

BUDGET REPORT AND MEASURE SUMMARY

CARRIER: Sen. Steiner Hayward

Joint Committee On Ways and Means

Action: Do Pass The A-Eng Bill.

Action Date: 06/12/15

Vote:

Senate

Yeas: 11 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Whitsett, Winters

Nays: 1 - Thomsen

House

Yeas: 12 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson

Prepared By: Art Ayre, Department of Administrative Services

Reviewed By: John Borden, Legislative Fiscal Office

Agencies: Department of Revenue; Emergency Board

Biennium: 2015-17

Budget Summary*

	2013-15 Legislatively Approved Budget ⁽¹⁾	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 165,087,043	\$ 173,214,078	\$ 171,188,112	\$ 6,101,069	3.7%
General Fund Debt Service	\$ 1,554,716	\$ 9,071,030	\$ 9,071,030	\$ 7,516,314	483.5%
Other Funds Limited	\$ 64,202,113	\$ 44,411,510	\$ 100,993,984	\$ 36,791,871	57.3%
Total	\$ 230,843,872	\$ 226,696,618	\$ 281,253,126	\$ 50,409,254	21.8%

Position Summary

Authorized Positions	1,074	1,065	1,042	-32	
Full-time Equivalent (FTE) positions	1,016.66	1,011.34	975.34	-41.32	

⁽¹⁾ Includes adjustments through December 2014

* Excludes Capital Construction expenditures

Emergency Board

General Fund Special Purpose Appropriation						
Department of Revenue CAFFA Funding						
Shortfall	\$ -	\$ -	\$ 1,836,836	\$ 1,836,836	100.0%	

Revenue Summary

The Department of Revenue collects personal income taxes, corporate excise and income taxes, and many taxes and fees on behalf of other state agencies. Total revenue for the 2015-17 biennium is projected at \$18.5 billion, of which 83.8 percent is from personal income taxes, 5.6 percent is from corporate excise and income taxes, 3.7 percent is from other employer and employee taxes, 2.0 percent is from cigarette taxes, and 4.9 percent is from a variety of other small sources such as inheritance taxes, General Fund appropriation, transfers from the Judicial Department, and charges for services. The department's budget transfers 91.4 percent of this revenue to the General Fund, 3.8 percent to counties, and 3.1 percent to other state agencies. The remaining 1.7 percent of revenues, plus the department's beginning balance, provide for the department's operations and ending balance.

The department's operations are funded primarily by the General Fund. However the agency's cost for administering various Other Funds programs are charged to those programs. These include: collecting debts owed to other agencies, providing county assessment and mapping services, collecting the Tri-Met and Lane County Transit Self-Employment Tax, and other programs.

Summary of General Government Subcommittee Action

The Department of Revenue administers more than 30 tax programs, including: the Personal Income Tax, the Corporate Excise Tax, Property Tax oversight, Cigarette and Other Tobacco Tax, the Inheritance Tax, and other tax programs.

The Subcommittee approved a 2015-17 budget of \$281,253,126, which includes \$180,259,142 General Fund and \$100,993,984 Other Funds and 1,042 positions (975.34 FTE). The recommendation includes the following adjustments to the current service level:

Executive Division – 001

The Executive Division includes the Director's Office, the Communications Unit, and the Human Resources section. The Director's Office staff provides overall leadership and direction for the agency's programs and divisions. It also coordinates the department's legislative, rule making, and internal audit activities. The Communications Unit provides the means for the agency to educate and communicate with taxpayers, stakeholders, and external partners. The Human Resources Section provides general oversight of the agency's relationship with its more than 1,000 employees. For this program, the Subcommittee approved a 2015-17 budget of \$8,309,803 total funds (\$7,332,696 General Fund and \$977,107 Other Funds) and 38 positions (37.20 FTE).

