



Information Technology Capital Plan, Plan Year 2009-10 through 2013-14 Executive Approval Transmittal

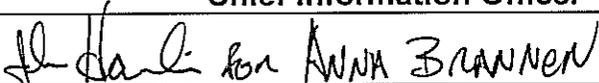
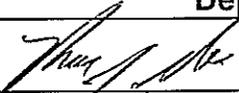
Department Name

APPROVAL SIGNATURES

I am submitting the attached Information Technology (IT) Capital Plan as required by the State Administrative Manual Section 4904.

I certify that the IT Capital Plan was prepared in accordance with State Information Management Manual section 57 and that the proposed IT projects are consistent with our business strategies and information technology strategy.

I have reviewed and agree with the information in the attached Information Technology Capital Plan.

Chief Information Officer		Date Signed
		9/24/08
Printed name:	Anna Brannen	
Information Security Officer		Date Signed
		9/24/08
Printed name:	Patrick McGuire	
Budget Officer		Date Signed
		9/24/08
Printed name:	Liz Peralta	
Department Director		Date Signed
		9/25/08
Printed name:	Ramon J. Hirsig	

Information Technology Capital Plan

Department IT Capital Plan



Information Technology Capital Plan, Plan Year 2009-10 through 2013-14 Executive Approval Transmittal

Department Name

Board of Equalization

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DEPARTMENT IT CAPITAL PLAN

Department Name and Org Code:

Board of Equalization 0860

Plan Year:

2009-10 through 2013-14

1. Summarize your organization's business goals and objectives below:

Goal 1: Maximize Voluntary Compliance in Board of Equalization's (BOE's) Programs

Objective: The Board of Equalization is committed to improving taxpayers' knowledge of the legal requirements for doing business in California. This includes providing new ways for them to understand and voluntarily comply with the tax and fee laws we administer.

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

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

Goal 3: Improve the BOE's Organizational Efficiency

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

Goal 4: Create an Expanded and Responsive Infrastructure

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

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

Objective: The BOE will actively pursue ways to maintain a positive and healthy work environment that keeps our employees informed, provides the tools necessary for them to perform their work, and acknowledges their contributions to the agency's overall success. The BOE will continue to champion an effective statewide civil service process while improving organizational and program efficiencies.

2. What are your organization's plans to upgrade or replace your IT infrastructure for the following? When responding, please indicate the timeframes of your intended upgrade or replacement efforts.

2.1. Hardware

The BOE replaces a portion of its hardware infrastructure on an annual basis. The replacement cycle of equipment is based upon its estimated useful life which considers many factors such as propensity to fail with age, consequences of failure and estimated technological obsolescence.

The BOE's investment in technology equipment is client centric with approximately two-thirds of the BOE's hardware investment in personal computers and laptops. About twenty-five percent of all such equipment is replaced at a cost of about \$2 million annually.

Network hardware comprises approximately one-third of the BOE's investment in hardware maintained by BOE staff. These services include the following categories: clustered application servers, e-mail services servers, database servers, network security and management servers, storage area network and operational recovery services. The average annual cost to refresh the existing network equipment is \$850,000 with approximately \$400,000 planning to be spent in 2008-09.

At this time, there are no plans to change the BOE's technical infrastructure or change the hardware necessary to support it.

2.2. Software

The BOE monitors the lifecycle of its software and is evaluating the need to update its current office productivity suite, desktop application development tool, and server operating systems. Additionally, the BOE is considering adding document management software and project portfolio management software.

2.3. Network

The BOE is currently investigating opportunities for upgrades and efficiencies through the CALNET II contract. The BOE continues to monitor and forecast future bandwidth growth as well as identify opportunities to strengthen our networks security. The BOE, on average, will need to spend approximately \$200,000 annually for replacement of its network backbone, switches, and uninterruptible power supplies, although nothing is planned for 2008-09.

