

**Report to the Governor and Cabinet on the Department of Revenue's
Legislative Performance Accountability Measures
First Quarter FY 2011-12**

The following report shows the current performance of each operating program for the first quarter of the state fiscal year 2011-12. The measures contained in this report are required by statute and are explained in detail in the agency's Long Range Program Plan (LRPP). The LRPP can be found on the Florida Fiscal Portal at <http://floridafiscalportal.state.fl.us>. In addition to these measures, the department uses a variety of internal accountability measures to monitor and manage our processes to further assess performance.

The measures for the General Tax Administration Program (GTA) continue to reflect the impact of current economic conditions on Florida's businesses. Economic conditions affected several measures in the GTA's services. The percent of taxpayer-claimed refunds measure has been adversely affected by unexpected turnover within GTA's audit process. Several measures are considered stretch goals and while the Program is not currently projecting that these measures will meet the standards, the performance has either maintained or improved from the prior fiscal year. GTA continues to refine its selection criteria for identifying non-compliant taxpayers. A budget amendment will be submitted to adjust the standards for two measures.

The Child Support Enforcement (CSE) Program continues to be focused on the development and implementation of phase two of the Child Support Enforcement Automated Management System (CAMS) in the spring of 2012. Work is ongoing to prepare data for the transition from the FLORIDA system to CAMS. Upon the CAMS-II release, CSE anticipates performance to meet or exceed the current fiscal year standards. CSE currently projects that performance for three measures will not meet target, but it is believed that the implementation of CAMS will dramatically increase these numbers and should exceed target by the fiscal year end.

The Property Tax Oversight (PTO) Program is requesting a reduction to the standard for the Number of Refunds and Tax Certificate Applications Processed measure from 5,000 refunds and tax certificate applications processed to 3,000 refunds and tax certificate applications processed due to legislative action taken during the 2011 Session. The legislative action adopted an increase in the refunds reviewed threshold from \$400 to \$2,500. A budget amendment will be submitted to request this change. PTO also expects the percentage of users satisfied with PTO's aid and assistance services will increase as more training classes are offered throughout the year. PTO is also requesting five new measures and standards for Fiscal Year 2011-12.

GENERAL TAX ADMINISTRATION LEGISLATIVE PERFORMANCE ACCOUNTABILITY MEASURES				2010-11		2011-12					Year End Projection	
				Standard	Actuals	Annual	ACTUAL YEAR to DATE				Level	Achieve Standard
						Standard	Qtr 1	Qtr 2	Qtr 3	Qtr 4		
Core Process / Service: I. Tax Processing (73401000)												
A X,B	1	Percent of tax returns reconciled within 25 days	Outcome	NA	NA	98%	99%				98%	YES
	2	Average number of days from receipt of payment to deposit	Outcome	0.32	0.29	0.28	0.19				0.26	YES
	3	Percentage of unemployment taxes deposited within three days of receipt	Outcome	100.0%	100%	100%	100%				100%	YES
	4	Percent of taxpayer-claimed refunds processed within 90 days	Outcome	94.0%	94%	94%	57%				85%	NO
	5	Percent of distributions made timely	Outcome	94.0%	93%	95%	90%				96%	YES
	6	Number of accounts maintained (Methodology change in FY 2011-12)	Output (ACT4210)	NA	939,227	1,400,000	936,924				939,623	NO
	7	Number of tax returns processed	Output (ACT4220)	8,400,000	8,498,336	8,400,000	2,111,022				8,432,693	YES
	8	Number of distributions made	Output (ACT4230)	39,600	40,506	39,600	10,520				39,925	YES
	9	Number of refund claims processed	Output (ACT4300)	125,000	136,574	125,000	34,872				131,547	YES
Core Process / Service: II. Taxpayer Aid (73401100)												
C X X	1	Percent of educational information/ assistance rendered meeting or exceeding taxpayers' expectations	Outcome	96%	88%	97%	91%				89%	NO
	2	Number of taxpayers provided with direct assistance or education	Output (ACT4020)	8,500,000	8,653,534	8,500,000	1,220,810				7,595,810	NO
	3	Number of calls answered by Call Center agents	Output (ACT4360)	983,000	801,098	1,007,700	165,578				921,353	NO
Core Process / Service: III. Compliance Determination (73401200)												
D E F F	1	Percent of compliance examinations resulting in an adjustment to a taxpayer's account	Outcome	65%	61%	65%	59%				63%	NO
	2	Number of filing compliance exams completed and resulting in a notice of additional liability	Output (ACT4240)	1,700,000	1,674,585	1,700,000	364,250				1,648,809	NO
	3	Number of taxpayers selected for a tax compliance examination	Output (ACT4250)	34,880	34,020	34,890	8,079				34,372	NO
	4	Number of audits completed	Output (ACT4260)	20,000	21,677	20,000	4,754				20,250	YES
	5	Number of discovery examinations completed	Output (ACT4270)	14,000	11,386	14,000	3,075				13,017	NO
	6	Number of criminal investigations completed	Output (ACT4280)	880	957	890	250				953	YES
	7	Number of audit disputes resolved	Output (ACT4310)	1,600	2,362	1,600	763				1,963	YES
Core Process / Service: IV. Compliance Resolution (73401300)												
D G X	1	Percent of (collection) cases resolved in less than 90 days	Outcome	66%	60%	66%	57%				63%	NO
	2	Account receivables as a percent of total revenues	Outcome	2%	1.40%	2%	1%				1.8%	YES
	3	Percent of receivables reaching uncollectible status/available for write-off	Outcome	8%	17%	7%	19%				10%	NO
	4	Number of collection cases resolved	Output (ACT4290)	1,200,000	1,048,019	1,200,000	291,986				1,188,230	NO
Unemployment Tax Measures Included in Agency for Workforce Innovation Legislative Performance Measures												
X,H X	1	Percent of new Unemployment Compensation (UC) employer liability determinations made timely (within 180 days)	Outcome	90.0%	95.9%	90.0%	96.1%				92.5%	YES
	2	Percent of current quarter UC taxes paid timely	Outcome	96.3%	89.0%	96.0%	83.4%				90.7%	NO
	3	Number of new UC employer liability determinations made	Output	76,850	71,833	76,850	17,139				74,221	NO
	4	Amount of UC taxes collected (in \$ millions)	Output	\$1,251.2	\$1,512.6	\$1,251.1	\$298.1				\$1,319.7	YES
	5	Number of tax/wage reports processed	Output	1,825,000	1,864,820	1,825,000	457,210				1,830,156	YES

