RESEARCH, APPLIED ANALYTICS, AND STATISTICS, STATISTICS OF INCOME DIVISION

5-Year Business Plan

FY2016-FY2020

Statistics of Income Division 5-Year Business Plan FY2016-FY2020

I. Introduction

History and Core Responsibilities

The Statistics of Income (SOI) Division, an organization within IRS's office of Research, Applied Analytics, and Statistics (RAAS), is designated as one of 13 principal Federal statistical agencies by the Office of Management and Budget. Its mission is to formulate and execute the overall statistical policies and programs of the Internal Revenue Service (IRS). The SOI program is described in Section 6108 of the Internal Revenue Code, which was established under the Revenue Act of 1916. Under Section 6108, the "Secretary of the Treasury shall prepare and publish not less than annually statistics reasonably available with respect to the operations of the internal revenue laws. . ."

In the 100 years it has produced and disseminated IRS statistics, SOI has evolved from creating basic publications on income statistics to its role as the "gold standard" provider of Federal tax statistics. SOI produces both microdata, comprising information on specific individuals and entities, and summary tabulations. SOI's customers include the IRS, other Federal agencies, the public, and researchers in the nonprofit and private sectors.

SOI collects the majority of its data from samples based directly on administrative records, specifically, from tax returns and information documents filed with IRS. SOI augments the data with data reported on documentation, supplemental forms and schedules filed with a return, and information documents provided by third parties.

Data Dissemination

SOI disseminates information in a number of areas:

- Individuals
- All forms of business
- Estates
- Nonprofit organizations
- Trusts
- Investments abroad and foreign investments in the United States

The Division disseminates data in several ways. Major customers include the Treasury Department's Office of Tax Analysis (OTA) and Congressional Joint Committee on Taxation (JCT), who receive microdata files for each program. The Code allows SOI to provide selected microdata items to other users, such as the Bureau of Economic Analysis.

SOI has a very active data dissemination (CDD) office. SOI makes statistics available to the public on www.irs.gov/taxstats in formats compliant with current Federal accessibility guidelines. The Webpages include summary tables, reports, and accessible one-page descriptions of data describing individuals, businesses, and tax-exempt organizations. SOI also produces printed editions of several publications, as well as public-use microdata files. Through its collaborative research program, the Joint Statistical Research Program (JSRP), non-IRS researchers may request to access non-public data to work with SOI staff on specialized research projects benefiting tax administration. The Division also features a Statistical Information Services (SIS) office, which can be contacted via telephone or Internet. The office provides responses to questions and other inquiries from the public.

Recent Innovations and Developments

In recent years, SOI has made substantial improvements to its products, processing procedures, and human capital development. These include:

Products

     i.   Increased data visualization
    ii.   Development of increasingly readable and user-friendly articles, one-page summaries, and data releases
  iii.   Migration to online-only publications
   iv.   Improved online presence
    v.   Expansion of linked and related dataset analyses
   vi.   Expansion of available metadata

Processing

     i.   Increased non-edited data loaded directly to the programs from the Individual and Business Master Files
    ii.   Integration of Affordable Care Act data into the SOI programs
  iii.   Migration of the data collection forms from Oracle to .NET
   iv.   Development of the Correspondence Tracking System and Travel and Training Tracking System to create more efficient internal processes
    v.   Expansion of virtual training for field staff
   vi.   Introduction of electronic file transfers for primary customers

Human Capital

     i.   Introduction of extensive knowledge retention materials
    ii.   Development of professional development tools
  iii.   Increased use of developmental opportunities, such as details and shadowing
   iv.   Expansion of telework and remote employment opportunities

Data Security

     i.   Implementation of a Disclosure Review Board, which monitors the release of statistical data to other Federal agencies and the public
    ii.   Restriction of user roles to mitigate the risk of unauthorized access and editing
  iii.   Strengthening of internal controls on the Joint Statistical Research Program (JSRP)
   iv.   Development of a Correspondence Tracking System to automate controls of microdata releases

Outlook for the Future—Major Factors

If resources permit, SOI can increase investment in its online presence, taking advantage of technological developments to create more user-friendly, and dynamic products, such as data visualizations, dynamic datasets, or APIs. Modeling after other statistical agencies' successes, SOI will use its Web pages and social media to reach a larger, more diverse customer base. Further examining other Federal agencies' successes, SOI will look more closely at its customer service model, leveraging its SIS office to reach customers in new ways. Opportunities for increased collaboration will lead to more comprehensive and interrelated products.

More than ever before, administrative data, including those housed in the Compliance Data Warehouse (CDW) are easily accessed and manipulated. This will provide opportunities for SOI to develop new products, improve its existing statistical samples, and increase processing efficiencies. New programming tools and the migration to the .NET environment will lead to increased areas of technological collaboration, improving efficiencies across the Division.