Table 1-Existing Approved Reportable IT Projects Summary by Department

Existing IT Project	Approved Project Cost*	Project Number	Implementation Date
Automated Schedule Processing (ASP) Update	\$3,352,077	0860-89	April 30, 2011
E-Services Expansion Project	\$19,205,921	0860-91	June 30, 2010

***Note:** If a Special Project Report (SPR) was submitted for review in July 2008 that includes project costs that differ from the last approved project document, enter both the last approved project cost and the revised project cost from the SPR under review.

Table 2-Proposed IT Project Summary

Proposed IT Project	Priority Ranking	FSR Submission Date	Estimated Total Cost
Digital BOE**	TBD	Est. FY 2009-10	TBD

PROPOSED IT PROJECTS

Complete this IT Project Proposal Form for each proposed IT project that meets the definition of a reportable project as defined in the State Administrative Manual Section 4819.37:

** The BOE is in the early stages of the Digital BOE project, see Attachment 1. The project was presented to the BOE Board Members on September 17th, 2008 where the Board Members provided positive feedback. The BOE looks forward to investigating the feasibility by conducting pilots of specific business processes.

The BOE currently has two approved E-Services projects that are scheduled into 2011. Additionally, the BOE is currently undertaking an update to its technology strategic vision with a December 2008 estimated completion date. Until the strategic vision is updated, the identification and prioritization of future projects cannot be completed. In future IT Capitol Plans, BOE envisions identifying proposed IT projects based upon the new IT strategic vision.

Enterprise Architecture

A.1. Does your organization have documented Enterprise Architecture principles, strategies, or standards to guide decisions on technology projects?

- Yes
- No

A.2. Indicate on Table A-1 below, the completion status of the component Reference Models of your formal Enterprise Architecture efforts. If available, please submit a copy of your Enterprise Architecture document.

Table A-1, Enterprise Architecture Completion Status

Component Reference Model	Status			
	Implemented	Implementation in Progress	Planned or Planning in Progress	Not Implemented and Not Planned
Business			X	
Service			X	
Technical			X	
Data			X	

A.3. Describe the governance structure your organization uses to review and approve the Enterprise Architecture and any subsequent changes.

BOE has no formal Enterprise Architecture program in place. The current process for reviewing, approving, and modifying the organization's IT strategy are done as part of the agencies strategic planning process. Enforcement of existing solutions and data architectures and standards is accomplished at the project level. Hardware and software technical architecture is enforced as part of the procurement process, with the Technology Services Division having responsibility to determining architectural fitness of technology components in purchase requests.

A.4. Does your organization have an Enterprise Architect? (if yes, provide their name, telephone number, and e-mail address below)

- Yes
- No

Name: _____

Classification: _____

Telephone Number: _____ **E-Mail:** _____

Workforce Development, Workforce Planning and Succession Planning

B.1. How is your Information Security Officer involved in proposed project development efforts?

The BOE Information Security Officer (ISO) is engaged throughout BOE's IT project life cycle. The BOE ISO attends all IT Governance Council meetings to advise executive management on security issues in IT proposals. If a conceptual proposal is approved, the ISO becomes a working member of the project team. The BOE ISO is also an approval step in all IT procurements. This approval step is an opportunity for the ISO to perform a risk analysis on all requests for hardware, software, and IT contracts prior to completing the procurement.

B.2. What are your department's core business principles, policies and standards related to information integrity, confidentiality, and availability and the protection of information assets?

The core principles and goals as related to the availability and protection of information assets in the State BOE (BOE) Strategic Plan 2007-2011 include:

- Goal 2, item 5, states that the BOE will provide convenient, timely access to accurate information while ensuring the continued integrity of our operations and confidentiality of taxpayer information.
- Goal 4, item 2 states we will enhance the internal controls of our information technology system to ensure that data integrity is maintained and confidential data are protected from unauthorized access and use.

Information security awareness training is provided to all BOE employees and refreshed on a regular basis. BOE employees and contractors are also required annually to review the pamphlet *Information Security Requirements for Employees with Access to Confidential Information* and to sign a Confidentiality Statement. Access to confidential information is restricted to persons who have an appropriate business need for the information. Information and physical security policies and procedures are in place at the BOE to protect confidential information from theft, unauthorized access, use, modification or disclosure. Internal review of BOE policies and procedures is conducted to ensure that adequate safeguards for information security are in place.

