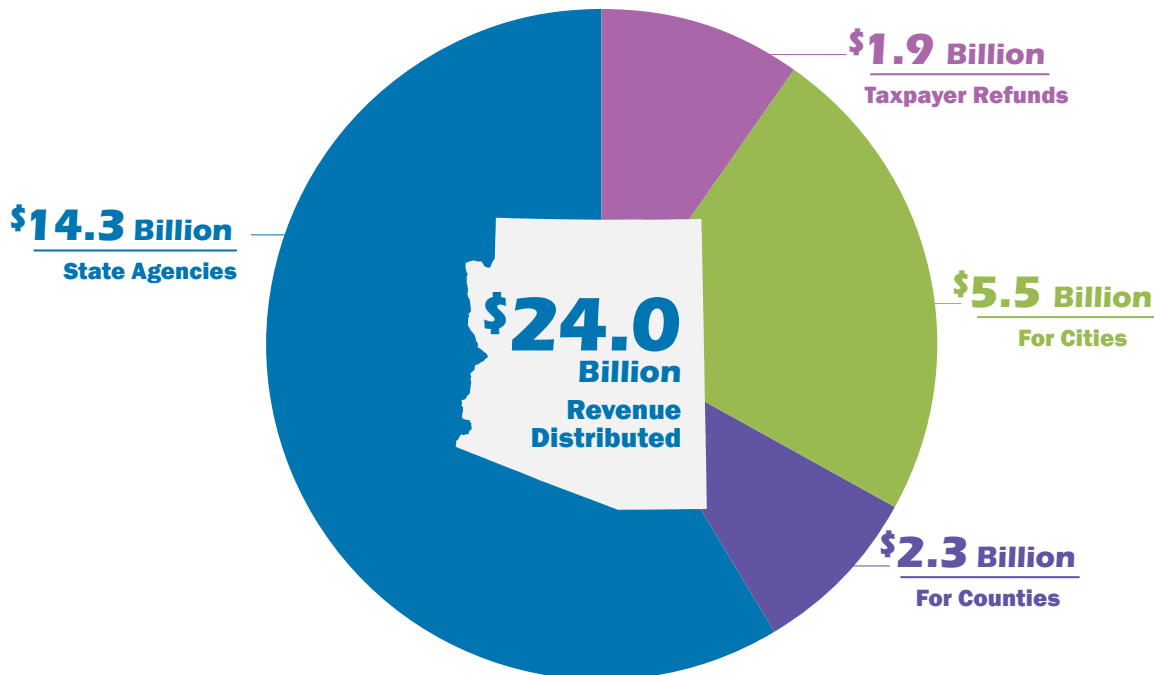
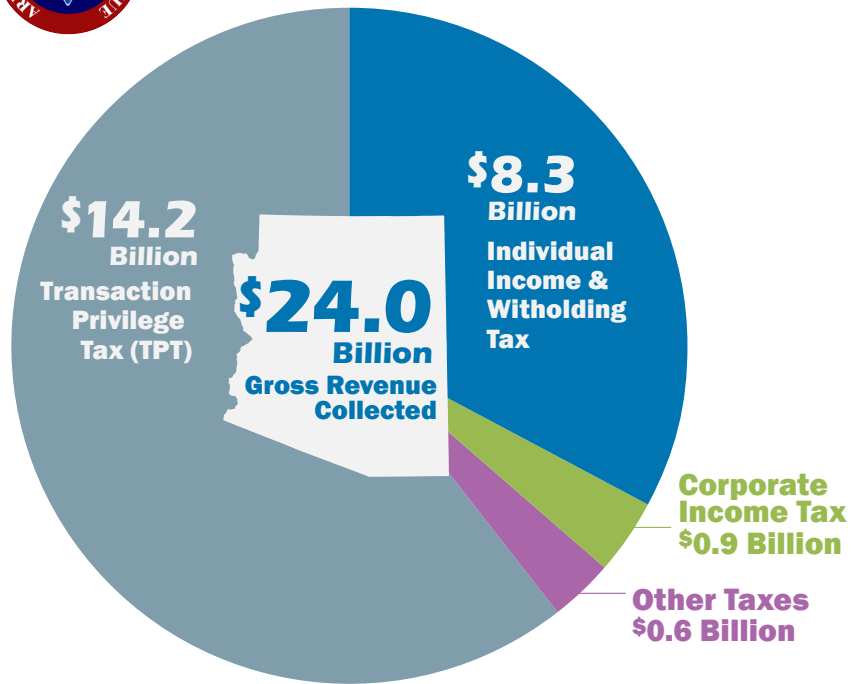


