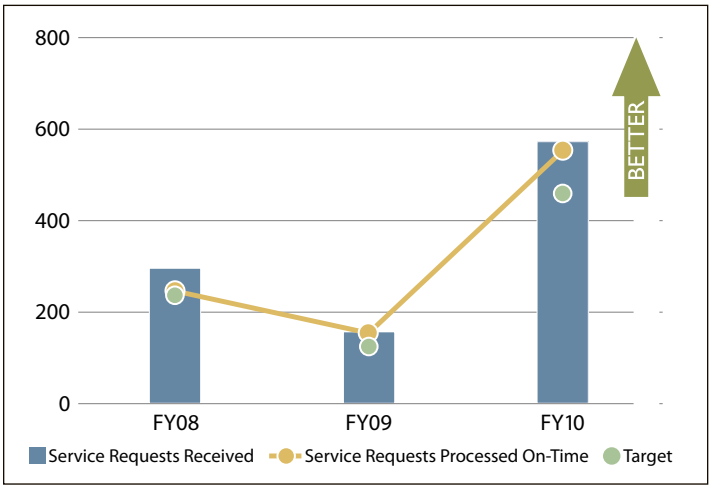
The Audit Division's primary objective is to issue audits that support fair and consistent application of tax law. During FY08-10, 89% of all audit issues appealed were sustained. Of the 22,257 audits issued from FY08-10 only 3.6% of were appealed. These results demonstrate the quality of work by the Audit Division and lend overall credibility to the audit function.

7.5-7 Rules/Interpretive Statement Production



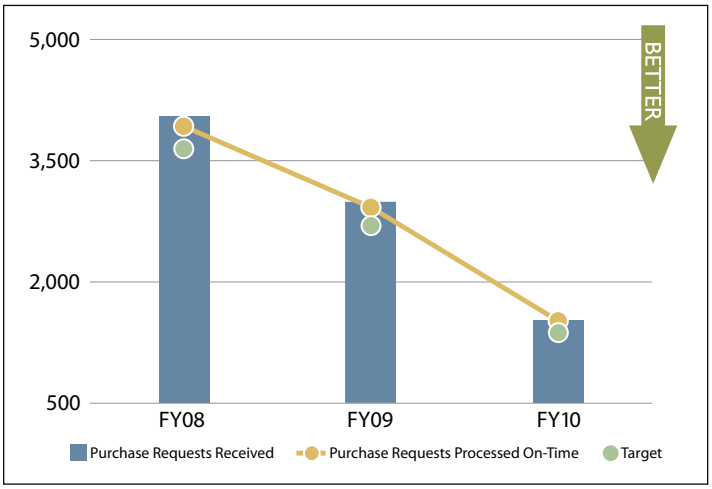
DOR conducts stakeholder meetings to identify issues where changing business practices are not clearly addressed in statute. Interpretive rules clarify tax law to provide guidance for both DOR and taxpayers.Fiscal Years 09 and 10 saw a large increase of interpretive statements due to complex legislative implementation and the need to provide clear and timely guidance to taxpayers. This important work improves DOR's capacity to increase direct contact with taxpayers so that issues are identified and resolved by rule, agreement, and, in some cases, statutory changes. Interpretive rules help maintain DOR's high voluntary compliance and support DOR's goal: Promote fairness and consistency in the development and application of tax law.