B.3. If data within your department is shared with external entities, does your department implement data exchange agreements with these entities?

- Yes
 No

If no, please explain.

- Not applicable

Workforce Development, Workforce Planning and Succession Planning

B.4. How does your department ensure that software developers and programmers follow standards and best practices for Web, application, and system development?

The BOE, Technology Services Division (TSD), has established a robust set of system development and application development standards. TSD has two primary documents, the Application Development Standards Manual, and the Application Development Information Manual.

The first manual, the Application Development Standards, covers the standards to be used when writing programming objects. Some security standards are outlined in this manual. Also covered in this manual is an overview of the logical and physical design walk-through which are used to ensure that the code written adheres to the program specifications and that the object follows the appropriate programming standards.

The second manual, the Application Development Information Manual, is primarily directed towards application programmers. It provides information related to application development environments, application security, object oriented principles, performance considerations, and development tools. This manual serves as a good overview of TSD's applications development environment.

There are other standard manuals that TSD maintains such as ones for RACF, User Security, and Natural Security which are updated on an as-needed basis.

Additionally, TSD's mature Application Life Cycle (i.e., the System Development Life Cycle) documents the path to follow when stepping through the creation of a new system. From the Conceptual overview phase through the implementation phase, the lifecycle and its related project plans provides all staff in system development with a roadmap.

All applications go through a rigorous testing process to ensure that it, and its security, works as designed.

B.5. Does your organization have an Information Security Officer? (if yes, provide their name, telephone number, and e-mail address below)

- Yes
 No

Name: Patrick McGuire

Classification: Data Processing Manager III

Telephone Number: (916)322-3819 E-Mail: PatrickMcGuire@boe.ca.gov

Workforce Development, Workforce Planning and Succession Planning

C.1. Does your organization have a workforce development plan for IT staff?

- Yes**
- No**

If yes, briefly describe it.

Our workforce development plan consists of the following:

Formal

- Probation Reports
- Annual Individual Development Plans
- Identification of specific formal training courses (by appropriate vendors) for individuals based on knowledge and skills needed to perform required/essential duties
- In-house developed course curriculum for Natural programmers offered by the technology program
- In-house developed soft skill and leadership courses offered by the BOE Training Office
- In-house developed Supervisor/Manager course offered by the BOE Training Office (required for all new BOE supervisors/managers)
- Information Technology Management Academy (ITMA) for IT managers

Informal

- On the job training and mentoring by leads, supervisors, and managers
- Verbal feedback from leads, supervisors, managers
- Assignments as lead analysts, lead technicians, unit leads, technical project leads, and project managers
- Cross training of staff for development as well as backup needs

C.2. Check the appropriate box(es) to identify which workforce development tools, if any, your organization is using for IT classifications:

- Training (both formal and on the job)**
- Upward Mobility (including Training and Development Assignments)**
- Mentoring**
- Career Assessments (on a case by case basis)**
- Knowledge transfer program**
- Performance Evaluations**
- Other (please list)**

Workforce Development, Workforce Planning and Succession Planning**C.3. Does your organization have a workforce plan for IT staff (i.e., for Rank and File)?**

- Yes
 No

If yes, briefly describe it.

Our organization's workforce plan for rank and file IT staff is made up of a variety of components. For example, managers routinely assess the skill level (communication, analytical, decision-making, etc.) used when staff completes assignments. They work with and engage staff in identifying necessary training to fill knowledge gaps and address new technologies and processes. They also assign staff to projects and workgroups that introduce and develop their leadership skills.

