

SB 5540 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Anderson

Joint Committee On Ways and Means

Action Date: 05/14/21

Action: Do pass with amendments. (Printed A-Eng.)

Senate Vote

Yeas: 12 - Anderson, Frederick, Girod, Golden, Gorsek, Hansell, Johnson, Knopp, Lieber, Steiner Hayward, Taylor, Thomsen

House Vote

Yeas: 10 - Bynum, Drazan, Gomberg, Leif, McLain, Nosse, Rayfield, Sanchez, Smith G, Sollman

Exc: 1 - Stark

Prepared By: Drew Cohen, Department of Administrative Services

Reviewed By: Haylee Morse-Miller, Legislative Fiscal Office

Board of Tax Practitioners

2021-23

Budget Summary*

	2019-21 Legislatively Approved Budget ⁽¹⁾	2021 - 23 Current Service Level	2021-23 Committee Recommendation	Committee Change from 2019-21 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ 1,116,398	\$ 1,213,489	\$ 1,151,268	\$ 34,870	3.1%
Total	\$ 1,116,398	\$ 1,213,489	\$ 1,151,268	\$ 34,870	3.1%

Position Summary

Authorized Positions	3	3	2	-1
Full-time Equivalent (FTE) positions	2.50	2.50	2.00	-0.50

⁽¹⁾ Includes adjustments through January 2021

* Excludes Capital Construction expenditures

Summary of Revenue Changes

Funding for the Board of Tax Practitioners is exclusively from Other Funds revenue derived primarily from annual licensing and business registration fees. The remaining revenue is from civil penalties, exam application fees, fines and forfeitures, and interest. The Subcommittee recommended Package 801, which increases Other Funds revenue by \$89,136, to account for pass-through revenues paid by applicants to an external testing service. The projected ending balance is equivalent to four months of operating expenditures. The Board should consider a fee increase in the 2023-25 biennium, to maintain an operating fund balance of between three to six months.

Summary of General Government Subcommittee Action

The Board protects consumers by ensuring Oregon tax practitioners are competent and ethical in their professional activities. The agency ensures compliance by researching all complaints and possible violations of the laws and rules governing tax preparation. Currently, there are approximately 1,700 Tax Preparers, 1,800 Tax Consultants, and 1,200 registered businesses licensed by the Board.

The Subcommittee recommended a budget of \$1,151,268 Other Funds. The recommended budget is a 3.1 percent increase from the 2019-21 Legislatively Approved Budget. It includes two positions (2.00 FTE), which is a decrease of one position (0.50 FTE) from 2019-21 Legislatively Approved Budget. The Subcommittee recommended the following packages:

- **Package 099: 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 2021-23

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.

- Package 801: LFO Analyst Adjustments. This package increases Other Funds revenue by \$89,136. This is the amount that 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-time to full-time.

Summary of Performance Measure Action

See attached Legislatively Adopted 2021-23 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Board of Tax Practitioners
Drew Cohen (971) 707-8779

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
2019-21 Legislatively Approved Budget at Jan. 2021*	\$ -	\$ -	\$ 1,116,398	\$ -	\$ -	\$ -	\$ 1,116,398	3	2.50	
2021-23 Current Service Level (CSL)*	\$ -	\$ -	\$ 1,213,489	\$ -	\$ -	\$ -	\$ 1,213,489	3	2.50	
SUBCOMMITTEE ADJUSTMENTS (from CSL)										
SCR 11900-001- Operations										
Package 099: Microsoft 365 Consolidation										
Services and Supplies	\$ -	\$ -	\$ (2,116)	\$ -	\$ -	\$ -	\$ (2,116)			
SCR 11900-001- Operations										
Package 801: LFO Analyst Adjustment										
Personal Services	\$ -	\$ -	\$ (60,105)	\$ -	\$ -	\$ -	\$ (60,105)	-1	-0.50	
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ (62,221)	\$ -	\$ -	\$ -	\$ (62,221)	-1	-0.50	
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 1,151,268	\$ -	\$ -	\$ -	\$ 1,151,268	2	2.00	
% 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%	
% Change from 2021-23 Current Service Level	0.0%	0.0%	-5.1%	0.0%	0.0%	0.0%	-5.1%	-33.3%	-20.0%	

*Excludes Capital Construction Expenditures

Legislatively Approved 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 Approved 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:

Approved the recommendation.