7.5-8 Service Requests



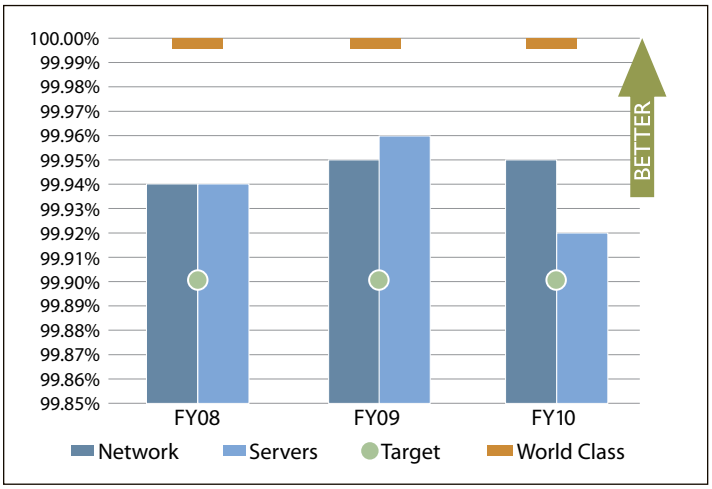
Figures 7.5-8 and 9 show positive trends for both service and purchase request on time completions. These results demonstrate the importance DOR places on service delivery for internal customers – employees. The large spike in service requests in FY10 reflects the addition of activities, such as key card requests and office moves. The results also show that although the volume of the work has varied over time, the process is still efficient and effective.

7.5-9 Purchase Requests



Under the direction of OFM, in a cost-savings measure, DOR established new policies and procedures for purchases. The downward trend in number of purchase requests received reflects the change.

7.5-10 Network/Server Uptime



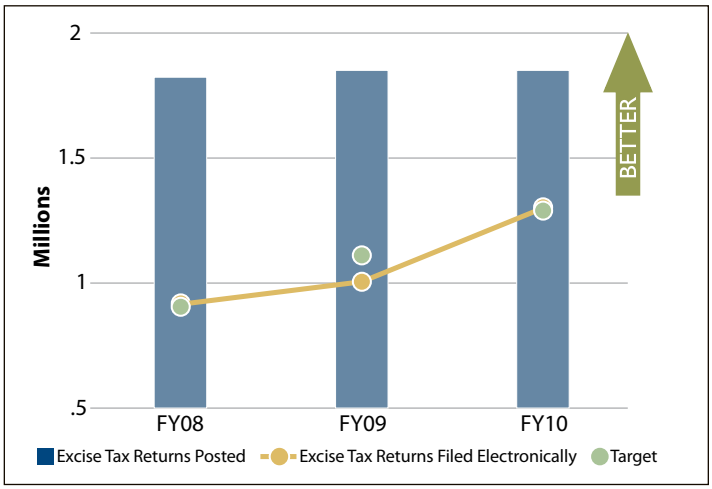
Accessibility is very important to our customers and stakeholders (P.1-7) and integral for taxpayers who rely on DOR's website to file and pay taxes. For FY10 forward, DOR updated the target to include up to 66 critical servers that support critical applications.

7.6 Leadership Outcomes

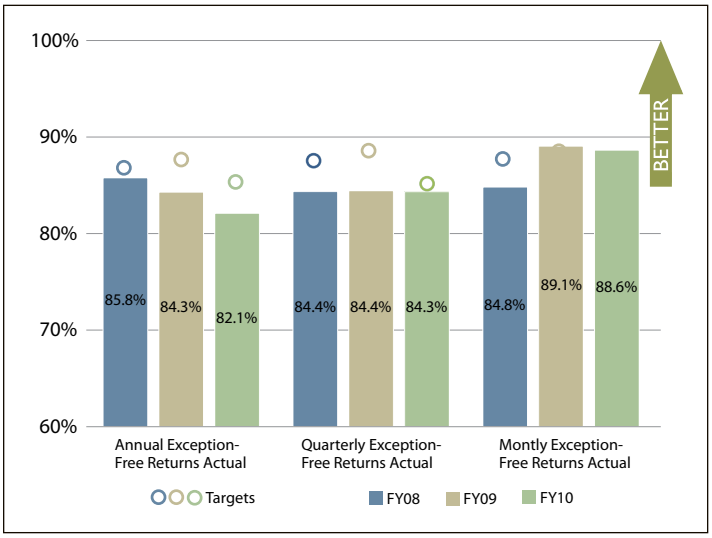
7.6a What are your results for key measures or indicators of accomplishment of your organizational strategy and action plans?

In FY10, DOR received approximately 1.3 million electronically filed returns. This represents a 31% increase over FY09, when total electronic returns filed were 996,362. This increase is primarily due to 2009 legislation that requires the largest businesses (those reporting on a monthly basis) to file and pay their returns electronically.

