

## Legislative Fiscal Office

Oregon State Capitol  
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## Joint Committee on Ways and Means

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Representative Tawna Sanchez, House Co-Chair

Senator Fred Girod, Senate Co-Vice Chair  
Representative David Gomberg, House Co-Vice Chair  
Representative Greg Smith, House Co-Vice Chair

Amanda Beitel, Legislative Fiscal Officer  
Tom MacDonald, Deputy Legislative Fiscal Officer (Budget)  
Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

**To:** General Government Subcommittee  
**From:** Michael Graham, Legislative Fiscal Office  
**Date:** March 29, 2023  
**Subject:** HB 5038 – Board of Tax Practitioners  
Work Session Recommendations

### Board of Tax Practitioners – Agency Totals

	2019-21 Actual	2021-23 Legislatively Approved	2023-25 Current Service Level	2023-25 LFO Recommended
Other Funds	\$962,659	\$1,166,969	\$1,173,865	\$1,144,206
<b>Total Funds</b>	<b>\$962,659</b>	<b>\$1,166,969</b>	<b>\$1,173,865</b>	<b>\$1,144,206</b>
Positions	3	2	2	2
FTE	2.50	2.00	2.00	2.00

Enclosed are the budget recommendations from the Legislative Fiscal Office (LFO) for the Board of Tax Practitioners.

The 2023-25 LFO recommended budget for the Board of Tax Practitioners includes \$1,144,206 Other Funds and 2 positions (2.00 FTE). The LFO recommended budget represents a decrease of \$22,763, or 2%, from the 2021-23 legislatively approved budget and a decrease of \$29,659, or 2.5%, from the current service level.

The 2023-25 LFO recommended budget includes:

- \$59,659 Other Funds reduction in facilities rental expenditures to reflect savings realized from the Board terminating its lease agreement and closing its office in February 2023 to become a remote state agency going forward.
- \$30,000 Other Funds increase in the Board's Attorney General line item to cover the cost of billings from the Department of Justice and Office of Administrative Hearings for contested case hearings, which were higher than expected in the 2021-23 biennium.

## **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.

***Accept*** LFO Recommendation:

**MOTION:** I move the LFO recommendation to HB 5038. (VOTE)

**OR**

***Change*** LFO Recommendation:

**MOTION:** I move the LFO recommendation to HB 5038, with modifications. (VOTE)

## **Performance Measures**

See attached “Legislatively Proposed 2023-25 Key Performance Measures.”

***Accept*** LFO Recommendation:

**MOTION:** I move the LFO recommendation on Key Performance Measures. (VOTE)

**OR**

***Change*** LFO Recommendation:

**MOTION:** I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)

## **Recommended Changes**

LFO recommends a budget of \$1,144,206 Other Funds, and 2 positions (2.00 FTE), which is reflected in the –1 amendment.

**MOTION:** I move adoption of the –1 amendment to HB 5038. (VOTE)

## **Final Subcommittee Action**

LFO recommends that HB 5038, as amended by the –1 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 5038, as amended, to the Full Committee with a do pass recommendation. (VOTE)