Upward mobility tools (training and development assignments, lateral transfers, bridging classes, etc.) are actively used to recruit and retain IT staff. Recruitment in IT classifications is often advertised at various levels (for example: Programmer II, Associate and Staff level), to enable managers to assess the needs of the organization and recruit to address specific levels of knowledge, abilities and skill sets needed. Managers also actively recruit student assistants to fulfill various IT needs at a cost effective rate. When available and ready to join state service, these student assistants are often competitive candidates for IT jobs. This experience is beneficial not only to the student (exposing them to a professional IT setting with the state) but also to the State of California. Managers and key IT staff plan and participate in select IT recruitment and job fairs

Managers ensure that the exam calendar includes exams necessary to afford staff the opportunity to continue promoting into ranks of higher levels and to fill vacancies as they arise. Exam strategies such as on-line exams, education and experience exams, and multi-departmental administered exams are all effective methods for recruitment being used today.

Workforce Development, Workforce Planning and Succession Planning

C.4. Does your organization have a succession plan for IT staff (i.e., for Management)?

- Yes
 No

If yes, briefly describe it.

Our organization's succession plan for IT management is made up of a variety of components.

Managers use staff members as leads and backups (in their absence, excluding sensitive or confidential supervisory/managerial duties) in order to expose staff to leadership and management roles. In this capacity, leads and backups are also invited to attend executive meetings such as Executive Team and Department Head Committee meetings. Within months of being hired, new managers are enrolled in a week-long internal Leadership Training course made up of various modules. Under certain conditions, select leads are allowed to attend specific (excluding sensitive or confidential supervisory/managerial) modules.

Managers ensure that the exam calendar includes exams that will be needed to fill upcoming vacancies, especially those due to retirements. Additionally, in preparation for retirements, knowledge transfer sessions are held where the pending retiree meets with fellow employees to share their accumulated knowledge including documented systems, policies and procedures. If sufficient advance notice is provided, managers and/or their leads and staff will create task turnover lists to ensure that all essential tasks are assigned to others and that documentation and training occurs before a manager retires or leaves for another agency.

To further expose managers to executive-level positions, managers participate in internal and external project task forces whereby their experience and knowledge is shared with others. Team members gain knowledge from leading or participating on projects' lessons learned sessions after project implementation. The resulting lessons learned reports provide future project team members, leaders and sponsors with lessons to build upon for other projects.

C.5. IT Staffing

Provide the following information in table C-1 on the following page:

- **The name of each IT classification currently in the organization.**
- **The number of staff in each IT classification in the organization.**
- **The number of staff in each IT classification eligible to retire in the next five years.**
- **The percentage of each IT classification eligible to retire in the next five years.**

Table C-1 — IT Staffing (TSD)

IT Rank and File Staff Classification	Number of IT Rank and File Staff in Classification	Number of IT Rank and File Staff in Classification Eligible to Retire in Next 5 Years	% Eligible to Retire	IT Management Staff Classification	Number of IT Management Staff in Classification	Number of IT Management Staff in Classification Eligible to Retire in Next 5 Years	% Eligible to Retire
SR PA	23.0	11.0	48%	DPM IV	2.0	2.0	100%
STAFF PA	33.4	16.0	48%	DPM III	6.0	3.0	50%
APA	19.0	7.0	37%	DPM II	6.0	4.0	67%
PROG I/II	3.0	1.0	33%	DPM I	1.0	0.0	0%
SR ISA	12.0	8.0	67%	Sr PA (Supv)	2.0	2.0	100%
STAFF ISA	31.8	14.0	44%				
AISA	21.0	6.0	29%				
ASST ISA	15.8	7.0	44%				
SSS III	2.0	2.0	100%				
SSS II	4.0	4.0	100%				
SSS I	1.0	0.0	0%				
ASSOC SSS	2.0	2.0	100%				
IST SUPV II	1.0	0.0	0%				
IST SPEC I	2.0	2.0	100%				
IST	1.0	1.0	100%				
CO	2.0	0.0	0%				
TOTAL	174.0	81.0	53%		17.0	11.0	63%

Project Management, Portfolio Management and IT Governance

D.1. Does your organization have a process for improving the alignment of business and technology?

- Yes
 No

If yes, briefly describe it.

