



TO: Strategic Planning Committee

FROM: Greg Matson, Executive Director

DATE: March 20, 2025

SUBJECT: Current Engagement Measures & Background Info

This memorandum provides information on the current performance measures in place with respect to monitoring engagement with the MTC including the background of how these measures were chosen and implemented. This information is being provided to assist the Strategic Planning Committee in its review of these measures—and potentially the selection of alternative and additional measures—which the committee decided to undertake at its meeting in November 2024.

Background

In 2011, the Executive Committee established this committee (at that time referred to as the Strategic Planning Steering Committee) to begin strategic planning activities. It had been more than five years since any sort of strategic planning had been done by the MTC. After the initial work developing an updated mission, vision, values, and goals, this committee recognized that turnover is an ongoing and routine occurrence within state departments of revenue and that there was a level of disengagement by some current commissioners and member states. So, the first project the committee initiated was the Commissioner Outreach, Recruitment & Education project. This project was directly connected to the strategic goal of engagement of states and other stakeholders.

An “engagement team” was established for the project, and, in addition to formalizing and institutionalizing commissioner outreach, recruitment, and education, they also developed baselines and measures for tracking desired outcomes for state engagement based on data readily available at the time. They also established an annual engagement performance measures report to this committee gauging ongoing progress on the desired outcomes.

The desired outcomes were:

1. More compact and sovereignty state participation in commission activities.
2. More top tax administrators (or regularly designated alternates) participating in commission activities.
3. More Associate Member states participating in MTC programs.
4. Increase awareness among the states of the MTC and the value of its programs.

5. Increase participation by Audit program states in multistate audits.

Current Engagement Measures

For each desired outcome established by the initial project, measures were identified, as follows:

Outcome 1 Measures

- 1a. Increase in number of compact and sovereignty states that personally attend Annual Meetings.
- 1b. Increase in number of compact and sovereignty states that personally attend Executive Committee meetings.
- 1c. Increase in number of states that participate in Uniformity and Litigation committee meetings.
- 1d. Increase in number of program states participating in Audit and Nexus committee meetings.

Outcome 2 Measures

- 2a. Increase in number of compact and sovereignty state top tax administrators (or regularly designated alternates) who personally attend Annual Meetings.
- 2b. Increase in number of compact and sovereignty state top tax administrators (or regularly designed alternates) who personally attend Executive Committee Meetings.

Outcome 3 Measures

- 3a. Increase in number of Associate Member states participating in Audit Program.
- 3b. Increase in number of Associate Member states participating in Nexus Program.

Outcome 4 Measures

- 4a. Timely contact by assigned Executive Committee liaison/MTC Executive Director with newly designated or inactive top tax administrators in compact, sovereignty and associate member states.
- 4b. Timely follow up and sharing of state-specific information with newly designated or inactive top tax administrators.

Outcome 5 Measures

5. Level of participation by states in audits conducted by MTC each year.

Baselines were established by pulling, where possible, data for the five fiscal years previous to the start of the project, and then five-year targets established. An annual report described progress, and after the initial five-year timeframe, annual reports continue to provide ongoing information on state engagement.

Measures were tweaked by staff for various reasons from time to time, as reflected in the annual Performance Measures & Engagement Data reports.

Recommendations

These measures have served us well, but given that there are significant changes in our meeting processes and access since the COVID-19 pandemic, some of these measures have proven redundant, some of these measures are regularly monitored by program oversight committees, and that many of these measures have been consistent for at least the last five fiscal years, I recommend the following—

- Because of the greater use of technology and the ease of remote access to our meetings, there may be far more efficient ways of collecting data regarding engagement that we did not have available when these measures were originally put in place. For example, committee participation data is usually derived from human tabulation of attendance rosters in committee minutes. I recommend that we explore alternative, better, or at least more efficient data collection.
- The staff, during the COVID-19 pandemic, abandoned Outcomes 1a's and 1b's emphasis on in-person participation. I recommend that continue to be the case.
- With respect to Outcome 1c, the Litigation Committee meets briefly, typically once a year. They host attorney training throughout the year at MTC meetings, as well as online. I recommend we cease measuring committee participation data and measure attorney training participation (see below).
- Outcomes 2a and 2b have proven redundant with 1a and 1b. They have consistently been within 1 or 2 points of each other over the years. Outcome 2 was put in place at a time when in-person participation by the tax agency head or designated alternate consistently over time was seen as paramount. It has proven over the years not to be an issue. I recommend that we cease measuring Outcome 2 at this time.
- Outcome 3a and 3b are within the oversight function of the Audit and Nexus Committees, respectively. Moreover, they have been consistently within 1 point up or down over several years. I recommend that we cease measuring Outcome 3 at this time and leave it to the Audit and Nexus Committees to monitor.
- Outcome 4 has been inconsistently measured, and greater involvement by MTC senior staff in FTA events, including commissioners' seminars and board meetings, has been a valuable way for the MTC to engage commissioners in the last several years. I recommend that we cease measuring Outcome 4 at this time.
- Outcome 5 is tracked by the Joint Audit Program director and tracked by the Audit Committee. I recommend that we cease measuring Outcome 5 at this time and leave it to the Audit Committees to monitor.

- I recommend exploring other, current data that this committee feels would better indicate engagement or track engagement in other areas (not already part of program committee oversight) and that can be—thanks to technology—more efficiently used. Here are some examples:
 - Data with respect to training, both online in real time, online on demand (LMS), and in-person (separate and during meeting weeks) such as attorney training mentioned above.
 - Data with respect to public participation in MTC meetings.
 - Data with respect to MTC participation in non-MTC events (this has been a feature of the executive director’s report to the Executive Committee.

Whatever areas we want to track with respect to engagement should relate to our strategic engagement goal, “We will maintain a high level of institutional knowledge within the states and among our stakeholders about the MTC.” Our strategic goal description for engagement indicates that the achievement of our engagement goal will be reflected by:

- A high level of participation by states in the activities of the MTC.
- A significant number of top tax administrators who are directly involved in the MTC.
- Significant public participation in commission activities.
- Significant public use of MTC services such as voluntary disclosure and alternative dispute resolution.
- Strong relationships and strategic partnerships that help the MTC achieve its mission and vision.