

Legislative Fiscal Office

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Joint Committee on Ways and Means

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To: General Government Subcommittee

From: Haylee Morse-Miller, Legislative Fiscal Office

Date: May 5, 2021

Subject: SB 5540 – Oregon Board of Tax Practitioners
Work Session Recommendations

Oregon Board of Tax Practitioners – Agency Totals

	2017-19 Actual	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 LFO Recommended
Other Funds	966,391	1,116,398	1,213,489	1,151,268
Total Funds	966,391	1,116,398	1,213,489	1,151,268
Positions	3	3	3	2
FTE	2.50	2.50	2.50	2.00

The 2021-23 recommended budget for the Oregon Board of Tax Practitioners \$1,151,268 Other Funds and two positions (2.00 FTE). The recommended budget is projected to leave the board with an ending balance of around four months of operating funds. The agency will likely need to seek a fee increase for the 2023-25 biennium, in order to maintain an operating fund balance of between three to six months.

Attached are recommendations from the Legislative Fiscal Office for the Oregon Board of Tax Practitioners. These include Policy Option Package 801: LFO Analyst Adjustments. This package eliminates the agency's Program Analyst 1 position which has been vacant for most of the 2019-21 biennium, and increases the agency's existing Administrative Specialist 1 position from part- to full-time. The package also includes minor revenue adjustments.

Adjustments to Current Service Level

See attached "Work Session Presentation Report."

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Performance Measures

See attached “Legislatively Proposed 2021-23 Key Performance Measures.”

Recommended Changes

LFO recommends a budget of \$1,151,268 Other Funds and 2 positions (2.00 FTE), which is reflected in the - 1 amendment.

Final Subcommittee Action

LFO recommends that SB 5540, as amended by the - 1 amendment, be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	1,091,888	-	-	-	1,091,888	3	2.50
2019-21 Ebds, SS & Admin Act	-	-	24,510	-	-	-	24,510	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	1,116,398	-	-	-	1,116,398	3	2.50
2019-21 Leg Approved Budget (Base)	-	-	1,091,888	-	-	-	1,091,888	3	2.50
Summary of Base Adjustments	-	-	(31,296)	-	-	-	(31,296)	-	-
2021-23 Base Budget	-	-	1,060,592	-	-	-	1,060,592	3	2.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(495)	-	-	-	(495)	-	-
030: Inflation & Price List Adjustments	-	-	153,392	-	-	-	153,392	-	-
2021-23 Current Service Level	-	-	1,213,489	-	-	-	1,213,489	3	2.50
Adjusted 2021-23 Current Service Level	-	-	1,213,489	-	-	-	1,213,489	3	2.50
Total LFO Recommended Packages	-	-	(62,221)	-	-	-	(62,221)	(1)	(0.50)
2021-23 Legislative Actions	-	-	1,151,268	-	-	-	1,151,268	2	2.00
Net change from 2019-21 Leg Approved Budget	-	-	34,870	-	-	-	34,870	(1)	(0.50)
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	3.1%	0.0%	0.0%	0.0%	3.1%	(33.3%)	(20.0%)
Net change from 2021-23 Adj Current Service Level	-	-	(62,221)	-	-	-	(62,221)	(1)	(0.50)
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	(5.1%)	0.0%	0.0%	0.0%	(5.1%)	(33.3%)	(20.0%)

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2019-21 Ebds, SS & Admin Act	-	-	24,510	-	-	-	24,510	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	1,116,398	-	-	-	1,116,398	3	2.50
2019-21 Leg Approved Budget (Base)	-	-	1,091,888	-	-	-	1,091,888	3	2.50
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2021-23 Base Budget	-	-	1,060,592	-	-	-	1,060,592	3	2.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(495)	-	-	-	(495)	-	-
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Package 099 Microsoft 365 Consolidation

Package Description Microsoft 365 Consolidation: Microsoft 365 is being consolidated within the Office of the State Information Officer at the E5 level of service. This cost is built into the State Government Service Charge for every agency as a cost increase for the 21-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service.

LFO Recommendation

LFO Recommended

Revenues	-	-	-	-	-	-	-	-	-
Expenditures	-	-	(2,116)	-	-	-	(2,116)	-	-

	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 This package increases Other Funds revenue by \$89,136. This is the amount that it is estimated will be paid to an external testing service by applicants for licensure; the Board accounts for these payments as a pass-through expenditure. These payments are currently included in the budget as an expenditure with no corresponding revenue.

This package also eliminates the agency's Program Analyst 1 position which has been vacant for most of the 2019-21 biennium, and increases the agency's existing Administrative Specialist 1 position from part- to full-time.

LFO Recommendation

LFO Recommended

Revenues	-	-	89,136	-	-	-	89,136		
Expenditures	-	-	(60,105)	-	-	-	(60,105)	(1)	(0.50)

Legislatively Proposed 2021 - 2023 Key Performance Measures

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Agency: Tax Practitioners, Board of

Mission Statement:

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

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
1. Processing license and registration applications - Percent of license and registration applications processed within 3 days of receipt.		Approved	99.50%	99%	99%
2. Processing exam applications - Percent of exam applications processed within 3 days of receipt		Approved	99.18%	99%	99%
3. Continuing Education Compliance - Percent of licensees audited who are in compliance with continuing education requirements		Approved	99.70%	95%	95%
4. Complaint response time - Percent of complaints responded to within 3 days of receipt		Approved	96.70%	95%	95%
5. Customer satisfaction - Percent of students rating satisfaction with basic tax course instructor and course content as good or excellent		Approved	95.10%	90%	90%
6. Licensed tax preparer exam pass rate - Percent of students who pass the licensed tax preparer exam		Approved	79.80%	75%	75%
7. 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	96%	95%	95%
	Availability of Information		91%	95%	95%
	Accuracy		98%	95%	95%
	Helpfulness		99%	95%	95%
	Timeliness		98%	95%	95%
	Expertise		95%	95%	95%
8. Effective Governance - Percent of total best practices by the agency.		Approved	100%	100%	100%

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the KPMs and targets as presented.

SubCommittee Action: