

**Legislative  
Fiscal Office**

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**Joint Committee on  
Ways and Means**

Sen. Richard Devlin, Senate Co-Chair  
Rep. Peter Buckley, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair  
Sen. Jackie Winters, Senate Co-Vice Chair  
Rep. Nancy Nathanson, House Co-Vice Chair  
Rep. Greg Smith, House Co-Vice Chair

**MEMORANDUM**

**To:** *General Government Subcommittee*  
**From:** *Krista McDowell, Legislative Fiscal Office (503) 986-1838*  
**Date:** *April 14, 2015*  
**Subject:** *HB 5038 Board of Tax Practitioners*

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**Board of Tax Practitioners – Agency Totals**

	<b>2011-13 Actuals</b>	<b>2013-15 Leg. Approved*</b>	<b>2015-17 Current Service Level</b>	<b>2015-17 LFO Recommended</b>
Other Funds	1,045,923	1,183,845	1,242,678	1,242,678
<b>Total Funds</b>	<b>1,045,923</b>	<b>1,183,845</b>	<b>1,242,678</b>	<b>1,242,678</b>
Positions	4	4	4	4
FTE	4.00	4.00	4.00	4.00

\* includes Emergency Board and administrative actions through December 2014

**Background Information:**

The Oregon Board of Tax Practitioners is currently undergoing a recruitment process for the Executive Director position. Once the position is filled it is anticipated that the agency will seek to update aspects of its current licensing system. The 2015-17 LFO Recommended Budget does not authorize any additional expenditure limitation for actions beyond the agency’s current service level. If the agency deems that additional expenditure limitation is needed for the licensing system project; LFO assumes that a request will be made in the interim, and the agency can present the project budget and other foundational documents necessary for additional expenditure authorization approval.

Package 801-LFO Analyst Adjustments, is a revenue reduction package in the amount of \$95,480 Other Funds. This reduction reflects the \$10 temporary licensing fee reduction that was implemented by the Board in August, 2013. Based on this revenue adjustment the anticipated ending fund balance is \$268,152; which calculates to an equivalent of 5.18 months of operating expenditures.

**Adjustments to Current Service Level:**

See attached “Work Session Presentation Report”.

**Accept LFO Recommendation:**

***Sen./Rep. \_\_\_\_\_ Moves the LFO recommendation to HB 5038.***

**Accept LFO Recommendation with Modifications:**  
**Sen./Rep. \_\_\_\_\_ Moves the LFO recommendations on HB 5038, with modifications.**

**Budget Notes:**

There are no Budget Notes in the OBTP budget bill: HB 5038.

**Performance Measures**

See attached "Legislatively Proposed 2015-17 Key Performance Measures" form.

**Accept LFO Recommendation:**  
**Sen./Rep. \_\_\_\_\_ Moves the LFO recommendation on Key Performance Measures to HB 5038.**

**Accept LFO Recommendation with Modifications:**  
**Sen./Rep. \_\_\_\_\_ Moves the LFO recommendations on Key Performance Measures, with modifications, to HB 5038.**

**Recommended Changes to Appropriation Bill:**

The Legislative Fiscal Office recommends a budget of \$1,242,678 Other Funds, and 4 positions (4.00 FTE). No amendment necessary.

**Final Subcommittee Action:**

**Final Motion:**  
**Sen./Rep. \_\_\_\_\_ Moves House Bill 5038 to the full committee with a "do pass" recommendation.**

