

TO: MTC Executive Committee and States
FROM: Elizabeth Harchenko
DATE: November 28, 2011
SUBJECT: Progress Report from the Strategic Planning Steering Committee

The purpose of this memorandum is to bring you up to date on the details of the MTC Strategic Planning Steering Committee's work during its November 1 and November 17 meetings, and to prepare you for the meetings to be held on November 30 and December 1. The memorandum summarizes the steering committee's work so far on each of the four foundational elements of a strategic plan. It also describes for you the planning process that the committee will recommend to the Executive Committee.

As you know, the steering committee has decided to recommend that the Commission develop a strategic plan. The steering committee has also begun the planning process. At their meeting on November 30, the committee members will continue to work on the following elements of the plan:

- A statement of the mission of the Multistate Tax Commission
- A statement of the core values of the commission
- A statement of the vision for the commission for the next five to seven years
- A statement of the critical areas in which strategic goals should be established

The committee's plan is to present drafts of these elements for discussion at the Executive Committee meeting on December 1. The Executive Committee will spend part of that meeting giving the steering committee feedback on its work to date, and learn more about the steering committee's recommendation for continuing the planning process.

Strategic Planning Elements

MTC mission and purpose - The mission statement describes the essential purpose(s) of the Multistate Tax Commission. The mission statement explains why the MTC exists. A mission statement is likely to endure for the life of the organization. The final mission statement will be one or two sentences that are easy to remember and connect to the organization.

The steering committee has discussed the following concepts relating to the commission's purpose:

- Carrying out the purposes of the Multistate Tax Compact
 - Full accountability for tax liability without duplicative taxation
 - Promoting uniformity and consistency in tax administration
 - Promoting taxpayer convenience
- Preserving federalism
- Providing benefits to the states (programs, education, collaboration, technical support)
- Promoting sound and effective tax administrative practices and tax policy
- Maximizing the synergies of multi-state tax cooperation (this is a paraphrase of a recent quote from Ted Spangler)

Core organizational values - The commission's values reflect the core principles or norms that influence the Commission's policy and business decisions. The steering committee will identify four or five bedrock values that are not likely to change over time. They should be based on what is – but they may be stated with the future in mind.

The steering committee has discussed the following concepts as reflecting the commission's core values:

- Collaboration in leveraging resources of the states
- Inclusiveness – openness to participation by all governmental entities
- Consistency of action by the states, collectively and over time
- Transparency of operations – as demonstrated by public participation policy
- Service to the states and taxpayers
- Professionalism and integrity
- Public mission

Vision for MTC - The vision statement will identify the strategic business purpose(s) that will drive the commission's work over the next 5-7 years. This is a statement that will establish overall direction for the organization going forward. It won't be all things to all people, but it will be broadly enough stated that the commission's strategic goals will comfortably “nest” under it.

The steering committee has discussed the following concepts relating to a vision for the commission:

- MTC establishes the “gold standard” for model tax policy.
- MTC offers the best choice in training programs for the states.
- MTC is regarded as the first, and best, resource for resolving multistate tax concerns.
- The states speak with one voice through the MTC to all branches of federal and state government.
- The states are actively engaged in all dimensions of the work of the MTC.
- MTC compliance programs are viewed by the states as a natural extension of their own efforts.

Strategic Goal Areas – The planning process will identify four or five areas of focus where change in the way things are being done today will be needed to achieve the commission's vision. These focus areas will be the most important areas for work over the next several years.

The steering committee has discussed several potential areas for the development of strategic goals:

- Compliance programs
 - Strengthen audit and nexus programs
- State engagement in commission programs and activities
- Stakeholder engagement
 - Public participation policy – clarify and enhance its value as a tool to the commission
 - Access to commission materials – manage more effectively
- Technology
 - Better use of technology to support committee work
 - Better use of technology to support programs

- Stability and Vitality of the commission
 - Top tax administrators (or chief deputies) more actively engaging in leadership
 - Need more institutional knowledge in the states about MTC
 - Stability in funding models in the states
 - Education of state tax administrators, governors, legislators about the MTC
 - Image and branding of the commission
 - Assuring the states see the commission as a valuable asset
- Uniformity process
 - Clearer and more effective interaction with federalism goals
 - More states adopting uniformity recommendations
 - Promoting uniformity recommendations
 - Efficiency and effectiveness of the process

Strategic Planning Process

The steering committee is considering the following time line for the planning process. To assure that the planning process will not place a strain on the resources of the commission (states and staff), the process outlined below would allow the commission to develop the foundation for a strategic plan, and then focus on one or two goals to develop at least one action plan that can be implemented by the beginning of the next fiscal year. As the planning process moves forward, the commission could select another strategic goal or objective and develop another action plan by November 2012. From that point the commission could use 4 to 6 month cycles for continued tactical/action development depending upon available resources. An action plan can be designed to address more than one objective.

1. Review draft mission, values, proposed vision, and recommended goal areas, and discuss with Executive Committee. **Nov 30 - Dec 1**
2. Validate mission, values, vision, and goal areas with states, staff and stakeholders. **Dec-Jan 2012**
3. Select one or two goal areas (examples: compliance; training) and develop two or three strategic objectives that will help MTC achieve the stated goals. **Mid Feb 2012**
4. Enlist one or more groups (committees; staff; commissioners) to help define strategic objectives for the selected goal(s). **Feb-March 2012**
5. Select one or two strategic objectives (one from each goal area) and identify potential action plans that will help the MTC begin to achieve those strategic objectives. **March-May 2012** (Ideally, an action plan will support more than one strategic objective.)
6. Select an action plan to pursue, flesh out the plan – determine who does what and when; decide what resources will be needed; define how success will be measured. **June-July 2012**
7. Implement action plan. **August 2012**
8. Upon completion of an action plan, evaluate results and go back to the strategic goals and objectives and repeat steps 3, 4, 5, 6 and 7.