



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: October 30, 2017

TO: Members of the State Tax Commission

FROM: Heather S. Frick, Executive Director

SUBJECT: Business Process Review Initiative (BPRI) for Continuous Improvement
Regarding the State Equalization Project

The Michigan Department of Treasury engaged in a business process review initiative (BPRI) of the State Equalization process as part of its continuous improvement efforts. This effort was facilitated through the Office of Good Government over the last several weeks. The Michigan Department of Treasury and the Office of Good Government have worked collaboratively to survey the customer needs through a focus group, map and document the current State Equalization process and redesign the State Equalization process. As a result of the BPRI process, there was a recognized need for further transparency, efficiency, growth and improved customer service. The BPRI resulted in the following eight recommendations to meet this need:

1. The development and implementation of an all-inclusive state equalization system in an integrated web based platform.
2. Automation of Forms L-4023, L-4024, L-4046, L-4015a, 2793, L-4018P, L-2018R, L-4030P, L-4030F, L-4027i, 3215, 3127, L-4018, and the Countywide Spreadsheet (CWS) into an integrated web based system.
3. Development of a data/coding crosswalk to address data standardization needs.
4. Development of a communication, education, training and feedback plan for all stakeholders to utilize a new web based platform.
5. Incorporate a local portal for local unit submission and viewing.
6. Expand assessed and taxable value imports to include data necessary for Department of Treasury processes including, but not limited to, data necessary for the personal property local unit reimbursement, state average tax rate, and local audit finance needs.
7. Migrate the state average tax rate into the integrated web based platform.
8. Capture and preserve historical data.

These future improvements would eliminate the redundancy of data requests, automate portions of the process, improve risk management capabilities, standardize the State Equalization process and increase cross district efficiencies. The Department of Treasury has allocated funding for this project except as it relates to recommendations 2 and 7 at this time. Staff are reviewing the budget needs. Additionally, action teams have been formed for implementation to provide for electronic submissions of required forms and data beginning with the 2019 equalization cycle. The Department of Treasury is committed to process enhancements to provide for form automation to develop an integrated web system for the benefit of external and internal stakeholders. Consequently, I am recommending the Commission delegate the authority to the Department of Treasury staff to continue to proceed forward with the implementation of these recommendations in order to successfully implement an integrated web based State Equalization system beginning with the 2019 cycle.