

Lines of Business Reduction Impact Statements

Department of Tax Administration

001-57-198 Eliminate Accountant III Position in Revenue Collection Division

LOB Number	LOB Title	Positions	Expenditures	Revenue	Net Reduction
57-03	Vehicle Taxes	1 / 1.0 SYE	\$88,355	\$0	\$88,355

DESCRIPTION OF REDUCTION

This reduction eliminates one Accountant III position. The accountant is primarily responsible for documentation of internal operating procedures and assisting in responding to taxpayer inquiries. Workload will be absorbed by remaining Revenue Collection Division staff.

IMPACT OF REDUCTION

The elimination of the Accountant position results in minimal impact on the operations of the Department of Tax Administration (DTA). This is possible due to a prior reorganization in the Revenue Collection Division. Workload will be absorbed by remaining staff.

001-57-199 Outsource Collections of Delinquent Personal Property and Business, Professional and Occupational License (BPOL) Taxes

LOB Number	LOB Title	Positions	Expenditures	Revenue	Net Reduction
57-03 57-04	Vehicle Taxes Business and Other Taxes	12 / 12.0 SYE	\$1,165,772	\$0	\$1,165,772

DESCRIPTION OF REDUCTION

This reduction eliminates 26 limited term collectors along with 12 merit positions for a combined reduction of 38 positions. Overall, this is a 58 percent staff reduction for the collection of taxes. This reduction outsources the collection of all delinquent personal property taxes and certain business license taxes to a private collection agent. Treasury lien authority is delegated to the agent with oversight from the Department of Tax Administration (DTA). The agent recovers a collection fee from the taxpayer. This expands the current use of DTA's collection agent. The remaining employees are critical to handle problem resolution and account adjustments in support of the collection agent and to pursue collections in the first six months. Remaining in-house staff will also handle real estate cases and certain business cases.

IMPACT OF REDUCTION

This reduction increases outsourcing of accounts to a collection vendor. The potential risk is reduced revenues if the collection agent does not maintain current collection rates. Each 1 percentage point change in the collection rate of delinquent taxes equals \$100,000; each 1 percentage point change in the current local collection rate equals \$2.8 million.

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<i>Department of Tax Administration</i>					
001-57-200 Eliminate Administrative Assistant III Position in Personal Property Division					
LOB Number	LOB Title	Positions	Expenditures	Revenue	Net Reduction
57-03	Vehicle Taxes	1 / 1.0 SYE	\$33,920	\$0	\$33,920
DESCRIPTION OF REDUCTION					
<p>Elimination of one Administrative Assistant III position will put the Personal Property Division on par with other agency divisions. This position also helps backup the Central Telephone section, but the workload can be accommodated by remaining staff.</p>					
IMPACT OF REDUCTION					
<p>This reduction can be absorbed among remaining staff. It may make the telephone coverage for agency administration more difficult, as well as result in a minor reduction in the Central Telephone section back-up assistance.</p>					

001-57-201 Eliminate IT Manager, Business Analyst III, and IT Technician Positions					
LOB Number	LOB Title	Positions	Expenditures	Revenue	Net Reduction
57-01	Department Supervision	3 / 3.0 SYE	\$233,447	\$0	\$233,447
DESCRIPTION OF REDUCTION					
<p>This reduction eliminates one of two IT Technician positions, the IT Manager position, and a Business Analyst III position, which was designed as a succession planning initiative. The IT Technician helps maintain operational status of the agency's computers, printers, faxes and peripherals. Agency technicians have unique knowledge of business operations and the proprietary software used to support assessment, billing, and collection programs. The IT Manager is responsible for managing several Business Analysts and the purchasing/financial staff. The Business Analyst is an expert programmer and analyst with respect to the Real Estate database, the Personal Property database, and all the collection software and report requirements. It takes a number of years to become fully proficient in each area. Succession planning was designed to allow the agency to cross-train and fully staff the analyst positions so assessments, mailings, collections, reconciliations, etc., would be completed accurately and seamlessly.</p>					
IMPACT OF REDUCTION					
<p>The elimination of the IT Technician position will be accommodated by better prioritization of call response and by reliance on the Department of Information Technology Help Desk for assistance. The elimination of the IT Manager position will be accommodated via the reorganization of management and oversight duties with respect to the remaining Business Analyst positions and the personnel and purchasing/financial staff. Following the elimination of the IT Manager position, the Business Analyst positions will report to other senior management or to the respective division director in the areas which they support. The personnel and purchasing/financial staff will report to other senior management. The Business Analyst III position reduction represents the elimination of the agency's succession planning initiative. The elimination of this position will reduce the agency's ability to cross-train personnel and will make succession during times of vacancies more difficult.</p>					