Employee development will remain a key component of SOI's future success. Expanded developmental opportunities within and outside of the Division could lead to a more highly skilled workforce. Increased telework presents both challenges and opportunities, and it will be critical to promote creativity and collaboration in the remote culture.

Data security continues to be of the upmost importance. SOI ensures that all of its employees and contractors have access to only the systems necessary to complete their work and are properly trained to manage data. Systems access is strictly controlled and monitored. In the .NET environment, SOI will continue to monitor data access and mitigate risk. SOI will also strictly control and monitor its data releases through the Disclosure Review Board and Correspondence Tracking System.

II. About SOI

Vision

As the premier organization in Federal tax statistics, we will build upon our foundation of providing quality statistical products and services. We will foster creativity, develop innovative products, continually engage a wide range of customers, serve as the official steward of IRS statistics, and advance a research program that emphasizes transparency and the highest scientific principles. We will expand our statistical support to IRS business units, while continuing to ensure that IRS program measures and estimates employ state of the art statistical practices. We will promote a work environment that fosters professional growth, diversity, and work-life balance.

Mission

Formulate and execute the statistical policies, practices, and programs of the Internal Revenue Service. Collect, analyze, safeguard, and disseminate information on Federal taxation in support of tax administration, economic policy development, and financial analysis. Serve a broad range of users in the IRS, the Federal government, the public, and the nonprofit sectors. Provide statistical support within the Service for a broad range of program evaluation and measurement analytics. Lead efforts to modernize federal statistical programs and practices through engagement with the federal statistical community.

Core Values

- Quality and reliability
- Relevance and timeliness
- Innovation and accessibility
- Transparency
- Customer- and user-driven
- Collaboration
- Modernization
- Family-focused and work-life balanced
- Professional development of employees
- Open and honest communication
- Data stewardship
- Agility

Guiding Principles

1. We are committed to remaining the premier organization in Federal tax statistics, providing accurate, timely, well-documented, relevant, independent, and complete data and analysis to customers in the Federal government, the public, and the private and nonprofit sectors. We are committed to safeguarding these data to protect and ensure taxpayer privacy.

2. We are committed to modernizing continually our processes and products. We strive to be agile, innovative, and efficient, focusing our work on both present and future customers.

3. We promote a culture of collaboration. We believe that internal collaboration leads to efficiency and innovation in our processes and creativity in developing new products. Communication and partnership with our customers helps us improve our products to better meet customer needs.

4. We believe in providing opportunities that promote employee growth. We support an environment that is inclusive, diverse, open, and honest. We believe that developmental opportunities for our employees improve all of our products because these opportunities grow our knowledge base and engage employees in producing high-quality work.

III. Strategic Goals

SOI in 5 Years:

Products—Provide additional comprehensive and accessible products, strengthen research commitment, and seek new opportunities to provide products and expertise to the IRS and coordinate with the Federal statistical community.

> The rapid growth in data availability, accessibility, and demand has led to new opportunities for SOI to expand its footprint in several areas. Because data are more readily available, SOI will continue to increase its use of matched datasets, allowing expanded research and analysis. The early success of the Joint Statistical Research program, along with recent organizational changes, has led to new opportunities

for timely research on tax administration. SOI will also expand its customer base, with a particular focus on further integrating its data, research, and analysis into IRS research and operations. Finally, SOI will expand its outreach and products offered to the public. Modernized products and customer feedback will allow SOI to foster a user-driven dissemination environment.

Strategic Objective 1:   *Develop products that bring together information from related filing populations to provide more comprehensive data in support of tax administration*

Numerous opportunities exist for SOI to expand the number of integrated products it offers. Certain tax forms are interrelated and could be matched to provide foundations for new research and link analysis. For example, individual tax returns and partnership returns have clear relationships. Linkages created in this area have already pointed to possible new tables and research papers.

Strategies:

- Expand public data releases into more standardized formats, allowing customers to access data more easily.
- Continue to offer online tools for customers of public data to generate custom tables.
- Create more modernized data delivery methods, infographics, and data visualization tools. Further expand and develop data delivery products to allow end-users to link data and customize datasets.
- Better utilize and coordinate with the CDW audit system to track each tax unit from the time of filing through IRS interaction to its conclusion.
- Provide comprehensive trend analysis capabilities and reports for various tax credits/expenditures to see changes quickly over time.
- Develop sample designs for concepts in newly enacted legislation that would require accurate statistical measures.
- Exploit linkages between tax forms, such as corporate and individual forms and partnership and individual forms.
- Take an active role in serving as a data advisor to RAAS, reducing redundant work and verifying research.
- Integrate CDW population files into SOI statistics to enhance data depth where filing populations overlap. Identify and minimize errors in population data.
- Develop a committee to conduct periodic holistic assessments of projects to identify opportunities to develop relationships between SOI products.
- Develop a working group to examine and make improvements to table review processes.