Agency Information Management Plan (Information Management Strategic Plan)*

BOE (BOE) information management and technology policy is based on the vision of a partnership between business needs and information technology resources. The policy is designed to ensure that the agency's mission and goals are attained through effective and efficient use of information technology. In addition, BOE has adopted internal guidelines to ensure that a reasonable balance is achieved between business needs and available IT resources.

As directed by these guidelines, BOE will:

- Manage information using the highest professional standards.
- Ensure that all technological investments or changes conform to the BOE's mission, goals, and principles.
- Adopt strategies that are based on sound business decisions.
- Consider the needs and expectations of its stakeholders when assessing technology solutions.
- Conform information management to statewide direction set by control agencies.
- Preserve as many future options as possible when making information management decisions.
- Centralize the management of professional technology staff who support mission-critical mainframe or server-based applications.
- Consider outside providers of service and/or products as alternative technology solutions, when appropriate.

* This plan, previously sent external to BOE, currently is developed maintained internally per Budget Letter 08-06.

Technology Governance

BOE has an Information Technology Governance Council (ITGC) in place for discussing, reviewing, and approving or rejecting business proposals requiring IT resources. The ITGC reviews the proposals in context of BOE strategic and business plan goals and objectives. The ITGC is comprised of business and technology executive managers.

Enterprise Service Request

BOE has an enterprise service request (ESR) process for enhancements and new development related to IT. The business programs submit ESRs to the technology program for impact analysis. The technology program analyzes the request and works with the business to develop a size and cost estimate for the requests. Small requests are planned and scheduled into the technology workload. High profile, high cost, or large scale requests are reviewed and approved (or rejected) by the ITGC before they can be planned and scheduled. If approved by the ITGC, the requests are added to the technology program's list of projects to be planned for resources and scheduling.

Project Management, Portfolio Management and IT Governance

Technology Infrastructure

BOE has a scalable technology infrastructure consisting of enterprise data model, systems development life cycle, technology standards, and project management methodology developed to support the needs of BOE business programs. Technology solutions are developed for business needs in the context of this technology infrastructure. Depending on business needs, BOE either leverages and extends its existing technology infrastructure or evaluates and purchases new technology. When considering new technology, the factors of compatibility, performance, scalability, security and maintainability within the technology infrastructure are of prime importance.

D.2. What is the status of implementing a formal portfolio management methodology for technology projects within your organization?

- Implemented (Please describe)
 Implementation in progress (Please describe)
 Planned or planning in progress
 Not implemented and not planned

BOE is developing a governance process to replace the existing ESR process described above. A consultant was hired to assist BOE in the development and implementation of this process. The process will focus on the business value of the request as it relates to BOE strategic and business plan goals and objectives.

The first release is scheduled for December 2008. As part of the first release, BOE is developing a basic portfolio management repository for proposals and projects. It is expected that the governance process will evolve as BOE exercises it over the next year. In turn, changes to the portfolio management repository will be released to support the governance process.

D.3. List any automated tools being used for portfolio management. Enter "None" if no automated tools are being used.

None

D.4. What is the status of implementing a standard project management methodology for technology projects in your organization?

- Implemented (Please describe)
 Implementation in progress (Please describe)
 Planned or planning in progress
 Not implemented and not planned

BOE has a project management methodology consisting of standards, guidelines, and templates for various project management components, such as: Communications Plan, Risk Plan, Change Management Plan, Software Requirements, Software Design, System Test Plan, etc. BOE has plans for establishing a more formal Project Management Support Office in 2009.

Project Management, Portfolio Management and IT Governance

D.5. Does the organization require its project managers to be certified, either through a professional organization (e.g., PMI, ITIL) and/or through completion of specified project management coursework:

Yes

PMI

ITIL

Agency-specified project management coursework (identify below)

No

D.6. Select from the list other areas of training your organization requires of its project managers:

Fundamental Project Management

Systems Development Life Cycle

Scheduling tool (identify below)

–

–

Project Performance Management (e.g., Earned Value Management)

Business Process Analysis

Requirements Traceability

Procurement/Contracts Management

Other (identify below)

–

–

None BOE does not have a formal requirement for the above training. Project managers are selected based upon their knowledge, skills, and abilities to lead and manage projects. BOE has plans for establishing a more formal Project Management Support Office in 2009 and it is expected that some training criteria will be established as result of this effort.

