

2015

Oregon Department of Revenue

Presentation to the Joint Ways and Means General Government Subcommittee

Responses to Questions from Committee Members

April 28, 2015



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What are your ongoing Information Technology Services costs to maintain legacy systems?

ETS base costs for the current biennium, excluding CSR, are \$4.15 million. CSR's ETS costs are an additional \$649,738. The total current operating costs for ITS are \$22.5 million. This includes 69 full-time equivalent (FTE) positions supporting the following functions:

- Support services.
- Engineering services.
- Application services.
- Information security services.
- Shared services (project, portfolio, and business analysis staff).

Are ongoing Enterprise Technology Services costs included in the future \$4 million yearly estimate for support and maintenance of the new system?

The projected incremental increase in ETS costs due to the new system is included in the \$4 million. We will seek to include these increases into our base costs in future budget cycles.

What is your current estimate for future IT support costs?

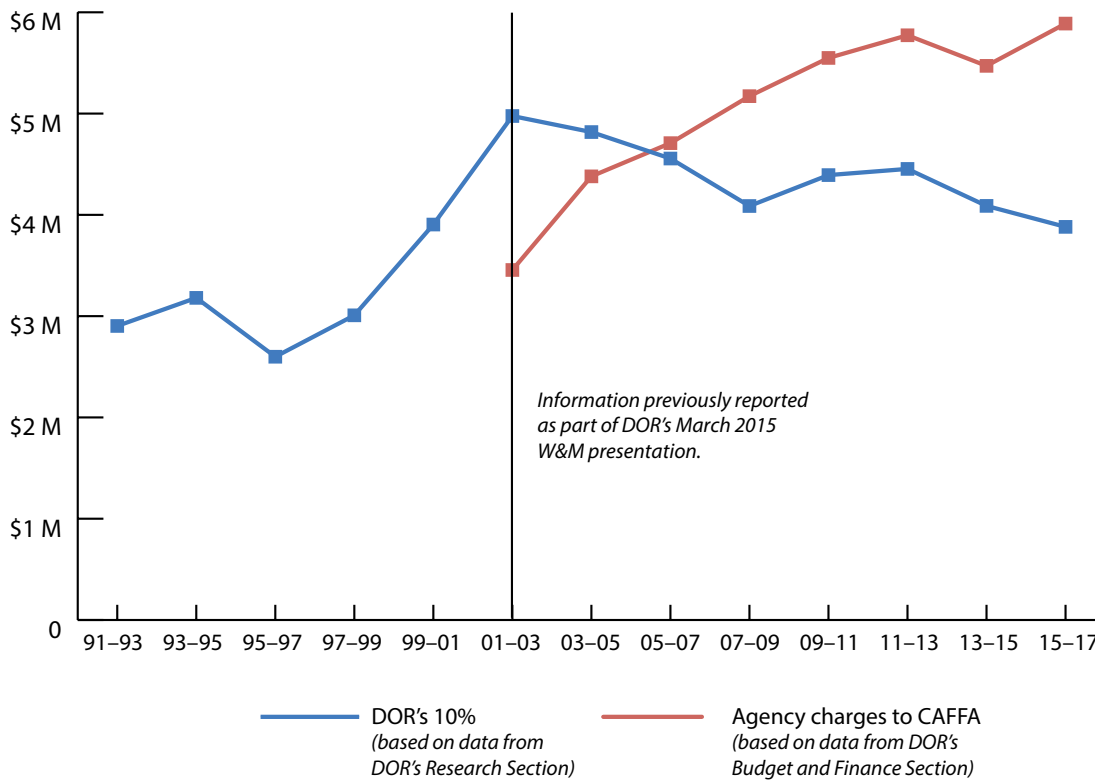
We currently have 69 FTE supporting all IT operations. Our current estimate for future IT support includes a 15-30 percent increase in FTE after GenTax implementation is complete.

What is included in the \$26.3 million in 2015–17 CSR project costs?

CSR project Other Funds (bonds)	
Governor's Recommended Budget 2015–17	
Staff labor costs (33 positions)	\$7,033,010
Vendor payments	\$12,622,500
QA/IV&V	\$1,302,904
Contingency	\$3,500,000
Change leadership	\$377,500
Space rental/facilities	\$542,903
Hardware/software	\$279,000
Project management	\$592,900
Total	\$26,250,717

Provide an additional 10 years of data to the CAFFA chart previously provided.

CAFFA receipts and charges



Note: The information about agency charges to CAFFA isn't available for the 1991-93 through 1999-2001 biennia.

How many staff are assigned to the senior and disabled deferral program, and what are the dollar amounts they handle?

There are 6.5 FTE positions assigned to the program:

- One Operations and Policy Analyst (OPA) 2.
- Two Administrative Specialist (AS) 2s.
- Three AS1s.
- Portions of one Principal Executive Manager (PEM) D and one OPA3.

In 2014, we paid \$14.5 million in property taxes, and forecasts show a slight increase over the next few years.

How many participants does the senior and disabled deferral program have?

As of April 8, 2015, there are approximately 8,000 participating properties, of which approximately 6,200 are active.

When is the application and processing season for senior and disabled deferral?

Our busiest time is January through June. New applications must be submitted between January 2 and April 15 of each year. Due to statutory limitations on who can be admitted into the program, we must process all the applications we receive before we can send decision letters. Our goal is to have decisions issued and liens placed in the county record by the middle of June each year. During this same time, we process approximately 3,000 recertification applications.

What is the household income limit for inclusion in the senior and disabled deferral program?

For the 2015 deferral, the household income is limited to \$43,000. Household income is the combined income of the applicant and their spouse, if their spouse resides in the home. It includes both taxable and non-taxable income.

During the hearing, Deputy Director Kautz stated that we don't audit the information submitted with deferral applications and reapplications, and basically accept it "at face value." The criterion she was referring to was the \$500,000 net worth limitation, as we are not able to confirm this amount. While it is true that we don't audit the applications, we do require documentation and we confirm that eligibility requirements are met. Information we confirm includes:

- Ownership of the home.
- Number of years of residency at the home.
- Home value and RMV limitation.
- Household income.
- Age, or if the applicant is receiving disability benefits.
- Documentation if the applicant lives away from the home due to a medical condition.