With additional resources:

- Train employees to use more versatile data software that enhances SOI data and the end-users' experience.
- Provide ability to identify financial units from anywhere in the data chain, e.g., from corporate to individual to partnership, through mergers, acquisitions, death, births, business liquidation.
- Conduct workshops and/or provide rotational opportunities in the CDD section to allow analysts to better understand all the data products created within SOI.

Strategic Objective 2:   *Institutionalize research conducted in partnership with colleagues in the combined RAAS organization, other agencies, and academia*

SOI conducts the Joint Statistical Research Program (JSRP), working with academics, other statistical agencies, and nonprofit organizations on projects that address key tax administration issues. SOI accepts proposals for the program biennially. In addition, SOI collaborates with its Consultants' Panel members to better serve the research community. SOI will expand its external research programs, with more staff participating in the program. Further, the Research Policy and Planning Coordination efforts will provide opportunities to expand its internal IRS research programs.

Strategies:
- Collaborate further with members of the research community to improve existing products and develop new publications and data tables.
- Provide employees with access to innovative research techniques through collaboration with leading researchers through established OPM programs.
- Act as stewards of tax data and allow the public to have limited access to tax data by further expansion of public-use files.
- Explore new data products that further establish SOI's unique value in the research community.
- Work with colleagues throughout RAAS and in the embedded Research functions to develop integrated research projects that make use of SOI sample data, population data, and third-party data to further tax administration.
- Actively participate in the Research Policy and Planning Coordination Committee's planning exercises:
  - Make recommendations on the Partnership Misreporting Pilot and Behavioral Research projects
  - Designate an SOI point of contact for the Research Policy and Planning Coordination efforts
- Develop an internal Research Council to prioritize research projects, develop research goals, and administer the JSRP by examining proposals, identifying staff to participate in the program, and providing support for technological and other program needs.
- Expand opportunities for employees to participate in the JSRP by providing additional education and information about the program.

With additional resources:

- Expand the frequency of the JSRP, perhaps to an annual cycle, allowing for more timely research projects.
- Create an internal mentorship program that gives employees the opportunity to participate in research initiatives with experienced staff members.
- Produce additional high-level research papers, leading to more cited SOI work.

Strategic Objective 3:   *Continue to strengthen our relationships with other Federal statistical agencies by expanding data provision and sharing and collaborative initiatives*

SOI routinely shares data with the Census Bureau, Board of Governors of the Federal Reserve System, Bureau of Economic Analysis, OTA, and JCT. These data sharing arrangements include public and non-public microdata on individuals, businesses, and non-profits. SOI will work to expand its existing efforts

to automate these releases. Further, SOI collaborates on research and other initiatives with several Federal agencies. For example, SOI works extensively with the Census Bureau on a variety of issues related to disclosure prevention and with the Congressional Budget Office on several projects, including the Joint Statistical Research Program and nonfiler identification. Additionally, SOI has recently presented information on potential collaboration efforts to the Bureau of Labor Statistics. SOI is also seated on the Federal Committee on Statistical Methodology Subcommittee on Administrative and Alternative Data, which explores issues surrounding big data, and on various subcommittees related to research planning. SOI collaborates with or provides data to a number of non-governmental agencies, such as the National Science Foundation, Interagency Council on Statistical Policy, the Council of Economic Advisors, and the Congressional Research Service. Through conference attendance, collaborative work on joint data sharing arrangements, and additional participation in interagency taskforces, SOI will work to strengthen and build on its existing relationships with other Federal agencies.

Strategies:
- Work more collaboratively with other federal agencies to ensure they view SOI as both a data and service provider. These relationships will be leveraged into research projects and data-sharing endeavors.
- Continue to automate data releases to Federal agencies to improve efficiencies and free up resources for additional collaboration.
- Develop relationships with more federal agencies and identify additional opportunities for interagency collaboration in both research and data production.
- Each year, work with other federal statistical agencies to address whether SOI statistics are inconsistent with statistics from other federal statistical agencies (and vice versa).
- Actively participate in interagency taskforces and study groups to raise SOI's visibility in the federal statistical community and promote improvements to SOI products.
- Work with the Social Security Administration (SSA) to reduce some of the data manipulation required for Forms W-2.
- Continue to coordinate with Census to examine extensive disclosure review procedures, potentially obtain software to streamline and standardize SOI's disclosure avoidance methodology
- Learn more from other federal statistical agencies on opportunities to improve data dissemination and customer experience through infographics, APIs, and other newer communication tactics.
- Work with the Department of Labor to obtain access to Form 5500, which would aide in connecting corporate tax data to individuals.
- Market SOI data to other Federal agencies, using:
  - Communication with existing contacts
  - Conference attendance
  - Participating in additional research projects
  - Attendance at free events, such as the Tax Economists' Forum