7.6-1 E-Filed Tax Returns

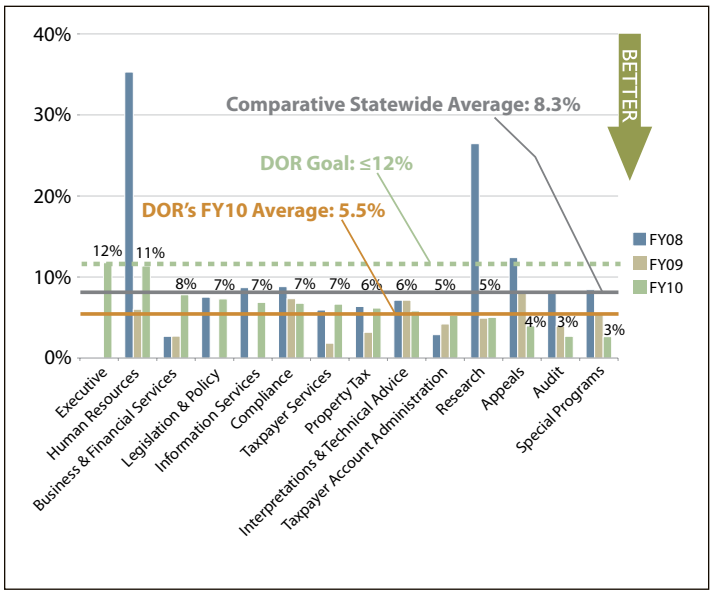


7.6-2 Exception Free Returns



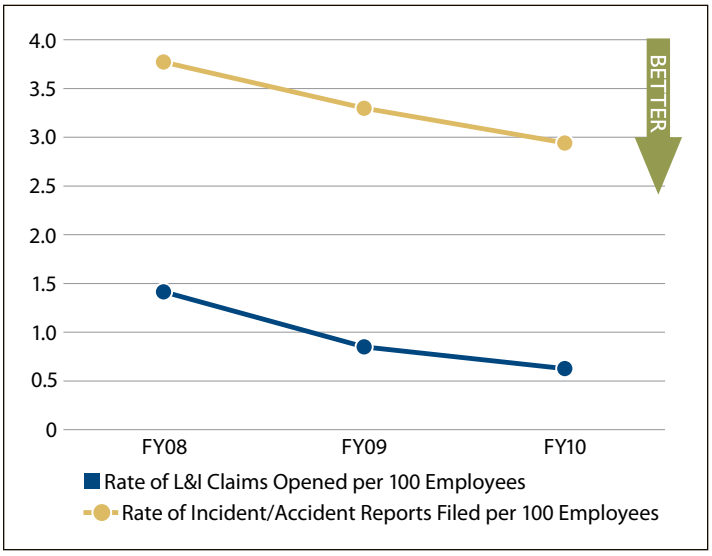
Exception Free tax returns are returns with no system determined logic error that are paid in full. New legislation has a direct impact to Exception Free returns. Legislative changes often require changes to the design of tax returns, resulting in taxpayer confusion, more taxpayer errors and fewer Exception Free returns. Annual filers report once a year and new legislation or tax rate increases are the main drivers for decreases in Exception Free tax returns. For example in FY09 the Annual Simplified Tax Return was eliminated due to a legislative change to destination-based reporting. This was a major change that impacted many taxpayers. In FY10 a tax rate increase mid-year caused a split-rate (two different tax rates apply during the - reporting period) on the tax return which caused a decrease in the percentage of Exception Free returns. Unlike Annual filers Quarterly filers report four times a year. Tax rate changes typically occur at the beginning of the quarter therefore split rates do not affect quarterly - filers. Despite many legislative changes the department has successfully maintained quarterly Exception Free tax returns at 84%. Monthly filers report twelve times a year. In FY10 monthly filers were required to file and pay their tax returns electronically (E-File). The slight decrease in FY10 is attributed to the taxpayer's learning E-File.