X The downturn in the economy has impacted this measure (e.g. fewer businesses, employees, transactions, etc.).

A This metric has been impacted by unexpected turnover within our audit corps. We are working to fill those vacancies and train new staff. We are also evaluating the process for opportunities for quality and efficiency improvements.

B A budget amendment will be submitted to request the current year standard be changed from 1,400,000 to 940,000.

C A budget amendment will be submitted to request the current year standard be changed from 97% to 88%.

D This standard is considered a stretch goal. Year-end performance is projected to either maintain or improve from prior fiscal year.

E This measure is primarily a function of the number of tax returns filed, and the peak period occurs in the 3rd quarter. This measure should improve during the year.

F GTA continues to refine its selection criteria for identifying non-compliant taxpayers. While fewer discovery/campaign examinations may be performed, efforts remain focused on increasing collection recoveries. Although the program has not lost audit positions, resource allocations have shifted staffing from the discovery/campaign arena to compliance audit. Additional system enhancements are also being explored to fully capture discovery/campaign activities.

G The standard set for this metric is considered a stretch goal. We are working to evaluate how we can improve. We are implementing recommended changes to our processes for managing receivables. We expect to see improvement to this metric in the coming quarters.

H Primary factors impacting this outcome are current economic conditions and the increase in unemployment compensation employer rates for calendar year 2011.

