

**Legislative
Fiscal Office**

Oregon State Capitol
900 Court Street NE, H-178
Salem, OR 97301
503-986-1828

Ken Rocco, Legislative Fiscal Officer
Paul Siebert, Deputy Fiscal Officer



**Joint Committee on
Ways and Means**

Sen. Richard Devlin, Senate Co-Chair
Rep. Nancy Nathanson, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair
Sen. Jackie Winters, Senate Co-Vice Chair
Rep. Dan Rayfield, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: *General Government Subcommittee*

From: Krista Dauenhauer, Legislative Fiscal Office

Date: April 24, 2017

Subject: *SB 5538 - Board of Tax Practitioners*
Work Session Recommendations

Board of Tax Practitioners – Agency Totals

	2013-15 Actual	2015-17 Legislatively Approved	2017-19 Current Service Level	2017-19 LFO Recommended
Other Funds	1,088,661	1,260,908	1,329,314	1,060,855
Total Funds	\$1,088,661	\$1,260,908	\$1,329,314	\$1,060,855
Positions	4	4	3	3
FTE	4.00	4.00	2.50	2.50

This budget conservatively projects revenues at 3% less than 2015-17 projected actuals. Adjustments have been made to account for changes in agency operations, including relocating the office to a less expensive space, and decreasing staffing as a result of implementing new IT initiatives. The projected ending balance is \$188,980 Other Funds (OF) and is equivalent to 4 months of operating expenditures. This budget represents a (15.9%) percent reduction from the 2015-17 Legislatively Approved Budget (LAB) and a 0.0% change from the 2017-19 Adjusted Current Service Level (CSL).

Adjustments to Current Service Level:

See attached "Work Session Presentation Report"

Accept LFO Recommendation

Move the LFO recommendation to SB 5538.

OR

Change LFO recommendation

Move the LFO recommendation to SB 5538, with modifications.

Performance Measures:

See attached “Legislatively Proposed 2017-19 Key Performance Measures” form.

Accept LFO Recommendation

Move the LFO recommendation on Key Performance Measures

OR

Change LFO recommendation

Move the LFO recommendation on Key Performance Measures, with modifications.

Budget Note:

Report on Agency Operations and Finances:

The Board of Tax Practitioners is directed to provide a general update on agency operations, as well as, the current status of revenues, expenditures, and licensee counts, to the Joint Committee on Ways and Means during the 2018 legislative session.

Accept LFO Recommendation

Move the LFO recommended budget note

OR

Change LFO recommendation – any changes must be approved by the co-chairs

Move the LFO recommended budget notes, with modifications.

Recommended Changes to SB 5538:

The Legislative Fiscal Office recommends a budget of \$1,060,855 Other Funds, and 3 positions (2.50 FTE), which is reflected in the -1 amendment.

Move adoption of the -1 amendment to SB 5538

SB 5538 Final Subcommittee Action:

Final Motion:

Move Senate Bill 5538, as amended, to the full committee with a Do Pass recommendation.

Carriers:

Full Committee Carrier: _____

House Chamber Carrier: _____

Senate Chamber Carrier: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	-	-	1,235,571	-	-	-	1,235,571	4	4.00
2015-17 Ebds, SS & Admin Act	-	-	26,313	-	-	-	26,313	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	-	-	1,261,884	-	-	-	1,261,884	4	4.00
2015-17 Leg Approved Budget (Base)	-	-	1,260,908	-	-	-	1,260,908	4	4.00
Summary of Base Adjustments	-	-	(9,094)	-	-	-	(9,094)	-	-
2017-19 Base Budget	-	-	1,251,814	-	-	-	1,251,814	4	4.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(878)	-	-	-	(878)	-	-
030: Inflation & Price List Adjustments	-	-	78,378	-	-	-	78,378	-	-
2017-19 Current Service Level	-	-	1,329,314	-	-	-	1,329,314	4	4.00
070: Revenue Reductions/Shortfall	-	-	(268,459)	-	-	-	(268,459)	(1)	(1.50)
Adjusted 2017-19 Current Service Level	-	-	1,060,855	-	-	-	1,060,855	3	2.50
Total LFO Recommended Packages	-	-	-	-	-	-	-	-	-
2017-19 Legislative Actions	-	-	1,060,855	-	-	-	1,060,855	3	2.50
Net change from 2015-17 Leg Approved Budget	-	-	(201,029)	-	-	-	(201,029)	(1)	(1.50)
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	(15.9%)	0.0%	0.0%	0.0%	(15.9%)	(25.0%)	(37.5%)
Net change from 2017-19 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

LFO102 - Work Session Presentation Report
2017-19 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 11900-001-00-00-00000

Tax Practitioners, State Board of

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2015-17 Ebds, SS & Admin Act	-	-	26,313	-	-	-	26,313	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	-	-	1,261,884	-	-	-	1,261,884	4	4.00
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Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Package 070 Revenue Shortfalls

Package Description This package decreases expenditures by a total \$268,459 Other Funds to account for workload savings that have been realized as a result of streamlining operations, and the integration of a new compliance database and e-licensing system. A vacant (1.00 FTE) Compliance Specialist 2 position is abolished and one permanent full-time Administrative Specialist 1 is reduced to a permanent part-time (0.50 FTE) position.

LFO Recommendation Approve

LFO Recommended	-	-	(268,459)	-	-	-	(268,459)	(1)	(1.50)
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Package 090 Analyst Adjustments

Package Description This package increases the beginning balance by \$64,435 Other Funds to account for cost savings activities that were implemented during the 2015-17 biennium. Furthermore, based on the reduction in agency staffing and the relocation to a smaller office space, \$2,000 has been reduced in Out of State Travel and \$34,000 is reduced in Facilities Rent. Additionally, \$36,000 Other Funds limitation has been added to IT Professional Services to adjust for the new BES Technology contract.

LFO Recommendation Approve

LFO Recommended	-	-	-	-	-	-	-	-	-
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