**Chair to assign carriers:**

**Full:** \_\_\_\_\_

**1<sup>st</sup> Chamber:** \_\_\_\_\_

**2<sup>nd</sup> Chamber:** \_\_\_\_\_

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2013-15 Agy. Leg. Adopted</b>	-	-	<b>1,157,125</b>	-	-	-	<b>1,157,125</b>	<b>4</b>	<b>4.00</b>
2013-15 Ebds, SS & Admin Act	-	-	26,720	-	-	-	26,720	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2013-15 Leg Approved Budget</b>	-	-	<b>1,183,845</b>	-	-	-	<b>1,183,845</b>	<b>4</b>	<b>4.00</b>
<b>2013-15 Leg Approved Budget (Base)</b>	-	-	<b>1,183,845</b>	-	-	-	<b>1,183,845</b>	<b>4</b>	<b>4.00</b>
Summary of Base Adjustments	-	-	14,748	-	-	-	14,748	-	-
<b>2015-17 Base Budget</b>	-	-	<b>1,198,593</b>	-	-	-	<b>1,198,593</b>	<b>4</b>	<b>4.00</b>
010: Non-PICS Pers Svc/Vacancy Factor	-	-	2,746	-	-	-	2,746	-	-
030: Inflation & Price List Adjustments	-	-	41,339	-	-	-	41,339	-	-
<b>2015-17 Current Service Level</b>	-	-	<b>1,242,678</b>	-	-	-	<b>1,242,678</b>	<b>4</b>	<b>4.00</b>
<b>Adjusted 2015-17 Current Service Level</b>	-	-	<b>1,242,678</b>	-	-	-	<b>1,242,678</b>	<b>4</b>	<b>4.00</b>
<b>2015-17 Legislative Actions</b>	-	-	<b>1,242,678</b>	-	-	-	<b>1,242,678</b>	<b>4</b>	<b>4.00</b>
Net change from 2013-15 Leg Approved Budget	-	-	58,833	-	-	-	58,833	-	-
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	5.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%
Net change from 2015-17 Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2015-17 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2013-15 Agy. Leg. Adopted</b>	-	-	1,157,125	-	-	-	1,157,125	4	4.00
2013-15 Ebds, SS & Admin Act	-	-	26,720	-	-	-	26,720	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2013-15 Leg Approved Budget</b>	-	-	1,183,845	-	-	-	1,183,845	4	4.00
<b>2013-15 Leg Approved Budget (Base)</b>	-	-	1,183,845	-	-	-	1,183,845	4	4.00
Summary of Base Adjustments	-	-	14,748	-	-	-	14,748	-	-
<b>2015-17 Base Budget</b>	-	-	1,198,593	-	-	-	1,198,593	4	4.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	2,746	-	-	-	2,746	-	-
030: Inflation & Price List Adjustments	-	-	41,339	-	-	-	41,339	-	-
<b>2015-17 Current Service Level</b>	-	-	1,242,678	-	-	-	1,242,678	4	4.00
<b>Adjusted 2015-17 Current Service Level</b>	-	-	1,242,678	-	-	-	1,242,678	4	4.00
<b>2015-17 Legislative Actions</b>	-	-	1,242,678	-	-	-	1,242,678	4	4.00
Net change from 2013-15 Leg Approved Budget	-	-	58,833	-	-	-	58,833	-	-
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	5.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%
Net change from 2015-17 Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2015-17 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 801 LFO Analyst Adjustments**

Package Description Effective August 5, 2013, in order to address a growing ending balance, the Board voted to temporarily reduce license fees for LTP, LTC, business registration and combo registration by \$10 each. The temporary fee reduction was conditioned upon the Board's ending balance remaining at a sufficient level to operate the agency. Should the Board's ending balance decrease below sufficient operating funds, the fees would revert to the fee structure previously being assessed.

This package is an adjustment to reduce fee revenues based on the \$10 temporary license fee reduction. The reduction of \$95,480 in revenues is based on 4,774 licensees per year or 9,548 licensees for the biennium. Total Expenditures for the biennium are budgeted at \$1.2 million or \$51,788.25 per month. With the revenue adjustment the anticipated ending fund balance is \$268,152; which calculates to an equivalent of 5.18 months of operating expenditures.

LFO Recommendation Approve

<b>LFO Recommended</b>	-	-	-	-	-	-	-	-	-
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## Legislatively Proposed 2015-2017 Key Performance Measures

**Agency: TAX PRACTITIONERS, BOARD of**

Mission: The State Board of Tax Practitioners protects consumers by ensuring Oregon tax professionals are competent and ethical in their professional activities.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
1 - The average number of days it takes the board to process annual license and registration renewals.		Approved KPM	2.00	5.00	5.00
2 - The average number of days it takes the board to process exam applications.		Approved KPM	2.00	5.00	5.00
3 - CONTINUING EDUCATION HOURS SUBMITTED - Average number of continuing education hours licensees receive annually (at least 30 hours are required for annual renewal).		Approved KPM	38.00	44.00	44.00
4 - RESPONSE TIME TO COMPLAINTS - Average number of hours to make an intial response to a consumer complaint.		Approved KPM	2.00	8.00	8.00
5 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Accuracy	Approved KPM	81.30	95.00	95.00
5 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Availability of Information	Approved KPM	72.70	95.00	95.00
5 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Expertise	Approved KPM	89.30	95.00	95.00
5 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Helpfulness	Approved KPM	87.00	95.00	95.00

**Agency: TAX PRACTITIONERS, BOARD of**

Mission: The State Board of Tax Practitioners protects consumers by ensuring Oregon tax professionals are competent and ethical in their professional activities.

<b>Legislatively Proposed KPMs</b>	<b>Customer Service Category</b>	<b>Agency Request</b>	<b>Most Current Result</b>	<b>Target 2016</b>	<b>Target 2017</b>
5 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Overall	Approved KPM	75.80	95.00	95.00
5 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved KPM	78.80	95.00	95.00
6 - EFFECTIVE GOVERNANCE - Percent of total best practices by the agency.		Approved KPM	100.00	100.00	100.00

**LFO Recommendation:**

**Sub-Committee Action:**