General Services Division – 002

This division provides two centralized functions for the department. It includes the Program Management Office, which leads and facilitates the ongoing transformation of people, processes, and technology. The Office's functions include project management, portfolio reporting, process improvement, and metrics. Additionally, the General Services Budget Unit includes centrally managed expenditures and fees such as postage, Attorney General expenses, recording and release fees, collection fees, and merchant fees. For this program, the Subcommittee approved a 2015-17 budget of \$15,998,702 total funds (\$12,339,730 General Fund and \$3,658,972 Other Funds) and 13 positions (13.00 FTE). This includes the following adjustment to the current service level:

The Subcommittee recommended approval of Package 161: HB 4055 - 911 Tax. This package requests funding for Attorney General line-item charges. The Legislature passed House Bill 4055 (2014), which changed the method of tax collection for the 9-1-1 Emergency Reporting System from collecting the tax from prepaid wireless service carriers to collecting it from prepaid wireless consumers via point-of-sale collection by retailers. The package adds Services and Supplies in the amount of \$15,384 Other Funds. The revenue source is the 9-1-1 tax.

Administrative Services Division – 003

The Administrative Services Division includes Information Technology Services, the Processing Center, and the Budget and Finance unit. The division provides the infrastructure, services, and solutions to meet the business needs of the organization. For this program, the Subcommittee approved a 2015-17 budget of \$54,411,104 total funds (\$46,476,227 General Fund and \$7,934,877 Other Funds) and 245 positions (205.66 FTE). This includes the following adjustments to the current service level:

The Subcommittee recommended approval of Package 181: Core Systems Replacement. This package requests a technical adjustment to eliminate duplicate data processing costs that are accounted for in the Core Systems Replacement program (SCR 030) Package 181. This package reduces Services and Supplies by \$537,170 General Fund.

The Subcommittee recommended approval of Package 801: LFO Analyst Adjustments. This package reduces Personal Services and Services and Supplies expenditures on a one-time basis in recognition of the fact the actual expenditure experience has been averaging below budget authority. This package reduces Personal Services by \$500,000 General Fund for vacancy savings and reduces Services and Supplies by \$250,000 General Fund for telecommunications / Information Technology Expendable Property.

Property Tax Division – 004

This division is responsible for the overall supervision and support of the statewide system for property tax administration. It ensures that counties comply with property tax laws and rules in their appraisals, assessments, tax levies, tax collection, budgets, and Boards of Property Tax Appeals proceedings. In addition, the division has responsibility for conducting the appraisals on industrial facilities that are valued in excess of \$1.0 million. It also conducts appraisals of utilities and companies designated by ORS 308.515, such as telecommunications, gas and electric companies, airlines, and railroads. Finally, the division administers several timber tax programs. For this division, the Subcommittee approved a 2015-17 budget of \$52,600,191 total funds (\$12,245,989 General Fund and \$40,354,202 Other Funds) and 87 positions (76.76 FTE). This includes the following adjustments to the current service level:

The Subcommittee recommended approval of Package 070: Revenue Shortfalls. This package reduces County Assessment Function Funding Assistance Account Other Funds expenditures to forecasted revenues for the 2015-17 biennium. The agency has forecasted lower revenue due to a decline in mortgage refinancing activities and lower recording fees. The package reduces Personal Services by \$1,836,836 Other Funds and eliminates 10.00 FTE.

The Subcommittee recommended deferring approval of Package 141: Property Valuation System to the Capital Construction Subcommittee. The General Government Subcommittee, based on the recommendation of the Information Technology Subcommittee, recommended approval of the package by the Capital Construction Subcommittee. This package requests the purchase of a commercial off-the-shelf Computer Assisted Mass Appraisal software system. This would ensure the continued ability to provide accurate property valuations and ensure timely information to the counties and taxpayers necessary for completion of the annual tax roll.

The Subcommittee recommended deferring approval of Package 142: CAFFA Funding Shortfall. The package requests General Fund backfill for a revenue shortfall in the County Assessment Function Funding Assistance Account (CAFFA). The agency has forecasted lower revenue due to a decline in mortgage refinancing activities and lower recording fees. The package would reduce Personal Services by \$1,836,836 Other Funds and increase Personal Services by \$1,836,836 General Fund across ten positions (10.00 FTE). The Subcommittee accounted for the Other Funds reduction in Package 070: Revenue Shortfalls and recommended deferring approval of the General Fund portion of the package to the Legislature in 2016 and making a Special Purpose Appropriation to the Emergency Board in the amount of \$1,836,836 for the Property Tax Division.

The Subcommittee recommended approval of Package 801: LFO Analyst Adjustments. This package moves CAFFA payments to counties from being budgeted as revenue transfers to Special Payments expenditures. The Spring 2015 CAFFA revenue forecast for the 2015-17 biennium is projected to total \$37.0 million. The package would establish a Special Payment to counties in the amount of \$33,600,000 Other Funds.

The Subcommittee recommended approval of Package 802: Transfer of Senior Property Tax Deferral Program. This package consolidates the administrative and operational activities of the Senior Property Tax Deferral program under an existing budget structure. The package transfers out of the Property Tax Division \$349,604 General Fund Personal Services, \$650,860 Other Funds Personal Services, \$24,237 General Fund Services and Supplies, and \$45,011 Other Funds Services and Supplies to the new program structure. Eight positions (6.50 FTE) are transferred. The Other Funds revenue source is the Senior Property Tax Deferral Revolving Account.

Personal Tax and Compliance Division – 005

This division administers the Personal Income Tax Program, which is Oregon's largest source of General Fund revenue. The division also provides policy development, audit, and collections functions for the program. For this division, the Subcommittee approved a 2015-17 budget of \$68,561,880 total funds (\$67,083,250 General Fund and \$1,478,630 Other Funds) and 430 positions (422.81 FTE). This includes the following adjustments to the current service level:

The Subcommittee recommended approval of Package 151: Fraud Analytics and Detection. This package would fund a fraud detection enhancement as part of the implementation of the Core Systems Replacement project. The package has four components: (1) a contract with a private third party vendor, totaling \$300,000 General Fund in annual costs, for data exchange services to compare tax records against personal records stored in large data warehouses; (2) a contract with a private third party vendor, totaling \$38,000 General Fund in annual costs, for an online identity verification quiz; (3) a contract with a private third party vendor, totaling \$39,000 General Fund in annual costs, to examine single cases on an as needed basis using an investigative tool with data warehouse access to real time information from two large credit bureaus; and (4) transition the Department of Revenue (DOR) from a post-refund and audit driven withholding match to a real-time, pre-refund process, totaling \$361,204 General Fund in one-time costs. DOR currently matches personal income tax withholding claimed on returns against employer withholding reports post refund. This portion of the package requires the Employment Department to undertake information technology programming changes that would be funded by DOR. The package totals \$1,111,204 General Fund in Services and Supplies.

Budget Note:

The Department of Revenue is to conduct detailed reviews of its enterprise cash management practices, debt cancellation and write-off practices, and audit selection processes, and report individually its findings on each to the Joint Committee on Ways and Means during the Legislative session in 2016. As part of these reports, the agency is to provide metrics on current performance and recommendations on statutory and administrative changes to increase revenue collection.

Budget Note:

The Department of Revenue is to report to the Joint Committee on Ways and Means during the Legislative session in 2016 on its implementation of HB 2550 (2011), which allows the agency to enter into an agreement to recover non-tax debt owed the state or federal government.

The Subcommittee recommended approval of Package 801: LFO Analyst Adjustments. This package reduces Personal Services and Services and Supplies expenditures on a one-time basis in recognition of the fact that actual expenditure experience has been averaging below budget authority. This package reduces Personal Services by \$500,000 General Fund for vacancy savings, reduces Services and Supplies by \$500,000 General Fund for rent, and reduces Capital Outlay by \$400,000 General Fund for furniture, fixtures, and telecommunications equipment.

Business Division – 006

The Business Division works with large and small businesses so they can report and pay the correct tax due. The division administers several tax and other revenue programs. These programs include Corporation Income and Excise Taxes, Employer Income Tax Withholdings, Transit Payroll and Self-Employment Taxes, Fiduciary, Estate Transfer, Cigarette Tax, Other Tobacco Products Tax, and other Special programs such as the Amusement Device Tax, State Lodging Tax, Emergency Communication Tax, Petroleum Load Fee, and Hazardous Substance Tax. The division also provides collection expertise and services to other agencies. For this division, the Subcommittee approved a 2015-17 budget of \$34,794,531 total funds (\$19,664,379 General Fund and \$15,130,152 Other Funds) and 214 positions (209.41 FTE). This includes the following adjustments to the current service level:

The Subcommittee recommended approval of Package 161: HB 4055 – 911 Tax. The package requests funding for one Tax Auditor 2 and one Administrative Specialist 2 to support the increased return processing and enforcement activities resulting from this law change. The Legislature passed House Bill 4055 (2014), which changed the method of tax collection for the 9-1-1 Emergency Reporting System from collecting the tax from prepaid wireless service carriers to collecting it from prepaid wireless consumers via point-of-sale collection by retailers. The package adds \$276,546 Other Funds Personal Services, \$32,970 Other Funds Services and Supplies, and \$13,408 Other Funds Capital Outlay. Two permanent positions are established (2.00 FTE).

The Subcommittee recommended approval of Package 801: LFO Analyst Adjustments. This package reduces Personal Services expenditures on a one-time basis in recognition of the fact that actual expenditure experience has been averaging below budget authority. This package reduces Personal Services by \$450,000 General Fund for vacancy savings.

Multistate Tax Commission – 015

The Multistate Tax Commission is an intergovernmental organization composed of 17 states that have joined in an effort to promote uniformity in state taxation of corporate income. Member states are assessed the operational expenses of the Multistate Tax Commission each year. For this program, the Subcommittee approved a 2015-17 budget of \$284,945 Other Funds.

Elderly Rental Assistance – 019

The Elderly Rental Assistance Program provides annual payments averaging \$367 to low-income elderly renters. Also included in this budget unit is the Non-Profit Homes for the Elderly Program. This program reimburses local governments for property tax exemptions that are granted to qualifying non-profit corporations that provide permanent housing, recreational and social facilities and care to elderly persons. For this budget unit, the Subcommittee approved a 2015-17 budget of \$5,672,000 General Fund.

Senior and Disabled Citizen Property Tax Deferral – 025

The department administers the Senior Citizen and Disabled Citizens Property Tax Deferral Programs. These programs pay the property taxes and special property assessments for qualified senior and disabled citizens in exchange for a lien against the property for the estimated amount of the deferred taxes plus interest. For this budget unit, the Subcommittee approved a 2015-17 budget of \$31,548,940 total funds (\$373,841 General Fund and \$31,175,099 Other Funds) and 15 positions (10.50 FTE). This includes the following adjustment to the current service level:

The Subcommittee recommended approval of Package 143: Senior and Disabled Citizens Property Tax Deferral, as modified. This package increases staffing for the administration of the Senior Property Deferral program. The package includes \$435,556 Other Funds Personal Services, \$36,968 Other Funds Services and Supplies, and \$6,704 Other Funds Capital Outlay. Seven permanent positions (4.00 FTE) are established.

The Subcommittee recommended approval of Package 801: LFO Analyst Adjustments. This package moves tax payments to counties from being budgeted as revenue transfers to being budgeted as Special Payments expenditures. The program is estimated to transfer approximately \$30.0 million to counties during the 2015-17 biennium. The package increases Other Funds expenditure limitation by \$30,000,000.

The Subcommittee recommended approval of Package 802: Transfer of Senior Property Tax Deferral Program. This package consolidates the administrative and operational activities of the Senior Property Tax Deferral program under an existing budget structure. The package transfers out of the Property Tax Division and into this budget structure \$349,604 General Fund Personal Services, \$650,860 Other Funds Personal Services, \$24,237 General Fund Services and Supplies, and \$45,011 Other Funds Services and Supplies. Eight positions (6.50 FTE) are transferred. The Other Funds revenue source is the Senior Property Tax Deferral Revolving Account. The Subcommittee recommended requesting the Department of Administrative Services to unschedule \$373,841 General Fund in the Senior and Disabled Citizen Property Tax Deferral program with the understanding that the funds may be rescheduled only upon the approval of the Legislature.

Core System Replacement – 030

The Core Systems Replacement (CSR) project replaces the majority of the department's core tax systems to mitigate the growing risks of not being able to support these aging legacy systems and maintain current service levels. The project was begun in the 2013-15 biennium and spans three biennia in four phases or "rollouts." During the 2015-17 biennium, the project will complete the second rollout, begin and complete the third rollout, and begin the final rollout. The Subcommittee recommended one package that eliminates the project's phase-I funding and positions and recommended deferring to the Joint Committee on Ways and Means – Capital Construction Subcommittee the decision on the package containing funding for continuation of the project. Therefore, within this bill, the project contains no funding and no positions.

The Subcommittee recommended approval of Package 070: Revenue Shortfalls. This package eliminates phase-I funding for the Core Systems Replacement project. Phase-II funding for the project is requested under Package 181. Package 070 reduces the budget by \$5,477,044 Other Funds and 32 positions (32.00 FTE).

The Subcommittee recommended deferring approval of Package 181: Core Systems Replacement to the Capital Construction Subcommittee. The General Government Subcommittee recommends, based upon the recommendation of the Information Technology Subcommittee, that the Capital Construction Subcommittee approve funding for the Core Systems Replacement project (Phase-II). This package would continue implementation of the CSR project, which is the replacement of two-thirds of the agency's technology systems, with a commercial off-the-shelf integrated tax

solution called GenTax. Phase-II includes the following programs: Personal Income tax; self-employed transit tax; estate and trust tax; and the Senior Property Tax Deferral.

Budget Note:

The Department of Revenue is to report to the Interim Joint Committee on Ways and Means in the Fall of 2015 to document the agency's readiness to proceed with the final implementation of the Core Systems Replacement project's Personal Income Tax program.

Capital Debt Service – 087

The budget unit provides the capital debt service for the Core Systems Replacement and Property Valuation System projects. The Subcommittee recommends \$9,071,030 General Fund Debt Service. This includes the following adjustment to the current service level:

The Subcommittee recommended deferring approval of Package 141: Property Valuation System to the Capital Construction Subcommittee. The General Government Subcommittee recommends, based on the recommendation of the Information Technology Subcommittee, that the Capital Construction Subcommittee approve funding for the Property Valuation System. The package includes Debt Service costs for the repayment of Article XI-Q bonds issued for the Property Valuation System.

The Subcommittee recommended deferring approval of Package 181: Core Systems Replacement to the Capital Construction Subcommittee. The General Government Subcommittee recommends, based upon the recommendation of the Information Technology Subcommittee, that the Capital Construction Subcommittee approve funding for the Core Systems Replacement project (Phase-II). This package includes Debt Service costs for the repayment of Article XI-Q bonds issued for the Core Systems Replacement project (Phase-II).

The Subcommittee recommended approval of Package 801: LFO Analyst Adjustments. This package reduces Other Funds in the amount of \$521,182 for the cost of bond issuance that is no longer needed by the agency.

Summary of Performance Measure Action

See attached Legislatively Adopted 2015-17 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5035-A