7.6-3 Turnover



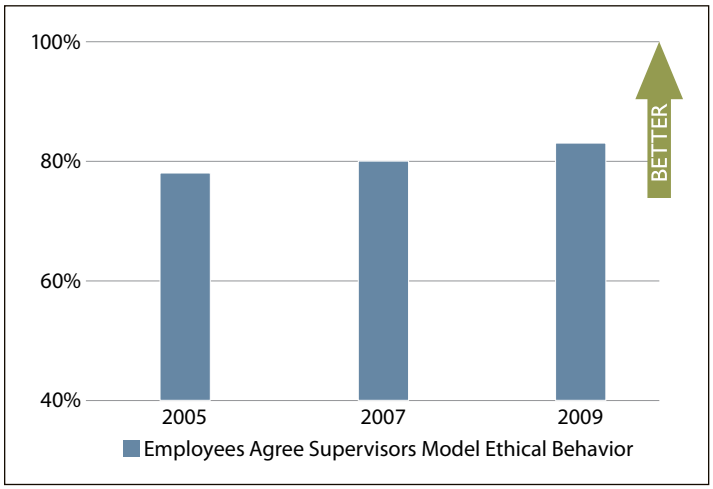
In FY07 and FY08, DOR's overall turnover rates were 8% and 12.7% respectively. The decrease for FY09 (4.1%) and FY10 (5.5%) is partly due to the current economy and a hiring freeze for all non-critical positions and as a result, the turnover reflected does not reflect a "typical" year. DOR's current trend is below both the statewide average. The statewide average does not inlcude employee movement between state agencies, while DOR's average does. If the economy improves, DOR may have a significant increase in turnover rates due to increasing competitive job markets and continued increases in retirements.

7.6-4 Injury Reports



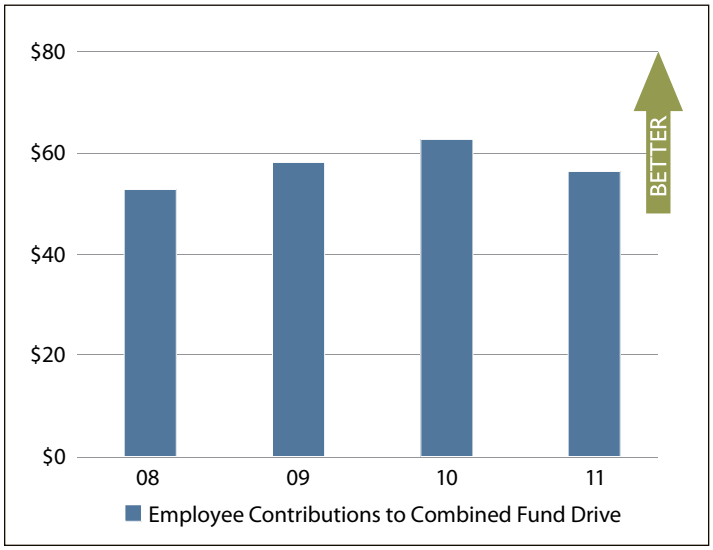
The reduction in the number of L&I claims from 2008 through 2010 is due in part to the efforts to promote safety and wellness-such as: an annual Safety Month (September) to bring safety issues and information to the forefront; an updated and revised safety and wellness website; implemented improved communication between DOR Building Safety committees and the Agency Safety committee; and promoted the annual completion of the Health Risk Assessment which has continually exceeded the annual statewide completion rate of 30%.

7.6-5 Employee Satisfaction with Supervisor Modeling of Ethical Behavior



At DOR, senior leaders are expected to model ethical behavior on a daily basis as described in 1.c. The last ESS showed an increase of 3% and 5% from the 2007 and 2005 ESS respectively. Ethical behavior is emphasized agencywide and all employees are required to complete ethics training every two years.

7.6-6 Combined Fund Drive



DOR sponsors a CFD every year to encourage employees to contribute to the charity of their choice by signing up for an automatic payroll deduction or direct contribution. DOR runs an annual campaign to continue to provide education and options for people who want to give back to their community through various charities. Overall contributions from employees have continued to grow; the drop in 2010 may be a result of concern over the current economic climate.

Department of Revenue
Washington State

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