Project Management, Portfolio Management and IT Governance**D.7. Describe project-level governance practices, including change management, issue resolution, and problem escalation.**

BOE has a standard change management process that is utilized for IT Projects. The process can be modified based upon the size, scope and risk of the project as documented in the projects Change Management Plan and approved by the Project Manager and Steering Committee. The Change Management plan defines the roles, responsibilities, processes and procedures for identifying and approving changes to a project.

If an issue arises during a project, the issue and its resolution is tracked on the issue log which is maintained by project team. If the project team determines that the issue cannot be resolved without a material change to the project, a change request must be submitted. A change request is submitted by the requestor identifying the problem, proposed changes, justification/impact, potential workarounds and alternative solutions. The Change Control Review Team (CCRT) reviews the request and identifies the technical changes that would need to be made and estimates the requests impact to the projects budget, schedule and scope as well as the authority to approve the change without control agency approval. The change request is entered into the project's change request log and sent for review and approval as defined by the change management plan.

Steering Committees, Executive Sponsors, and Business Sponsors are designated for high profile projects. Such projects will also have a project manager, business manager, and technical manager designated. Project issues and problems are tracked and assigned to responsible parties. The objective is to resolve issues/problems at the lowest level and elevate up as needed.

Independent Project Oversight Consultants (IPOC) are established for large or high risk projects.

D.8. Does the project management methodology include processes for documenting lessons-learned and applying these to future projects?

- Yes (Please describe)**
 No

BOE has a standard template for lessons learned. The project team conducts a lessons learned session at the end of the project. The lessons learned are available for reference to assist project managers at the start of new projects. An outcome of BOE's recent review of its systems development life cycle is that it is now required that project teams review the lessons learned from previous projects as part of their project planning.

**Board of Equalization
Digital Office Vision
Initial Roadmap**

3 Executive Summary

3.1 Overview

A progressive Board, an enlightened management, a demanding taxpayer constituency, and severe pressure on resources have provided BOE with a rare opportunity to examine the way it conducts business. This paper describes logical steps, a “roadmap”, to change from the current way of doing business to a better way of doing business by moving BOE along the path toward attainment of a digital BOE.

A digital BOE encompasses the capture of information in digital form, either through e-filing or scanning and imaging; reduced reliance on paper, and a break in the link between information and its physical location. Each of these is a fundamental element in the improvement of business operations.

The larger vision encompasses long-considered improvements in BOE operations. Thanks to modern IT and the knowledge gained from the use of this technology by other state agencies such as the Franchise Tax Board (FTB) and the Employment Development Department (EDD), a paperless digital office is a vision that can be realized. Implementing the vision will provide BOE staff, taxpayers, and other stakeholders immediate or near immediate access to information they need to accomplish their work, and to do so any way, any time, and any place.

While providing a roadmap to a vision of working any way, any time, and any place, this paper also includes a number of recommendations with relatively immediate results. Importantly, these very near-term efforts provide a foundation for the longer-term vision. For example, this paper recommends development of a plan to scan and image several hundred boxes of Legal Department paper records that are currently offsite and will be transferred back to BOE’s headquarters building in late 2008. This effort could also provide infrastructure applicable to all BOE departments, by establishing an indexing standard for scanned documents, a fundamental requirement for an imaging system.

It is important to note that the adoption of the digital office concept will not immediately eliminate all paper. There will be many taxpayers who will not take advantage of electronic services (e-file), preferring to rely on paper for economic and other reasons. However, the experience of other state agencies indicates that BOE’s implementation of digital office processes should result in improved paper handling, more efficient facilitation of future relocation efforts, and improved responsiveness to customer and stakeholder needs.