Strategic Objective 4:   *Develop new opportunities to provide statistical expertise to other areas within the Service and become the steward of IRS statistical data*

The Statistical Support Section (SSS) provides general statistical consulting services to stakeholders within W&I, SBSE, TEGE, TAS, CFO, RPO, and RAS. It supports its customers by providing a wide range of statistical products and services, including developing quality reviews, designing samples and questionnaires, calculating estimates, building data collection instruments, validating reports, analyzing data, and managing the OMB survey clearance process. The SSS team also provides statistical expertise in developing Business Performance Measures for the various Business Operating Divisions (BODs).

In addition to the work conducted by SSS, SOI also produces the *IRS Data Book*, which includes key IRS performance measures reported to the public. Staff throughout SOI provides data and subject-matter expertise to staff in the IRS embedded research programs. Further, SOI data are used by the Large Business and International, Tax-Exempt/Government Entities, and other divisions throughout IRS. Finally, the Business Operating Divisions use SOI data in the development of several key Business Performance measures.

SOI will have unique opportunities to expand the work it does within the Service. The new Research Community Project Repository will provide a medium for SOI to share information about its data and analysis with the IRS research community, and the new Research Directors' Coordinating Council will allow SOI to better coordinate its internal research activities. SOI will conduct outreach to other areas of the Service, providing data, analytics, statistical support, and expertise on issues with administrative population data.

Strategies:

- Coordinate projects through the Research Directors' Coordinating Council via the RAAS Project Management Office.
- Leverage the new Research Community Project Repository to identify internal IRS projects as a resource guide for an ever-increasing number of IRS projects to realize efficiencies and identify opportunities.
- Expand the visibility of SOI data throughout the Service by:
  - Conducting outreach to the BODs
  - Exploring better placement of Tax Stats information on the IR Web
  - Marketing the use of SOI data for trend analysis, link analysis, and taxpayer behavior examination
- Provide SOI data to the research community and BODs for use in evaluating real-time information collected for the IRS Future State.
- Provide opportunities for staff to offer statistical expertise to other areas of the Service. Expanded data products could provide opportunities for SOI staff that have both familiarity with SOI data and statistical expertise, to provide ad-hoc statistical consulting to IRS researchers and stakeholders who are using SOI data.
- Offer assistance to other parts of RAAS and IRS in identifying and minimizing errors introduced by CDW and other administrative data.
- Encourage staff to use existing training materials and attend training on the CDW.

With additional resources:

- Work collaboratively with other parts of IRS that also disseminate data to identify areas where data similar to SOI products are being disseminated; look for opportunities to find efficiencies in these product deliveries.
- Develop data projects specifically designed for the BODs.
- Expand the *IRS Data Book* to better reflect internal Business Performance Measures.

Strategic Objective 5:   *Work in consultation with confidential data customers to develop new products and improve communication*

As directed by the Internal Revenue Code, SOI makes microdata files available to customers in OTA, JCT, BEA, and Census. These agencies use the SOI microdata for tax policy analysis, revenue estimation, and development of key economic indicators. SOI will work with its confidential data clients to prioritize their data needs, monitor the quality and utility of existing data, and develop or modify products.

Strategies:

- Implement improvements to data products from OTA, JCT, and BEA customer feedback.
- Identify specific topics of interest with confidential data clients to jointly develop research projects.
- Provide regular opportunities to encourage ad-hoc research and share progress on JSRP projects.

Strategic Objective 6:   *Implement our dissemination plan and modernize the Web pages*

To improve its external communications, SOI has developed plans for marketing, redesigning Tax Stats, and external dissemination procedures. SOI is currently working with IRS Online Services to redesign the Tax Stats website, beginning with making the *IRS Data Book* into an online, interactive publication, featuring more graphics and Plain Language. The overall webpage redesign will take several years and will require input from SOI staff. SOI has also expanded its online presence through the use of social media to announce and promote its products.

SOI is taking steps to modernize its *SOI Bulletin* articles and the analysis therein. SOI has a "living" Smart Practices guide that helps authors tailor *SOI Bulletin* articles to include more comprehensive trend analysis. The redesigned articles also include a greater presence of graphics, use Plain Language, and incorporate new SOI branding efforts. In the coming years, SOI will expand its online presence, leverage social media, and build on its collaborative efforts with the IRS Design Office and Online Services to ensure that its web pages and products remain modernized and accessible.

