

**Report to the MTC Executive Committee
MTC Strategic Planning Process Update
Strategic Planning Steering Committee
August 2, 2012**

Background

During the spring and summer of 2011, the MTC Strategic Planning Steering Committee conducted an environmental scan to assess the strengths and weaknesses of the MTC and to identify external opportunities and threats that can affect the MTC's ability to perform its mission. After reviewing the scan results, the Steering Committee proposed that the MTC move forward with a strategic planning process that would involve the following elements:

- Develop a statement of the MTC mission, values, vision and goals
- Select one or two goals for initial planning focus
- Develop strategic objectives and action plans for the selected area(s)
- Implement the action plans by August 2012

The Executive Committee endorsed the proposed process in December 2011.

Activities of the Steering Committee

Development of Mission, Values, Vision and Goals

The Steering Committee has developed a statement of mission, values, vision and goals for review and acceptance by the Executive Committee. The Steering Committee asked for review and comment on the proposed statement from the states and from stakeholders.

The Steering Committee has adopted the following Mission and Vision statements:

MISSION: The Multistate Tax Commission is an intergovernmental state tax agency. Its mission is to:

- Achieve fairness by promoting compliance and consistent tax policy and practice; and to
- Preserve the sovereignty of state and local governments over their tax systems

VISION: By 2019, MTC will be recognized as:

- The "gold standard" for tax policy development
- The primary authority for the public and public officials on issues of state and local tax uniformity and fairness
- The leading resource for ensuring equitable tax compliance

The complete statement also reflects the organizational values of the MTC, and sets forth four strategic goal areas on which the MTC must focus in order to achieve its vision: vitality and reputation of the commission; engagement of the states and other stakeholders; uniformity and compliance programs. [The complete statement is attached to this report.]

Focus on Engagement and Compliance

The Steering Committee selected two of the strategic goals for further planning, project development and implementation:

- **Engagement of states and other stakeholders** – Our goal is to increase the level of institutional knowledge within the states about MTC.
- **Compliance programs** – Our goal is to develop timely and effective strategies to address new compliance challenges.

The Steering Committee formed two work groups to develop more specific strategies and activities for these two goal areas. The teams conferred by telephone during the spring of 2012, and reported their progress to the Steering Committee.

Engagement Team

The Engagement Team took advantage of a project proposal (Commissioner Outreach, Recruitment & Education) that had been presented to the Executive Committee in December 2011. The team developed specific project activities and measures, and identified data that would help the Steering Committee and the Executive Committee evaluate the success of the project in increasing the level of active engagement by the states in MTC activities and programs. The principal strategy is to reach out to tax commissioners regularly, and in coordination with the MTC calendar of activities during each year. MTC staff developed a calendar of key times for contact with new tax commissioners, together with information that will be provided to them. MTC staff also developed a data collection system to track progress and the impact of this effort over time, and is collecting historic data on state participation in MTC activities so that the Steering Committee can establish targets for increased participation. Full implementation of this project is scheduled for August 2012. Review and establishment of goals for increased engagement will take place during the December 2012 Executive Committee meeting. [The outreach plan goals and measures are attached to this report.]

Compliance Team

The Steering Committee asked the Compliance Work Team to develop proposals to increase the number of multistate audits done each year. The Steering Committee also asked the team to evaluate the difficulty of implementation and level of impact on taxpayer compliance of a number of possible strategies. The work team fulfilled its task of evaluating potential compliance strategies. The team asked for further guidance, and for additional expertise on the work team before tackling the second assignment. The Steering Committee responded to the required for guidance, and has reconfigured the work team to add expertise in the sales tax area, and to add more state representatives. The team is scheduled to meet on August 2 and 3 to develop project proposals to enhance the quality and value to the states of the Audit program. They will report back to the Steering Committee in September.

Next Steps

The Steering Committee is preparing to turn its attention to the next aspect of the planning process: integrating planning as a discipline within the operations and governance of the MTC. Between August and December, the Steering Committee will begin a broader dialogue about changes that can be made in commission processes and activities to better align them with achievement of the commission's mission, vision and goals.

There are two strategic goal areas for which in depth planning has yet to begin. The Steering Committee and the Executive Committee will need to monitor progress on the specific projects that are underway, and make adjustments as needed to assure that the results move the commission in the right direction.

Finally, the Steering Committee will be working on specific recommendations to transform planning from a "project" to a "way of doing business." These recommendations will be ready for presentation and discussion at the December Executive Committee meeting. We hope that the conversation will be rich and rewarding for all involved.

Request for Acceptance

The MTC Strategic Planning Steering Committee requests that the Executive Committee accept this report and the statement of Mission, Values, Vision and Goals.

Respectfully submitted,

Cory Fong, Chair
Alana Barragan-Scott
Steve Cordi
Nancy Prosser
Joe Huddleston