**Board of Equalization
Digital Office Vision
Initial Roadmap**

Nevertheless, the need to reduce the growing mass of paper impacting BOE operations, a need made more critical by the scarcity of space for BOE staff in the headquarters building, provides a strong argument for an aggressive, but considered, plan to take steps that will lead to the realization of the virtually paperless digital office.

BOE's master plan will be guided by several business principles

- The BOE will explore and consider "best practices" and models in the development of the master plan.
- The BOE's preferred method in conducting business and communicating with taxpayers will be through electronic means, recognizing that not all taxpayers may be ready for these methods.
- The BOE staff should be provided the ability, through electronic means, to quickly access taxpayer information, whether in response to taxpayer queries or for other board purposes.
- The BOE will be able to conduct its business operations any way, any time, and any place.
- When documents are scanned in most cases, BOE will shred the original paper in conformance with legal requirements and automate the routing of the scanned images.
- The BOE will reduce significantly the use of hard copy internal working papers.
- The BOE will maximize sharing of information with its sister tax agencies, counties, cities, and local taxing jurisdictions and their constituency through the use of digital information.
- BOE will maintain integrity and confidentiality when sharing documents with sister tax agencies and ensure the security of all digital information.
- BOE will factor concerns for environmental stewardship into the development of the digital office vision.

These and other business principles are discussed in more detail in Section 5 of this paper.

**Board of Equalization
Digital Office Vision
Initial Roadmap**

3.2 Summary of Findings

This paper finds that BOE must:

- **Reduce Facilities Costs**
 - The General Fund situation, which may be problematical for some time, will increase pressure on the BOE in terms of cost control.
 - The BOE is paying a premium to store paper in the headquarters building, space that could be better used to house staff.
 - The dependence on paper limits the ability of BOE employees to work from multiple locations, resulting in an inefficient use of current office facilities.
- **Reduce the Cost of Processing Paper**
 - E-file and scanning and imaging complement each other. Both are elements of digital BOE. There is no one best solution to BOE's paper problem.
- **Reduce Processing Time and Achieve Operational Efficiency to Improve Customer Service**
 - The allocation process by which BOE disburses sales and use taxes to counties, cities, and special taxing jurisdictions is a paper-based and lengthy procedure. Currently, the allocation schedules are handled multiple times before the allocation process is completed.
 - Smaller units within BOE (e.g., organizations in the Property and Special Tax Department) have realized significant benefits by scanning documents. These benefits include better services to those requiring information contained in the imaged records.
 - Both EDD and FTB have implemented effective scanning and imaging applications, and therefore either department is considered a likely partner with BOE in support of BOE efforts to apply scanning and imaging technology.

**Board of Equalization
Digital Office Vision
Initial Roadmap**

- Although BOE can leverage previous state investments by considering both EDD and FTB as viable potential service providers, there are differences in how the two departments manage the processing of returns. The BOE must carefully consider the differences in evaluating the feasibility of contracting with either of those departments to provide services to BOE.
- Improving BOE operations through the increased reliance on IT will improve the ability of employees to conduct their work; however, careful planning will be required to assure that employees, and their labor unions, are kept apprised of plans affecting them and given an opportunity to provide ideas and suggestions to assist BOE planning efforts.
- Continuing to microfilm is ineffective. Microfilm technology is considered outdated. Its use should be limited to those cases for which the investment to scan or image cannot be justified.
- ***Reduce the Float Time for Checks***
 - Current front-end manual processing of taxpayer returns limits BOE's ability to deposit some payments as quickly as other State tax agencies. The situation is aggravated when a taxpayer uses non-standard forms and envelopes ("white mail").
- ***Improve Data Security***
 - The use of electronic images instead of paper will enhance BOE's information security capabilities. Electronic files of images can be secured in multiple ways, including passwords, user-levels, access capabilities (for example, read-only), and other user-based approaches.
- ***Improve Continuity of Business Operations***
 - Achieving the BOE digital office vision of working any way, any time, any place would enable BOE to continue to conduct business even if there are disruptions to facilities like those that have occurred recently with the headquarters building.

Section 7 of this paper provides a full discussion of the findings.