Strategies:

- Circulate and socialize the existing dissemination plan.
- Complete the redesign of the Tax Stats webpages, increasing the use of graphics, providing more accessible articles, and making the web pages more intuitive and user-friendly, thus providing more context to data products.
- Conduct meetings between subject matter experts and the CDD section to discuss data dissemination innovations.
- Leverage social media to provide users with high-level information about SOI data, resulting in additional traffic for the redesigned Tax Stats web pages. This will largely be done through Twitter feeds and incorporating infographics and data visualizations into strategic posts that align with IRS communications.
- Work collaboratively with other parts of IRS, including the Design Office, Online Services, and the Social Media Branch to implement the dissemination plan.
- Update SOI's Information Quality Guidelines to ensure that the public and other customers have the best available documentation of the comparative advantage of SOI statistics.

Strong Foundations:

Processing—Improve product development by fostering a collaborative environment, improving statistical sample designs, and optimizing IT infrastructure.

In recent years, the processing environment has expanded, and SOI staff will now access large population datasets to augment or improve its statistical samples and conduct studies across a variety of different form types. Advances in sampling methodology and access to population data provide opportunities to streamline statistical samples and reduce cost. The Division's move to Microsoft's Visual Studio or .NET software, a language for developing data editing programs, provides the opportunity to make improvements to the structure and efficiency of the SOI programs.

Strategic Objective 1: *Work more collaboratively across projects to share expertise and improve consistency*

Currently, SOI's three branches work fairly independently of one another. While some collaboration exists, there are more opportunities to integrate work and share best practices. Subject-matter areas experience barriers to collaboration, due to numerous differences in study content and design, as well as resource constraints that hamper such efforts. Examples of successful collaborations include the work done by the Mathematical Statistics group, which works closely with all of the branches on sample design, weighting, and monitoring. SOI's IT functions have recently successfully collaborated on the Division's efforts to migrate from Oracle Forms to Visual Studio, and the IT function routinely collaborates with the Data Management Division (DMD) to assist with a variety of IT projects. Collaboration efforts, while encouraged, have not always been a top priority throughout the SOI Division.

SOI will build on the success of its early collaborative efforts, and it will expand collaboration throughout the Division by providing cross-training opportunities and assembling cross-branch teams for applicable projects. SOI will also encourage and support collaborative study design and problem-solving sessions, such as Design Team meetings that would bring together expertise from throughout the Division. SOI's existing organizational structure is functionally-based and geared toward maximizing production and subject-matter expertise. Study work is divided in a strictly topic-based manner, allowing each branch to address its unique IT and processing needs, as well as nurture employees to become subject matter experts. SOI will examine its organizational structure and consider modest changes to improve collaboration and efficiency.

Strategies:

- Promote shadowing, cross-training, and detail opportunities.
- Use temporary cross-project teams to analyze and recommend best practices for important processes and operations.
- Consider SOI's tools, technology, and structure—establish what SOI needs to look like to meet these 5-year goals.
- Examine an organizational restructure to reduce the barriers to collaboration and promote integrated study work.
- Exploit common areas between the branches, such as the testing, programming and editing of like forms, to reduce resources and standardize data output.

- Examine administrative reporting requirements and look for opportunities to integrate and streamline systems.
- Collaboratively conduct annual review of SOI's Continuity of Operations Plan (COOP), and plan, execute, and evaluate one COOP exercise during the year.
- Promote common timelines for study development and product release among the like products.
- Provide opportunities for staff to attend edit training sessions conducted by other branches.
- Conduct collaborative study design practices, such as design team meetings, to allow employees to participate in projects outside of their respective branches.
- Develop a cross-branch council to identify opportunities to test and implement new collaborative projects, website updates, and other critical areas requiring immediate attention.
- Conduct periodic Employee and Manager Roundtables to facilitate collaboration.

With additional resources:

- Provide formalized job-sharing opportunities. Conduct targeted cross-training efforts, moving employees from one branch to another to learn best practices and report back to their respective branches.
- Hire additional staff to reduce burden on subject-matter staff, thereby providing additional opportunities to examine areas of potential collaboration.

Strategic Objective 2: *Optimize our statistical samples and use of population data to improve scope and timeliness of products, and reduce cost*

Recently, SOI has initiated reexamination of its statistical samples selected for its largest studies. There is currently a major initiative to redesign the Individual sample, and some of the recommended changes were implemented in January 2016. SOI is also making programmatic improvements to its Corporate sample. The Special Studies projects, which have few resources allocated to provide sample redesigns and weight modifications, conduct in-house sampling and will make changes on-the-fly.