Strategic Plan Update FY 2022

September 2021



FY 2021 At A Glance



Education and Compliance

Actual vs projected total revenue collections	115%
Number of outreach events conducted	100

Processing

Average days to process individual income tax refunds from electronic returns	9 days
Average days to process individual income tax refunds from paper returns	38 days
Total tax documents processed	6,400,000
Percentage of e-file individual income tax returns	87%
Dollars recovered from tax fraud - individual income tax fraud prevention	\$18.7 million
Data Management Maturity Model score	2.11

Taxpayer Services

Average number of taxpayers assisted via Live Chat monthly	4,216
Total revenue collected from remote sellers	\$677 million
Unclaimed property dollars returned to customers	\$48 million

Support

Annual agency engagement score	86%
Percentage of positions enabled for telework	78%

FOREWORD :



I am pleased to provide the fiscal year (FY) 2022 update to the Arizona Department of Revenue 2018-2022 Strategic Plan.

ADOR collected and distributed a historic \$24 billion in revenue to fund State operations and services during fiscal year 2021 despite the challenges posed by an unprecedented pandemic and unforeseen transition to remote work.

As we work through our multi-year goals we are adapting our focus to better meet the needs of Arizona's taxpayers. We implement new programs and innovations, and improve on existing functions. Our employees also ensure that ADOR systems keep pace with the ever-changing tax landscape following each legislative cycle or passage of a citizens' initiative.

This year, we are ensuring our objectives, metrics, and initiatives will advance the ball in our mission for continued improvement.

For instance, we are focusing on providing an *Enhanced Customer Experience* for taxpayers by creating a unique experience with increased availability, reduced wait times, first contact resolution, and responding to customer needs with urgency while soliciting feedback to improve processes.

Our agency also emphasizes a culture where employees are celebrated and valued. We have robust internal communications and all-staff meetings bringing all employees together in a spirit of shared purpose and collegiality.

Our goals for FY 2022:

Optimize Employee Culture: Create an environment focused on well-being, goal alignment, vision, and purpose from recruitment to retirement.

Maximize Agency Effectiveness & Efficiency: Review processes to ensure focus on what is required and realistic. Prioritize by impact and frequency with financial tools that promote reduction in time, costs, and resources.

Enhanced Customer Experience: Creating a unique experience enabling a positive customer interaction through increased availability, reduced wait times, first contact resolution, and by responding to customer needs with urgency while utilizing feedback to improve processes.

Legislative Agility: Enable agency to respond to changing priorities quickly to better support the taxpayers of Arizona through implementing legislation in a technically sound and administratively feasible manner.

ADOR is dedicated to providing excellent customer service, taxpayer education and streamlined processes for Arizona citizens and businesses.

Rob Woods

Director



OUR ORGANIZATION :