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<i>Department of Tax Administration</i>					
00-57-202 Outsource Collection of Delinquent Parking Tickets					
LOB Number	LOB Title	Positions	Expenditures	Revenue	Net Reduction
57-04	Business and Other Taxes	4 / 4.0 SYE	\$282,900	\$0	\$282,900
DESCRIPTION OF REDUCTION					
<p>This reduction outsources collection of delinquent parking tickets, eliminating four limited term collectors along with four merit positions. This expands the current use of the agency's parking ticket collection agent. Currently, the Department of Tax Administration supplements the agent with in-house collections such as boot orders, bank liens and wage liens. DTA's supplemental collection work will now also be outsourced. The agency's management will provide close oversight to help maintain an 85 percent collection rate.</p>					
IMPACT OF REDUCTION					
<p>The potential risk of this reduction is reduced collections. Each 10 percentage point change in "seizure" collection activity (i.e., the supplemental collection effort) for parking tickets equals \$30,000 in revenue.</p>					

001-57-203 Reduce Telephone Customer Service Staffing by 37 Percent					
LOB Number	LOB Title	Positions	Expenditures	Revenue	Net Reduction
57-02 57-03	Real Estate Vehicle Taxes	13 / 13.0 SYE	\$684,957	\$0	\$684,957
DESCRIPTION OF REDUCTION					
<p>The Central Telephone Section has a core staff of 35 customer service agents. Eliminating 13 positions represents a reduction in staffing of 37 percent.</p>					
IMPACT OF REDUCTION					
<p>The main impact of this reduction will be increased caller wait time on the telephone. The average wait time for residents will increase and spikes may occur more frequently. This reduction will also have some productivity impact, as staff from other sections may need to be called upon more frequently to assist when call volume spikes. However, because of declining call volume associated with the elimination of decals, and efficiencies of the new Avaya phone system, this generally can be managed. The new Avaya phone system has additional reporting capabilities to help staff better manage call distribution and react to spikes in call volume. This will help in the overall efficiency of the telephone call center. Additionally, taped messages will continue to encourage taxpayers to visit Department of Tax Administration's website rather than call on the telephone.</p>					

Lines of Business Reduction Impact Statements

Department of Tax Administration

001-57-204 Eliminate Assistant Real Estate Director Position

LOB Number	LOB Title	Positions	Expenditures	Revenue	Net Reduction
57-02	Real Estate Taxes	1 / 1.0 SYE	\$117,638	\$0	\$117,638

DESCRIPTION OF REDUCTION

This reduction eliminates one Assistant Real Estate Director position. The Real Estate Division currently has two Assistant Directors for Residential Assessments and one Assistant Director for Commercial Assessments. This reduction will result in one Assistant Director over each area.

IMPACT OF REDUCTION

Elimination of this position increases the management review workload for quality control purposes, but can be accommodated by existing senior management in the Real Estate Division.

001-57-205 Reduce Cashier Counter Staffing by 40 Percent

LOB Number	LOB Title	Positions	Expenditures	Revenue	Net Reduction
57-03	Vehicle Taxes	6 / 6.0 SYE	\$397,096	\$0	\$397,096

DESCRIPTION OF REDUCTION

This reduction is a 40 percent reduction in staffing at the agency's walk-in Cashiering Counter. This reduction eliminates four limited term cashiers along with six merit positions. The majority of transactions can already be handled on-line, by phone or by mail. Walk-in service will still be available for cash transactions and other assistance.

IMPACT OF REDUCTION

Unless more residents use alternative means to register and pay, this reduction will increase customer wait time in lines. On average, only about 5 percent of residents wait more than five minutes for service today. This average is expected to increase to about 43 percent with the reduction. Only about 2 percent wait longer than 10 minutes today. This is expected to grow to about 22 percent with this reduction. Alternative payment options will be deployed where possible (kiosks, cashier agents). The use of other payment options may increase when the public realizes they will be waiting longer if paying in person.

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<i>Department of Tax Administration</i>					
001-57-206 Reduce Limited Term Field Data Collectors for Real Estate Assessments by 50 Percent					
LOB Number	LOB Title	Positions	Expenditures	Revenue	Net Reduction
57-02	Real Estate Taxes	0 / 0.0 SYE	\$339,570	\$0	\$339,570
DESCRIPTION OF REDUCTION					
<p>This reduction eliminates 11 limited term data collectors. These employees canvas neighborhoods making physical site inspections of real estate properties to validate characteristics in County records. Professional assessing guidelines call for the physical inspection of all properties about every six years. The limited term data collectors assist appraisers and enable the Department of Tax Administration to visit around one sixth of all residential properties each year. Miscellaneous decks, additions, etc. are added to the property file when applicable. This staff also helps review building permits. In addition to property validation, this program adds several million in tax levy each year.</p>					
IMPACT OF REDUCTION					
<p>Reducing this program is feasible given the decline in building permits, and with greater reliance on Pictometry, which provides geo-referenced images for accurate measurements of structures. The use of Pictometry is permitted by assessing standards. This will reduce the number of actual field visits, but properties will still get some level of physical inspection and review. The remaining 11 limited term data collectors will continue making actual site visits.</p>					