Most SOI programs, particularly those within the Individual branch, use population data as an integral part of editing and error resolution. Wherever possible, population data are pre-filled to reduce resources and improve editing time. Recently, the Special Studies branch has started implementing similar efforts. In all, the SOI studies could more effectively leverage population data to provide statistics more quickly and efficiently.

Strategies:
- Conduct additional sample programming in-house to improve the quality of sample designs and to speed the sample update processes.
- Identify studies that will be supplemented with or replaced by administrative population data.
- Develop methods to determine the advantages and disadvantages of edited tax return data from samples versus master file data.
- Identify data elements within projects that create the most cost in terms of editing time and sample size to consider alternative approaches to reduce lead times and enhance project efficiency.

- More accurately label releases, in cases where products must be sampled by tax year, by citing the processing years used to construct the files, rather than Tax Years, to reduce the appearance of untimeliness.
- Enforce, strongly, all milestones and deadlines for the design, processing, and delivery of studies.
- Periodically review, prioritize, and implement project methodologies for future upgrades.
- Analyze and review implemented project revisions to assess improvements to quality and efficiencies.
- Work more closely with customers, regularly approaching users to determine their data needs, including studies that should be redesigned, initiated, or discontinued.
- Work with contractors to evaluate statistical programs and find ways to improve the efficiency and quality of SOI processes.
- Celebrate successes. Much of this work is already being done and should serve as a model for the Division.

With additional resources:

- Complete sample evaluations and redesigns of all studies.
- Work more closely with pipeline processing to access data in real time, and conduct real-time sampling techniques.

Strategic Objective 3:   *Work with DMD and IRS IT to optimize our computer infrastructure to maximize efficiency, security, and satisfy customer needs*

SOI staff currently work collaboratively on a number of IT projects including image coordination, the SOI Data Bank, the TAPE library, hardware and software needs, and database management. A new Oracle database was recently installed in Martinsburg and creation of a testing environment is in process.

However, some clear challenges in coordination exist. Currently, it is difficult for employees to understand rules for obtaining software, and they are often provided with software that is ineffective for their work. There are communication barriers between SOI and DMD, related to software issues and employee roles and responsibilities. Additionally, there are not always clear timelines for DMD's SOI processes, and no written agreements exist between SOI and DMD for services such as imaging.

Strategies:
- Continue working closely with DMD and keeping close relationships with IT staff.
- Provide avenues to share information more clearly. Exploit the structure and relationships of the IT Governance Board to examine available hardware and software tools, and communicate the information to staff clearly.
- Establish written agreements between SOI and DMD for shared services.
- Stand up a fully functional Oracle test environment.
- Provide necessary IT training for all employees and project teams each year.
- Periodically review hardware and software tools to determine value.
- Work with contractors who will provide assistance with technological and programming questions.
- Maintain a list of mission-critical technologies requiring periodical renewal and recommend renewal, modification, or termination.

With additional resources:

- Establish a computer lab that includes SOI and DMD experts to answer questions. Develop a "sandbox" within the lab to use different technology, including software and hardware. These resources could be used for processes that personal laptops cannot be.
- Conduct more in-house and external training for IT-related tools, procedures, and communication practices.

Human Capital—Develop a highly skilled, engaged, and knowledgeable workforce.
Internal research has shown that other Federal statistical agencies highly value the development of a skilled and engaged workforce. In the current budget environment, a well-trained and efficient workforce plays a critical role in meeting project deadlines and requirements. Retirement and attrition will lead to the loss of project knowledge and expertise. SOI will mitigate the effects of knowledge loss and hiring limitations by strengthening its efforts to develop its employees and improving its communication practices.

Strategic Objective 1: Continue to develop our employees, with a focus on cross-training, manipulating and analyzing large datasets, and conducting collaborative research

SOI's employees are integral to its future success. Employee development is a key area for resource investment. Currently, the employee development process in SOI is not well defined. Training needs often are assessed by individual employees to meet a current task, and not geared toward long-term development or Division needs. Cross-training, across branches and even sections, is limited with many single points of failure remaining. These efforts will be expanded, further developing employee skills and promoting engagement.

In the past year, SOI has developed a comprehensive Knowledge Management plan to retain critical information from retiring employees and to promote new professional development tools. SOI also needs a comprehensive plan to address the trend of "big data" manipulation and analysis by providing the training and resources to support this task. Collaborative research opportunities, while encouraged, are available only on a very limited basis, and SOI will make efforts to provide more information about the program to its staff

Strategies:

- Proactively assess training needs and develop opportunities to expand employee skillsets. Targeted areas should include:
    - Managing and Manipulating Large Datasets, including CDW where no formalized training exists
    - Understanding SAS and other Basic Analysis Tools
    - Employing Statistics in Empirical Studies
    - Engaging in Basic Tax Law Training
    - Understanding Operational Work and Use of Research and Statistics by the IRS BODs

- o Conferring with Academics through JSRP and other Mediums to Better Understand the Theoretical Context of SOI Studies
  - o Conducting Informative Literature Reviews

- Develop a training feedback mechanism to allow employees to recommend beneficial training courses to their peers.
- Update SOI's Training Toolkit (Training Guidelines).
- When new employees join the organization, ensure the use of SOI's On-Boarding procedures to improve training and development for new staff.
- Expand use of Knowledge Management knowledge retention tools from capturing information for retiring and retirement-eligible employees to all staff to ensure project continuity and seamless transitions in anticipation of staff retirements and other attrition.
- Periodically review national office and field project teams for staffing levels and efficiencies.
- Implement use of Knowledge Management professional developmental tools—including the Career Development Guide, Employee Self-Assessment, and Employee Profile to identify the necessary skills and strengths necessary to pursue their career goals.
- Encourage managers to work with employees to develop and realize Career Learning Plans.
- Develop a culture throughout all levels of the organization of encouraging employees to engage in a wide variety of development opportunities.
- Increase cross-training to reduce single points of failure and promote employee learning. Offer cross-training opportunities in the IT groups, CDD, and Director's office.
- Encourage detail assignments and shadowing opportunities to improve employee morale and engagement.
- Maintain awareness of changing trends in data analysis and the Division's customers' needs to ensure that employees have the skills and resources necessary to meet those needs.
- Offer supervisors training on conducting performance appraisals and providing constructive feedback, and offer employees training on writing accomplishment statements.

With additional resources:

- Expand the JSRP to encompass more employees. Provide overviews on self-development opportunities needed to participate in the program.
- Conduct formalized cross-training, particularly for new staff, throughout the Division, moving employees between sections and branches as part of their training regimen.

Strategic Objective 2:   Improve on our internal communications processes and procedures

Currently, SOI lacks a central contact point for communication between the management team and staff. Establishing more defined communication channels should be a key goal over the next 5 years, as it will improve efficiency and lead to an easier transition for new staff.

Strategies:
- Keep internal communications current.
- Pass information down from Senior Staff meetings about topics appropriate to share with the entire office via an email or the Intranet.
- Coordinate with other RAAS SharePoint and Intranet webmasters to ensure consistency and decrease redundancy among the various sites.

- Create a new central location on the Intranet for day-to-day business at SOI – Points of contact, information about system outages, and to relay news about current SOI events.
- Post general information, such as training and detail opportunities, to a centralized Intranet location.
- Develop a new page for the SOI Intranet site to capture immediate employee recognition.
- Conduct quarterly Town Hall meetings.
- Add an annual commitment for each manager to hold regular staff meetings
- Conduct quarterly all managers' meetings.
- Launch internal social media tools with enhanced and original comment, including participation in an internal crowd-sourcing platform and continuation of an online newsletter.

With additional resources:

- Develop a comprehensive internal Communications Plan.
- Clearly define the relationship between SharePoint and the Intranet site for posting internal staff and internal customer communications.
- Create a survey to identify what people want and need in the new centralized Intranet site.

Strategic Objective 3: *Fully integrate telework into the SOI culture, facilitating creativity and collaboration in the remote environment*

The expanded use of telework and increased opportunities for remote employment are changing the way SOI communicates, collaborates, and conducts day-to-day business. Telework, while improving employee satisfaction, has affected employee engagement, creativity, and the overall culture. SOI must continue to develop the tools, technology, and communication techniques needed in a successfully functioning virtual environment.

Strategies:
- Develop an ad-hoc Telework team, which would:
  - Examine SOI, agency, Federal, and private sector best practices
  - Develop annual training on best practices for employees and managers
- Seek improvements to telecommunications tools to improve the interactive experience
- Ensure that all managers have taken any available ELMS courses on managing remote employees and that all employees have taken the required telework training.
- Encourage that managers conduct weekly or biweekly staff "gatherings" to connect remote and in-office employees.
- Use Employee Engagement activities, such as Design Team Meetings and Employee Roundtables, to ensure that SOI maintains an open, collaborative, and creative culture.

Strategic Objective 4: *Provide an environment that supports, nurtures, and provides opportunities for all employees, regardless of race, gender, ethnicity, disability, or sexual orientation*

SOI remains committed to maintaining an inclusive workplace. SOI will work to ensure and protect a working environment which is supportive of all employees, regardless of race, gender, ethnicity, disability, or sexual orientation.

Strategies:
- Seek information from Office of Equity, Diversity, and Inclusion (EDI), and place it on the SOI Intranet or SharePoint site.
- Provide web-based information on how to initiate a request for a reasonable accommodation.

