

AGENCY 57 - Department of Tax Administration

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OVERALL AGENCY LOB REDUCTION TARGET =

\$3,811,726

AS OF 12/01/08

LOB INFORMATION

Reduction Priority	LOB #	LOB Title	LOB Reduction Description	LOB Position Reduction	LOB SYE Reduction	TOTAL Reduction (EXPENSES)	TOTAL Reduction (REVENUE)	NET Reduction	IMPACT
1	57-03	Vehicle Taxes	Eliminate Accountant III in Revenue Collection Management	1	1	\$88,355	\$0	\$88,355	Elimination of this position is possible with limited impact due to a prior reorganization in Revenue Collection Division (RCD). Accountant is primarily responsible for documentation of internal operating procedures and assisting in responding to taxpayer inquiries. Workload can be absorbed by remaining RCD management.
2	57-03, 57-04	Vehicle Taxes, Business & Other Taxes	Outsource Collection of Delinquent Personal Property and Business, Professional and Occupational License Tax (BPOL)	12	12	\$1,165,772	\$0	\$1,165,772	Authorized by Va. Code, Section 58.1-3934. This cut eliminates 26 ELT collectors along with the 12 merit staff. This cut outsources the collection of all personal property taxes and certain business license taxes to a private collection agent. The agent recovers a collection fee from the taxpayer. This expands the current use of DTA's collection agent. Overall, this is a 58% DTA staff force reduction for the collection of taxes. The remaining employees are critical to handle problem resolution and account adjustments in support of the collection agent and pursue collections in first 6 months. Remaining in-house staff will also handle real estate cases and certain business cases. Treasury lien authority will be delegated to the agent with oversight from DTA. The agent believes they can handle DTA's collection of delinquent taxes and achieve current collection rates of 98%. The risk of course is reduced collections. Each 1% change in the collection of delinquent taxes = @ \$100,000. Each 1% change on the local collection rate = @ \$2.8 million in revenue.
3	57 - 03	Vehicle Taxes	Eliminate Administrative Assistant III (Secretary) in Personal Property	1	1	\$33,920	\$0	\$33,920	Elimination of this secretarial position will put the Personal Property Division on par with the other DTA divisions. This position also helps backup the Central Telephones, but the workload can be accommodated by remaining staff.
4	57-01	Department Supervision	Eliminate IT Manager (S31), 1 IT Tech, and a Business Analyst III (S27, programmer)	3	3	\$233,447	\$0	\$233,447	Eliminates one of two IT Technicians who help maintain operational status of DTA computers, printers, faxes and peripherals. DTA Techs have unique knowledge of business operations and the proprietary software used to support assessment, billing and collection programs. Down systems impact productivity and customer service, though a 50% reduction can be accommodated by better prioritization of call response and by reliance on DIT for assistance. Elimination of the IT Manager can be accommodated via reorganization of duties. The Business Analyst III represents the elimination of a succession planning initiative.