**Department of Revenue
Art Ayre -- 503-378-3108**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at Dec 2014 *	\$ 166,641,759	\$ -	\$ 64,202,113	\$ -	\$ -	\$ -	\$ 230,843,872	1,074	1,016.66
2015-17 Current Service Level (CSL)*	\$ 182,285,108	\$ -	\$ 44,411,510	\$ -	\$ -	\$ -	\$ 226,696,618	1,065	1,011.34
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 002 - General Services									
Package 161: HB 4055 - 911 Tax									
Services and Supplies (Attorney General)	\$ -	\$ -	\$ 15,384	\$ -	\$ -	\$ -	\$ 15,384		
SCR 003 - Administrative Services									
Package 181: Core Systems Replacement									
Services and Supplies	\$ (537,170)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (537,170)		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ (500,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (500,000)	0	0.00
Services and Supplies	\$ (250,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (250,000)		
SCR 004 - Property Tax Division									
Package 070: Revenue Shortfalls									
Personal Services	\$ -	\$ -	\$ (1,836,836)	\$ -	\$ -	\$ -	\$ (1,836,836)	0	-10.00
Package 801: LFO Analyst Adjustments									
Special Payments to Counties (6020)	\$ -	\$ -	\$ 33,600,000	\$ -	\$ -	\$ -	\$ 33,600,000		
Package 802: Transfer of Senior Property Tax Deferral Program									
Personal Services	\$ (349,604)	\$ -	\$ (650,860)	\$ -	\$ -	\$ -	\$ (1,000,464)	-8	-6.50
Services and Supplies	\$ (24,237)	\$ -	\$ (45,011)	\$ -	\$ -	\$ -	\$ (69,248)		
SCR 005 - Personal Tax and Compliance Division									
Package 151: Fraud Analytics and Detection									
Services and Supplies	\$ 1,111,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,111,204		
Package 801: LFO Analyst Adjustments									
Personal Services (vacancy savings)	\$ (500,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (500,000)	0	0.00
Services and Supplies	\$ (500,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (500,000)		
Capital Outlay	\$ (400,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (400,000)		
SCR 006 - Business Division									
Package 161: HB 4055 - 911 Tax									
Personal Services	\$ -	\$ -	\$ 276,546	\$ -	\$ -	\$ -	\$ 276,546	2	2.00
Services and Supplies	\$ -	\$ -	\$ 32,970	\$ -	\$ -	\$ -	\$ 32,970		
Capital Outlay	\$ -	\$ -	\$ 13,408	\$ -	\$ -	\$ -	\$ 13,408		
Package 801: LFO Analyst Adjustments									
Personal Services (vacancy savings)	\$ (450,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (450,000)	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 025 - Senior and Disabled Citizen Property Tax Deferral									
Package 143: Senior & Disabled Citizens Property Tax Deferral									
Personal Services	\$ -	\$ -	\$ 435,556	\$ -	\$ -	\$ -	\$ 435,556	7	4.00
Services and Supplies	\$ -	\$ -	\$ 36,968	\$ -	\$ -	\$ -	\$ 36,968		
Capital Outlay	\$ -	\$ -	\$ 6,704	\$ -	\$ -	\$ -	\$ 6,704		
Package 801: LFO Analyst Adjustments									
Special Payments to Counties (6020)	\$ -	\$ -	\$ 30,000,000	\$ -	\$ -	\$ -	\$ 30,000,000		
Package 802: Transfer of Senior Property Tax Deferral Program									
Personal Services	\$ 349,604	\$ -	\$ 650,860	\$ -	\$ -	\$ -	\$ 1,000,464	8	6.50
Services and Supplies	\$ 24,237	\$ -	\$ 45,011	\$ -	\$ -	\$ -	\$ 69,248		
SCR 030 - Core Systems Replacement									
Package 070: Revenue Shortfalls									
Personal Services	\$ -	\$ -	\$ (5,477,044)	\$ -	\$ -	\$ -	\$ (5,477,044)	-32	-32.00
SCR 087 - Capital Debt Service and Related Costs									
Package 801: LFO Analyst Adjustments									
Services and Supplies	\$ -	\$ -	\$ (521,182)	\$ -	\$ -	\$ -	\$ (521,182)		
TOTAL ADJUSTMENTS	\$ (2,025,966)	\$ -	\$ 56,582,474	\$ -	\$ -	\$ -	\$ 54,556,508	-23	-36.00
SUBCOMMITTEE RECOMMENDATION *	\$ 180,259,142	\$ -	\$ 100,993,984	\$ -	\$ -	\$ -	\$ 281,253,126	1,042	975.34

