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# MEMORANDUM

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**To:** General Government Subcommittee

**From:** Matt Stayner, Legislative Fiscal Office  
(503) 986-1840

**Date:** April 29, 2013

**Subject:** Board of Tax Practitioners – SB 5542  
Work Session Recommendations

## **Agency Name – Agency Totals**

	2009-11 Actual	2011-13 Legislatively Approved	2013-15 Current Service Level	2013-15 LFO Recommended
Other Funds	1,013,888	1,098,646	1,181,895	1,164,493
<b>Total Funds</b>	<b>\$1,013,888</b>	<b>\$1,098,646</b>	<b>\$1,181,895</b>	<b>\$1,164,493</b>
Positions	4	4	4	4
FTE	4.00	4.00	4.00	4.00

The LFO recommended budget for the Oregon Board of Tax Practitioners is \$1,164,493 Other Funds and includes 4 positions (4.00 FTE). This is a 6.0% increase from the 2011-13 Legislatively Approved Budget. The included budgeted expenditures are expected to result in a biennial ending fund balance of \$468,384 or about nine months of operating capital. Attached are the recommended Policy Option Packages and Key Performance Measures from the Legislative Fiscal Office for the Oregon Board of Tax Practitioners.

## **Adjustments to Current Service Level:**

See attached “Work Session Presentation Report” dated 4/29/13.

- **Package 091 Statewide Administrative Savings (\$1,085)**  
This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Executive Branch had intended for these reductions to be specified in the Governor’s 2013-15 recommended budget. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.
- **Package 092 PERS Tax Policy (\$1,815)**  
This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and

is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

- Package 093 Other PERS Adjustments (\$14,502)

This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

**Motion to accept the LFO Budget Recommendations:**

*Move that the General Government Subcommittee approve the LFO recommendations to SB 5542.*

**Performance Measures**

See attached "Legislatively Proposed 2013-15 Key Performance Measures" form.

**Motion to accept LFO Key Performance Measures Recommendation:**

*Move that the General Government Subcommittee approve the LFO recommendation on Key Performance Measures*

**SB 5542 Final Subcommittee Action:**

**Final Motion:**

*Move SB 5542 to the full committee with a "do pass" recommendation*

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2011-13 Agy. Leg. Adopted</b>	-	-	1,098,646	-	-	-	1,098,646	4	4.00
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2011-13 Leg Approved Budget</b>	-	-	1,098,646	-	-	-	1,098,646	4	4.00
<b>2011-13 Leg Approved Budget (Base)</b>	-	-	1,098,646	-	-	-	1,098,646	4	4.00
Summary of Base Adjustments	-	-	32,344	-	-	-	32,344	-	-
<b>2013-15 Base Budget</b>	-	-	1,130,990	-	-	-	1,130,990	4	4.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	2,754	-	-	-	2,754	-	-
030: Inflation & Price List Adjustments	-	-	48,151	-	-	-	48,151	-	-
<b>2013-15 Current Service Level</b>	-	-	1,181,895	-	-	-	1,181,895	4	4.00
<b>Adjusted 2013-15 Current Service Level</b>	-	-	1,181,895	-	-	-	1,181,895	4	4.00
<b>Total LFO Recommended Packages</b>	-	-	(17,402)	-	-	-	(17,402)	-	-
<b>2013-15 Legislative Actions</b>	-	-	1,164,493	-	-	-	1,164,493	4	4.00
Net change from 2011-13 Leg Approved Budget	-	-	65,847	-	-	-	65,847	-	-
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%	6.0%	0.0%	0.0%
Net change from 2013-15 Current Service Level	-	-	(17,402)	-	-	-	(17,402)	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	(1.5%)	0.0%	0.0%	0.0%	(1.5%)	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 091 Statewide Administrative Savings**

Package Description This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Executive Branch had intended for these reductions to be specified in the Governor's 2013-15 recommended budget. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

LFO Recommendation

LFO Recommended	-	-	(1,085)	-	-	-	(1,085)	-	-
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	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 092 PERS Taxation Policy**

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation

LFO Recommended	-	-	(1,815)	-	-	-	(1,815)	-	-
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	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 093 Other PERS Adjustments**

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation

LFO Recommended	-	-	(14,502)	-	-	-	(14,502)	-	-
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## Legislatively Proposed 2013-2015 Key Performance Measures

**Agency: TAX PRACTITIONERS, BOARD of**

Mission: The Board of Tax Practitioners works to protect consumers by ensuring that Oregon tax professionals are competent and ethical in their professional activities.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - The average number of days it takes the board to process annual license and registration renewals.		Approved KPM	4.66	5.00	5.00
2 - The average number of days it takes the board to process exam applications.		Approved KPM	5.20	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	2.54	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 Board of Tax Practitioners works to protect consumers by ensuring that 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 2014</b>	<b>Target 2015</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:**

Recommend approval of key performance measures and targets as presented

**Sub-Committee Action:**