**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)
<b>2021-23 Agy. Leg. Adopted</b>	-	-	<b>1,082,116</b>	-	-	-	<b>1,082,116</b>	<b>2</b>	<b>2.00</b>
2021-23 Ebds, SS & Admin Act	-	-	84,853	-	-	-	84,853	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2021-23 Leg Approved Budget</b>	-	-	<b>1,166,969</b>	-	-	-	<b>1,166,969</b>	<b>2</b>	<b>2.00</b>
<b>2021-23 Leg Approved Budget (Base)</b>	-	-	<b>1,166,969</b>	-	-	-	<b>1,166,969</b>	<b>2</b>	<b>2.00</b>
Summary of Base Adjustments	-	-	69,342	-	-	-	69,342	-	-
<b>2023-25 Base Budget</b>	-	-	<b>1,236,311</b>	-	-	-	<b>1,236,311</b>	<b>2</b>	<b>2.00</b>
010: Non-PICS Pers Svc/Vacancy Factor	-	-	8,106	-	-	-	8,106	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(72,100)	-	-	-	(72,100)	-	-
030: Inflation & Price List Adjustments	-	-	1,548	-	-	-	1,548	-	-
<b>2023-25 Current Service Level</b>	-	-	<b>1,173,865</b>	-	-	-	<b>1,173,865</b>	<b>2</b>	<b>2.00</b>
<b>Adjusted 2023-25 Current Service Level</b>	-	-	<b>1,173,865</b>	-	-	-	<b>1,173,865</b>	<b>2</b>	<b>2.00</b>
<b>Total LFO Recommended Packages</b>	-	-	<b>(29,659)</b>	-	-	-	<b>(29,659)</b>	-	-
<b>2023-25 Legislative Actions</b>	-	-	<b>1,144,206</b>	-	-	-	<b>1,144,206</b>	<b>2</b>	<b>2.00</b>
Net change from 2021-23 Leg Approved Budget	-	-	(22,763)	-	-	-	(22,763)	-	-
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	(2.0%)	0.0%	0.0%	0.0%	(2.0%)	0.0%	0.0%
Net change from 2023-25 Adj Current Service Level	-	-	(29,659)	-	-	-	(29,659)	-	-
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	(2.5%)	0.0%	0.0%	0.0%	(2.5%)	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>2021-23 Agy. Leg. Adopted</b>	-	-	<b>1,082,116</b>	-	-	-	<b>1,082,116</b>	<b>2</b>	<b>2.00</b>
2021-23 Ebds, SS & Admin Act	-	-	84,853	-	-	-	84,853	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2021-23 Leg Approved Budget</b>	-	-	<b>1,166,969</b>	-	-	-	<b>1,166,969</b>	<b>2</b>	<b>2.00</b>
<b>2021-23 Leg Approved Budget (Base)</b>	-	-	<b>1,166,969</b>	-	-	-	<b>1,166,969</b>	<b>2</b>	<b>2.00</b>
Summary of Base Adjustments	-	-	69,342	-	-	-	69,342	-	-
<b>2023-25 Base Budget</b>	-	-	<b>1,236,311</b>	-	-	-	<b>1,236,311</b>	<b>2</b>	<b>2.00</b>
010: Non-PICS Pers Svc/Vacancy Factor	-	-	8,106	-	-	-	8,106	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(72,100)	-	-	-	(72,100)	-	-
030: Inflation & Price List Adjustments	-	-	1,548	-	-	-	1,548	-	-
<b>2023-25 Current Service Level</b>	-	-	<b>1,173,865</b>	-	-	-	<b>1,173,865</b>	<b>2</b>	<b>2.00</b>
<b>Adjusted 2023-25 Current Service Level</b>	-	-	<b>1,173,865</b>	-	-	-	<b>1,173,865</b>	<b>2</b>	<b>2.00</b>
<b>Total LFO Recommended Packages</b>	-	-	<b>(29,659)</b>	-	-	-	<b>(29,659)</b>	-	-
<b>2023-25 Legislative Actions</b>	-	-	<b>1,144,206</b>	-	-	-	<b>1,144,206</b>	<b>2</b>	<b>2.00</b>
Net change from 2021-23 Leg Approved Budget	-	-	(22,763)	-	-	-	(22,763)	-	-
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	(2.0%)	0.0%	0.0%	0.0%	(2.0%)	0.0%	0.0%
Net change from 2023-25 Adj Current Service Level	-	-	(29,659)	-	-	-	(29,659)	-	-
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	(2.5%)	0.0%	0.0%	0.0%	(2.5%)	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

This package decreases the Board's Other Funds expenditures by \$29,659. This amount reflects a decrease of \$59,659 in rental costs, since the Board terminated its lease agreement and closed its office in February 2023 to become a remote state agency. The Board anticipates that it will periodically use office space provided by the Department of Administrative Services free of charge. In addition, this package includes a permanent increase of \$30,000 Other Funds for the Board's Attorney General costs to help defray the cost of billings from the Department of Justice and the Office of Administrative Hearings for contested case hearings, which were higher than expected in the 2021-23 biennium.

LFO Recommendation

LFO recommends approval of the package.

<b>LFO Recommended</b>	-	-	(29,659)	-	-	-	(29,659)	-	-
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# Legislatively Proposed 2023 - 2025 Key Performance Measures

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**Agency:** Board of Tax Practitioners

**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 2024	Target 2025
1. Processing license and registration applications - Percent of license and registration applications processed within 3 days of receipt.		Approved	99.13%	99%	99%
2. Processing exam applications - Percent of exam applications processed within 3 days of receipt		Approved	99.32%	99%	99%
3. Continuing Education Compliance - Percent of licensees audited who are in compliance with continuing education requirements		Approved	99.26%	95%	95%
4. Complaint response time - Percent of complaints responded to within 3 days of receipt		Approved	98%	95%	95%
5. Customer satisfaction - Percent of students rating satisfaction with basic tax course instructor and course content as good or excellent		Approved	97%	90%	90%
6. Licensed tax preparer exam pass rate - Percent of students who pass the licensed tax preparer exam		Approved	71.60%	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	100%	100%	100%
	Availability of Information		100%	100%	100%
	Accuracy		100%	100%	100%
	Helpfulness		99%	100%	100%
	Timeliness		100%	100%	100%
	Expertise		100%	100%	100%
8. Effective Governance - Percent of total best practices by the agency.		Approved	100%	90%	90%

**LFO Recommendation:**

The Legislative Fiscal Office recommends approval of the proposed Key Performance Measures and targets.

**SubCommittee Action:**