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5	57-04	Business & Other Taxes	Outsource Collection of Delinquent Parking Tickets	4	4	\$282,900		\$282,900	Authorized by Va. Code, Section 58.1-3934. This cut eliminates 4 ELT collectors along with the 4 merit positions. This expands the current use of DTA's parking ticket collection agent. DTA currently supplements the agent with in-house collections such as boot orders, bank liens and wage liens. DTA's supplemental collection work would now also be outsourced. DTA management would provide close oversight to help maintain an 85% collection rate. By law, agent collections cannot commence until a ticket is 6 months delinquent. The risk of course is reduced collections. Each 1% change on the collection rate = @ \$34,000 in revenue.
6	57-03; 57-02	Vehicle Taxes; Real Estate Taxes	30% Average Reduction in Telephone Customer Service Staffing	13	13	\$684,957	\$0	\$684,957	The Central Telephone Section normally has a core staff of 35 customer service agents. However, due to DTA cross-training, this section has immediate expansion capacity for up to 60 agents. This cut is 37% of the core staff, but only 22% of the expansion size. Expansion means other employees "wear a different hat" and help answer phones when calls spike. This cut will have some productivity impact as expansion staff may need to be called into service more often, but because of declining call volume and the new Avaya phone system, DTA believes this generally can be managed. The average answer time should not increase substantially (climbing from 31 seconds to about 42 seconds). The max wait time on the busiest days will increase. The FY08 average max wait time was 6:16. This is expected to climb on average to about 8 minutes. It can be expected to spike higher at times, until expansion staff help bring this down. Spikes may occur more frequently. Taped messages will encourage taxpayers to visit DTA's website.
7	57-02	Real Estate Taxes	Eliminate 1 Assistant Real Estate Director (S31)	1	1	\$117,638	\$0	\$117,638	Real Estate Division currently has two Asst. Directors for Residential Assessments and one Asst. Director for Commercial Assessments. This cut will now result in one AD over each area. This increases the management review workload for quality control purposes, but can be accommodated by existing senior management in the Real Estate Division.
8	57-02	Real Estate Taxes	Eliminate 1 Management Analyst III (S27)	1	1	\$99,248	\$0	\$99,248	This position does analytical work to support division and department managers. This includes revenue analysis and special projects. Elimination will require senior management to absorb the workload. This may limit somewhat DTA's ability to respond to ad hoc analytical requests.

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9	57-03	Vehicle Taxes	40% Reduction in Cashier Counter Staffing	6	6	\$397,096	\$0	\$397,096	This is a 40% reduction for staffing at DTA's walk-in Cashiering Counter. This cut eliminates 4 ELT cashiers along with the 6 merit positions. The majority of transactions can already be handled on-line, by phone or by mail. Of a 200 person survey of Cashier Customers this fall, 86% responded that they knew they could pay on-line, by phone or by mail. Walk-in service will still be available for cash and other assistance. This cut will increase wait time in lines (especially around Oct. 5th), unless this causes more citizens to use the alternative means to register and pay. On average, about 95% of citizens wait less than 5 minutes for service today. This average would be expected to drop to about 57%. Only about 2% wait longer than 10 minutes today. That would be expected to grow to about 22%. Staff will have less flexibility to deal with lines at Oct. 5th when combined with outsourcing of collectors (since they help cashier). Wait times will be longer then.
10	57-03; 57-02	Vehicle Taxes; Real Estate Taxes	Additional 15% average Reduction in Telephone Customer Service Staffing	7	7	\$368,823	\$0	\$368,823	This would increase the aggregate phone staff cut from 13 positions to a total of 20. Cumulatively, this represents an average staff cut of 45% (57% from core; 33% from expansion). This would raise the average wait time to just under 1 minute. The average max wait time would increase to just over 9 minutes. Spikes at peak will be considerably worse. Productivity will be impacted as expansion staff are called away from their normal jobs more often to help with spiking wait times.

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11	57-02	Real Estate Taxes	50% Reduction in Field Data Collectors for Real Estate Assessments (Exempt Limited Term employees)	0	0	\$339,570	\$0	\$339,570	This cut eliminates 11 ELT Data Collectors. These employees canvas neighborhoods making physical site inspections of real estate to validate property characteristics in County records. International Association of Assessing Officers (IAAO) Standards on Mass Appraisal call for the physical inspection of all properties about every six years. ELT Data Collectors enable DTA to visit around 1/6th of all residential properties each year. Miscellaneous decks, additions, etc. are added to the file when applicable. This staff also helps review building permits. In addition to property validation, this programs adds several million in tax levy each year. DTA believes reducing this program is feasible given the decline in building permits, and with greater reliance on Pictometry, which is permitted by standards. This will reduce the number of actual field visits, but properties will still get some level of review. The quality will not be as good as actual field visits, but should be adequate to maintain the revenue and validation outcome. Remaining ELT staff will still make actual site visits as time permits.
TOTAL REDUCTION ACHIEVED = 15 PERCENT				49	49	\$3,811,726	\$0	\$3,811,726	Total reduction of 49 merit employees and 45 ELT's. Effective overall workforce reduction is approximately 24% (15% merit; 67% ELT).