CHILD SUPPORT ENFORCEMENT LEGISLATIVE PERFORMANCE ACCOUNTABILITY MEASURES			2010-11 Standard	2010-11 Actuals*	2011-12					Year End Projection	
					Annual	ACTUAL YEAR to DATE				Level	Achieve Standard
					Standard	Qtr 1	Qtr 2	Qtr 3	Qtr 4		
Core Process / Service: I. Case Processing (73300600)											
A	1	Percent of IV-D cases missing critical data elements necessary for next appropriate action	Outcome	16.0%	14.8%	15.5%	13.8%			15.1%	YES
	2	Total number of cases maintained during the year	Output (ACT3310)	1,130,000	1,130,320	1,200,000	949,845			1,137,461	NO
	3	Total number of individual educational contacts and inquiries answered	Output (ACT3320)	14,500,000	17,861,924	17,000,000	4,707,802			17,457,802	YES
Core Process / Service: II. Remittance and Distribution (73300700)											
B	1	Percent of State Disbursement Unit (SDU) collections disbursed within two business days of receipt	Outcome	98.0%	99.1%	98.0%	99.3%			98.3%	YES
	2	Total number of collections processed	Output (ACT3330)	11,100,000	10,634,731	11,400,000	2,718,606			11,360,596	NO
	3	Total number of collections distributed	Output (ACT3340)	10,500,000	10,085,295	10,600,000	2,639,220			10,654,837	YES
Core Process / Service: III. Establishment (73300800)											
	1	Percent of IV-D cases with an order for support	Outcome	75.5%	75.7%	74.5%	75.7%			75.7%	YES
	2	Total number of paternities established and genetic testing exclusions	Output (ACT3360)	110,000	103,752	100,000	26,398			101,525	YES
	3	Total number of newly established and modified orders	Output (ACT3370)	42,000	60,876	40,000	14,115			44,115	YES
Core Process / Service: IV. Compliance (73300900)											
C	1	Percent of current support collected (federal definition)	Outcome	54.0%	53.1%	53.0%	53.1%			53.1%	YES
	2	Total number of obligated unique cases identified for compliance resolution	Output (ACT3380)	650,000	689,914	715,000	625,382			692,596	NO
	3	Total number of actions processed during the year	Output (ACT3390)	3,300,000	3,516,313	3,400,000	712,557			3,384,083	NO
Federal Measures not included in Legislative Performance Measures											
	1	Percent of arrears cases with payment towards arrears (federal definition)	Outcome	NA	60.8%	NA	60.8%			NA	NA
	2	Percent of paternities established (federal measure) (statewide Paternity Establishment Percentage)	Outcome	NA	94.4%	NA	70.3%			NA	NA
	3	Return on Investment (federal measure)	Outcome	NA	\$5.51	NA	\$5.58			NA	NA

* FY 2010-11 Actual performance numbers updated and finalized for year end.

A The total number of cases maintained during the year will likely be below standard as CSE is engaged in case cleanup in preparation for the second phase of CAMS, and the measure will likely see greater increases after the CAMS implementation.

B This measure is currently projected to have a shortfall of about 40,000 from the standard target of 11.4M. CSE anticipates meeting this target by year end, as the largest collections month is in March.

C Upon the implementation of CAMS phase II, new actions will be created that will likely increase this number dramatically and help CSE achieve target.

PROPERTY TAX OVERSIGHT LEGISLATIVE PERFORMANCE ACCOUNTABILITY MEASURES			2010-11		2011-12					Year End Projection		
			Standard	Actuals	Annual	ACTUAL YEAR to DATE				Level	Achieve Standard	
					Standard	Qtr 1	Qtr 2	Qtr 3	Qtr 4			
Core Process / Service: I. Compliance Determination (73200500)												
A	1	Number of refund and tax certificate applications processed	Output (ACT2200)	5,000	4,084	5,000	1,084	0	0	0	3,334	NO
B	2	Number of Truth in Millage/ Millage Adoption forms processed	Output (ACT2110)	5,000	7,483	5,000	484	0	0	0	4,509	NO
	3	Statewide Level of Assessment for Real Property	Outcome	New for 11-12	NA	98.6%	99.6%	0.0%	0.0%	0.0%	99.6%	YES
	4	Number of Parcels Studied to Establish In-Depth Level of Assessment	Output	New for 11-12	NA	20,000	21,340	0	0	0	21,340	YES
Core Process / Service: II. Education & Assistance (73200700)												
C	1	Percent of users of Property Tax Oversight aid and assistance satisfied with the services provided	Outcome	90.8%	95.3%	94.0%	90.6%	0.0%	0.0%	0.0%	90.6%	NO
	2	Number of student training hours provided	Output (ACT2280)	38,000	18,637	15,225	5,187	0	0	0	17,212	YES
D	3	Number of railroad and private carlines centrally assessed	Output (ACT2090)	225	247	237	0	0	0	0	237	YES
	4	Number of inquiries from taxpayers and local governments answered	Output	New for 11-12	NA	14,400	6,145	0	0	0	16,945	YES
D	5	Number of square miles mapped using aerial photography	Output	New for 11-12	NA	15,000	0	0	0	0	15,000	YES
D	6	Number of Budget Submissions and Amendments Reviewed	Output	New for 11-12	NA	485	0	0	0	0	485	YES

- A First Quarter is below standard due to Legislative change that raised the refund limits threshold from \$400 to \$2,500. By raising the threshold on refunds, fewer refunds will be submitted for review. A budget amendment will be submitted to request change in the standard from 5,000 to 3,000.
- B Over estimate of initial workload. PTO anticipates meeting this target by year end as the workload of forms processed increases during second quarter.
- C PTO anticipates meeting this target by year end as more training is conducted throughout the Fiscal Year.
- D PTO stated that these activities occur later in the Fiscal Year.