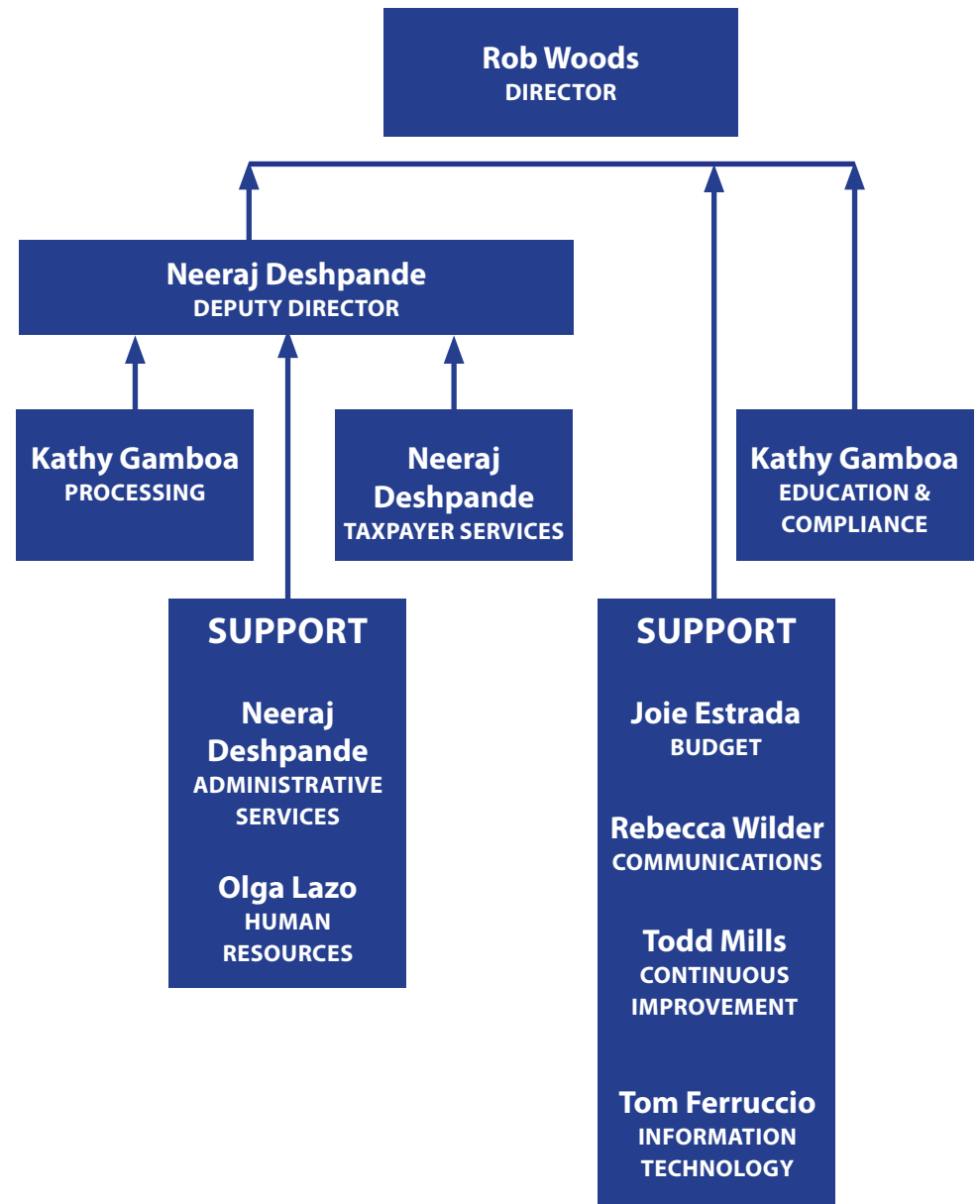
Our strategy begins with a comprehensive look at ADOR's ecosystem as an organization — an ecosystem that includes a variety of perspectives and demands that influence our vital mission. We then make an honest assessment of our recent past and current reality, including a brutally honest evaluation of our performance. We refer to this as the "current state." The Governor's vision for the state and the agency's vision together define our desired "future state." It is by analyzing the gap between our current state and future state that we develop our plan. ADOR has adopted strategic goals to close the gap between the reality of our current challenges and future state vision.

In addition to the goals, ADOR has identified strategic initiatives to help overcome challenges that could keep us from closing the gap. The strategies are to be developed as specific projects to resolve the challenges. The outcomes associated with our goals, as supported by our strategies, and as executed through our projects, will be measured rigorously by our performance measures.

The performance measures ADOR has adopted track success through two primary lenses: the return on investment that taxpayers demand as an outcome of fulfilling our mission — i.e., delivering the revenue that finances Arizona's future, and customer value in the form of quality service.



OUR MISSION: Serving Taxpayers!