% Change from 2013-15 Leg Approved Budget

8.2%

0.0%

57.3%

0.0%

0.0%

0.0%

21.8%

% Change from 2015-17 Current Service Level

-1.1%

0.0%

127.4%

0.0%

0.0%

0.0%

24.1%

*Excludes Capital Construction Expenditures

EMERGENCY BOARD

Special Purpose Appropriation

Department of Revenue CAFFA Funding Shortfall

\$ 1,836,836

\$ -

\$ -

\$ -

\$ -

\$ -

\$ 1,836,836

Legislatively Approved 2015-2017 Key Performance Measures

Agency: REVENUE, DEPARTMENT of

Mission: We make tax systems work to fund the public services that preserve and enhance the quality of life for all citizens.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
1 - Average Days to Process Personal Income Tax Refund.		Approved KPM	8.00	12.00	12.00
2 - Percent of Personal Income Tax Returns Filed Electronically		Approved KPM	82.50	82.00	82.00
3 - Employee Training Per Year (percent receiving 20 hours per year).		Approved KPM	46.00	60.00	60.00
4 - Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Accuracy	Approved KPM	45.00	97.00	97.00
4 - Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Availability of Information	Approved KPM	48.00	97.00	97.00
4 - Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Expertise	Approved KPM	43.00	97.00	97.00
4 - Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Helpfulness	Approved KPM	38.00	98.00	98.00
4 - Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Overall	Approved KPM	33.00	98.00	98.00
4 - Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, and availability of information.	Timeliness	Approved KPM	32.00	97.00	97.00

Agency: REVENUE, DEPARTMENT of

Mission: We make tax systems work to fund the public services that preserve and enhance the quality of life for all citizens.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
5 - Effective Taxpayer Assistance: Provide the most effective taxpayer assistance services by a data-driven combination of direct assistance and electronic self-help services.		Approved KPM	59.00	56.00	56.00
6 - Appraisal Program Equity and Uniformity - We will measure the degree to which county appraisal program equity and uniformity is achieved by determining the percentage of study areas statewide with real market values that are within accepted appraisal standards.		Approved KPM		1.00	1.00
7 - Appraisal Value Uniformity - We will demonstrate our ability to deliver high quality business results by measuring appraisal equity and uniformity for DOR industrial accounts.		Approved KPM		1.00	1.00
8 - Direct Enforcement Dollars Cost of Funds - We will demonstrate our efficiency and effectiveness at funding services that preserve and enhance the quality of life for all citizens by measuring the cost of funds (COF) for every direct enforcement dollar received by our agency.		Approved KPM		1.00	1.00
9 - Collection Dollars Cost of Funds - We will demonstrate our efficiency and effectiveness at funding services that preserve and enhance the quality of life for all citizens by measuring the cost of funds (COF) for every dollar collected by our agency.		Approved KPM		1.00	1.00
10 - Cost of Assessments - We will demonstrate our efficiency and effectiveness of our suspense, audit and filing enforcement functions by measuring the cost of every audit and filing enforcement dollar assessed.		Approved KPM		1.00	1.00
11 - Employee Engagement - Index of employees considered actively engaged by a standardized survey.		Approved KPM		1.00	1.00
1 - Dollars Collected Per Revenue Agent Per Month (Personal Income Tax)		Legislative Delete	122,481.00		
2 - Percent of Property Taxes Collected.		Legislative Delete	95.30		
3 - Percent of Assessor's Maps Digitized in a GIS Format.		Legislative Delete	81.00		
5 - Personal Income Tax Non-Filer Assessments Issued Per Employee Per Month.		Legislative Delete	41.00		

Agency: REVENUE, DEPARTMENT of

Mission: We make tax systems work to fund the public services that preserve and enhance the quality of life for all citizens.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
6 - Personal Income Tax and Corporation Tax Cases Closed Per Revenue Agent Per Month.		Legislative Delete	176.00		
7 - Delinquent Returns Filed After Compliance Contact Per Filing Enforcement Employee Per Month.		Legislative Delete	18.00		
10 - Employee Work Environment (based upon a scale of 1-6)		Legislative Delete	4.15		

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the agency's key performance measures and targets.

Sub-Committee Action:

The General Government Subcommittee adopted the Legislative Fiscal Office recommendations.