- Highlight procedures and resources for both managers and employees on the SOI Intranet or SharePoint site to promote diversity education and awareness.
- Host periodic diversity fairs, featuring speakers from EDI and other offices.
- Ensure that SOI is receiving the most up-to-date pamphlets, flyers, and other materials on diversity-related issues and events.

With additional resources:

- Participate in recruiting events to attract a diverse array of new staff.

Data Security— Continue to uphold all IRS security requirements and establish additional standards to ensure that data are well-protected from unauthorized access or editing.
Because the IRS relies on a voluntary tax compliance system, the protection of individual taxpayer information is a top priority. While autonomous managing its statistical data, SOI is subject to the rigorous IT security standards of IRS. In an effort to maintain the integrity of its data and protect the confidentiality of the taxpayer-provided information, SOI employs a number of processes. These include employee training, attention to computer system security, limits on access to tax microdata, well-defined procedures for developing public data products, and carefully documented review processes to ensure public releases satisfy all requirements.

Strategic Objective 1:   Ensure stringent data access and file construction requirements to reduce the risk of disclosure of confidential data

SOI's files are constructed in secure environments by employees authorized to access tax data. SOI will continue to ensure that the risk of unauthorized access or disclosure is minimized in its changing IT environment.   SOI will continue to follow all Federal security guidelines in structuring data access and constructing its files. Additionally, SOI will work to mitigate all low to moderate security risks identified in the 2015 Federal Information Security Management Act (FISMA) review.

Strategies:
- Annually review file construction IT processes for risk of disclosure of confidential data.
- Ensure that all users have need-to-know access to SOI databases.
- Periodically review staff and contractor access to confidential data.
- Ensure that all employees complete annual security training.
- Update relevant text in the System Security Plan (SSP) for specific controls.
- Implement a Configuration Management Plan.
- Establish a Change Control Board for all aspects of IT that fall within SOI-DPS.
- Establish a centralized flaw remediation process.
- Develop a process to ensure that security, patch, and firmware updates are applied per Internal Revenue Manual guidelines.
- Redesign the Online 5081 access permissions system to provide for more granular user access and roles for SOI-DPS systems.
- Establish a semi-annual review process for elevated user privileges.
- Develop and implement policy for changing account passwords when a user no longer requires access.
- Develop a process for timely maintaining processes for all accounts per the IRM.

- Review and address all findings related to systems configurations identified by the FISMA policy checkers.
- Review and address all issues related to access control and password complexity, following the policies outlined in the IRM.

Strategic Objective 2:   *Mitigate risk of disclosure of all files disseminated to confidential data customers*

As part of its mission, SOI disseminates data to confidential customers. These microdata files are released in a manner that ensures limited disclosure risk, with strict requirements for the use of SOI data. SOI will continue to strictly monitor and control its file dissemination processes, using automated systems, internal reviews, and other means.

Strategies:
- Annually review file dissemination processes for risk of disclosure of confidential data.
- Continue to ensure that all confidential data users are aware of and document their adherence to requirements for accessing confidential tax data.
- Manage updates to the SOI Correspondence tracking system to ensure file deliveries remain carefully documented and approved.
- Coordinate the annual disclosure report with OTA.
- Continue to vet key data releases through the Disclosure Review Board.

Strategic Objective 3:   *Ensure that all public-release data, including microdata files and tabulations, are carefully vetted for disclosure risks*

SOI carefully reviews all data prior to its public release. Each table and microdata file is carefully reviewed prior to its release, and the SOI Disclosure Review Board vets complex disclosure issues. This Disclosure Review Board will continue to closely monitor data releases. As disclosure avoidance techniques become more modernized, SOI will update its disclosure review techniques to ensure they keep pace with technology.

Strategies:
- Periodically review all public-use datasets for disclosure risk.
- Assemble a table review working group to develop a plan for updating table review guidelines and processes.
- Provide periodic training to staff on techniques for preventing disclosure.
- Participate in interagency taskforces, such as the Federal Committee on Statistical Methodology's Committee on Data Access and Confidentiality, to continually foster improved understanding of disclosure techniques and adoption of best practices.
- Explore creating of synthetic datasets to further protect confidential tax data in some research settings.

Products Team:

Vickie Bryant (Team Lead)
Aaron Barnes
Paul Bastuschek
Wayne Kei
Diane Milleville
Clay Moulton
Ronald Walsh

Processing Team:

Glenn Hentz (Team Lead)
Matthew Bogdan
Jamal Green
Tracy Haines
Heather Parisi
Amy Strait
Catherine Thomas

Human Capital Team:

Kelly Brodie (Team Lead)
Melissa Belvedere
Rose DeFalco
Faye Rowley
Mike Weber