PURSUANT TO ARIZONA REVISED STATUTES (A.R.S.) TITLES 42 AND 43

\$83.8 MILLION FY 2022 ANNUAL OPERATING BUDGET



STRATEGIC PLAN - FY 2021

Vision: Funding Arizona's priorities through excellence in innovation, exceptional customer experience and public servant-led continuous improvement.

Goal	Multi-Year Strategy	Objectives	Target
Optimize Employee Culture	Enhance Employee Centric Culture	<ul style="list-style-type: none"> Support ADOR's remote work transformation by defining and developing the leader behaviors needed to sustain a highly engaged workforce in the new work environment. Develop a robust employee development, retention, and succession plan. 	<p>DONE</p> <p>DONE</p>
Maximize Agency Effectiveness and Efficiency	Increase Voluntary Compliance	<ul style="list-style-type: none"> Recognize top areas of opportunity to support voluntary compliance. Enhance relationships and education surrounding voluntary compliance. 	<p>DONE</p> <p>DONE</p>
Enhance Services and Automation	Mature Agency Data Management	<ul style="list-style-type: none"> Implement assessment for increasing the democratization and governance of the agency's data. Create the Business Intelligence (BI) roadmap for the agency. 	<p>DONE</p> <p>DONE</p>
Legislative Agility		<ul style="list-style-type: none"> Increase capacity to address and sustain major executive initiatives and enacted legislation. Refine and present proposal for new tax system. 	<p>DONE</p> <p>DONE</p>

STRATEGIC PLAN - FY 2022

Vision: Funding Arizona's priorities through excellence in innovation, exceptional customer experience and public servant-led continuous improvement.

Goal	Multi-Year Strategy	Objectives	Target
Optimize Employee Culture	Enhance Employee Centric Culture	<ul style="list-style-type: none"> Develop career pathing and standard work to optimize the number of "Ready Now" candidates. 	June 2022
Maximize Agency Effectiveness and Efficiency	Increase Voluntary Compliance	<ul style="list-style-type: none"> Reduce critical Agency backlogs. Increase TPT Voluntary Compliance. 	June 2022 June 2022
Enhance Customer Experience		<ul style="list-style-type: none"> Initiate a Voice of the Customer System. Improve online resources for taxpayers. 	June 2022 June 2022
Legislative Agility		<ul style="list-style-type: none"> Supporting legislative initiatives. 	June 2022



RESOURCE ASSUMPTIONS:	FY 2022 Budget Request or Estimate**	FY 2023 ESTIMATE**	FY 2024 ESTIMATE**	FY 2025 ESTIMATE**	FY 2026 ESTIMATE**
Full-time-equivalent (FTE) Positions	895.0	895.0	895.0	895.0	895.0
General Fund	\$53,542.4	\$65,343.6	\$65,343.6	\$65,343.6	\$65,343.6
Other Appropriated Funds	\$27,161.2	\$36,031.3	\$36,031.3	\$36,031.3	\$36,031.3
Non-Appropriated Funds	\$3,083.8	\$3,083.8	\$2,940.0	\$2,395.0	\$2,395.0
Total Agency Funds	\$83,787.4	\$104,458.7	\$104,314.9	\$103,769.9	\$103,769.9

HOW TO CONTACT THE ARIZONA DEPARTMENT OF REVENUE:

Website: www.azdor.gov

Customer Care-Frequently Asked Questions

Local: (602) 255-3381

Toll-free: (800) 352-4090

Criminal Investigation Unit

Local: (602) 542-4023

Problem Resolution Officer

(602) 716-6025

ProblemResolutionOffice@azdor.gov

ADOR Identity Theft Call Center

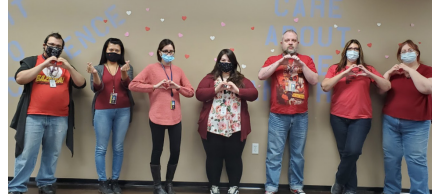
Local: (602) 716-6300

Out of State: (844) 817-9691





***"Department of Revenue has launched important innovations to improve efficiency and better serve Arizona businesses and taxpayers."
— Governor Doug Ducey***



Arizona Department of Revenue
1600 West Monroe Street
Phoenix, Arizona 85007