



Agency Overview

Joint Committee on Ways and Means
Subcommittee on General Government

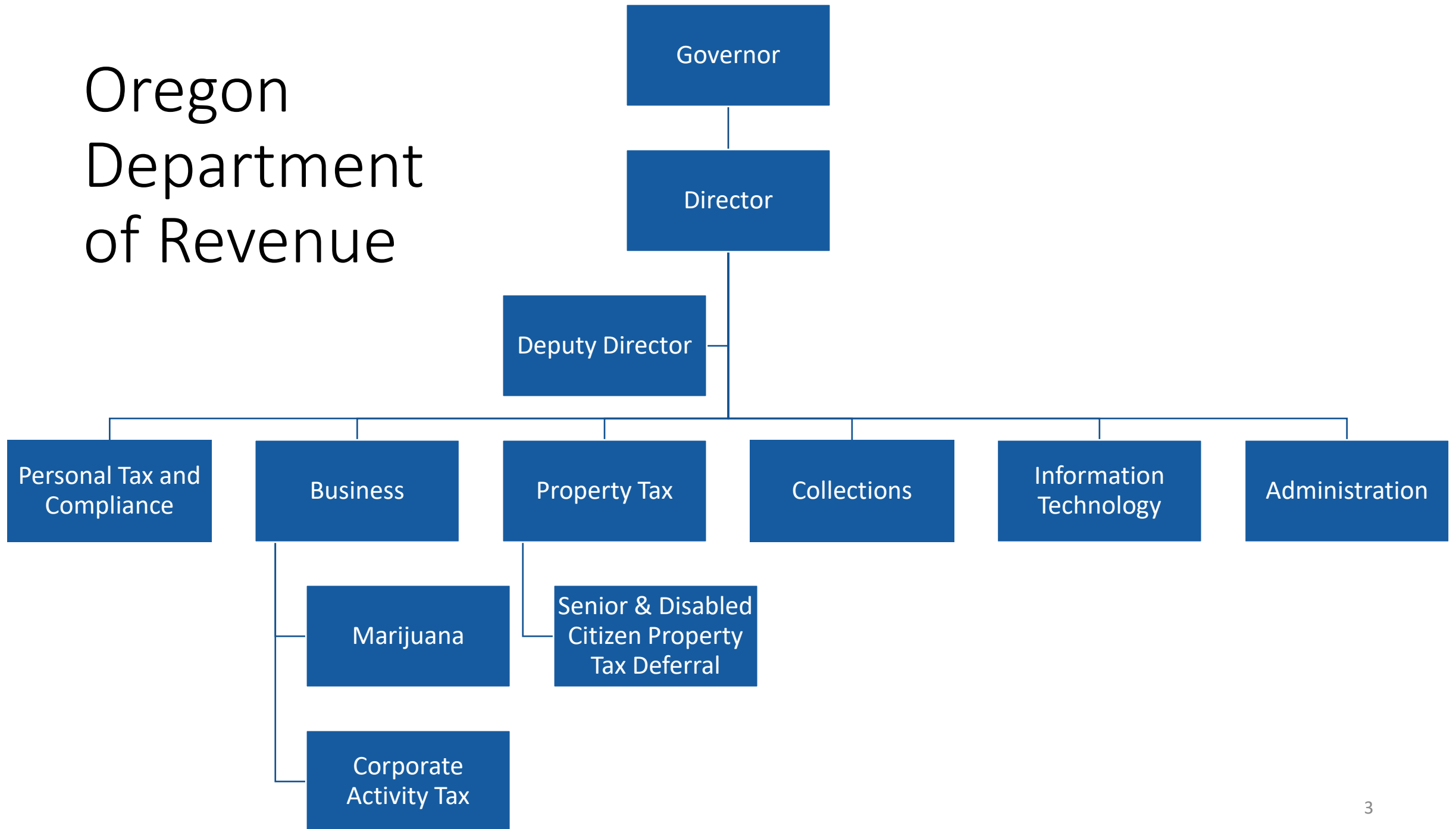
March 2021

Betsy Imholt, Director

Agenda

- DAY 1** Agency Overview
Personal Tax and Compliance Division
Business Division
- DAY 2** Business Division Continued
Property Tax Division
Collections Division
- DAY 3** Information Technology Services
Administration

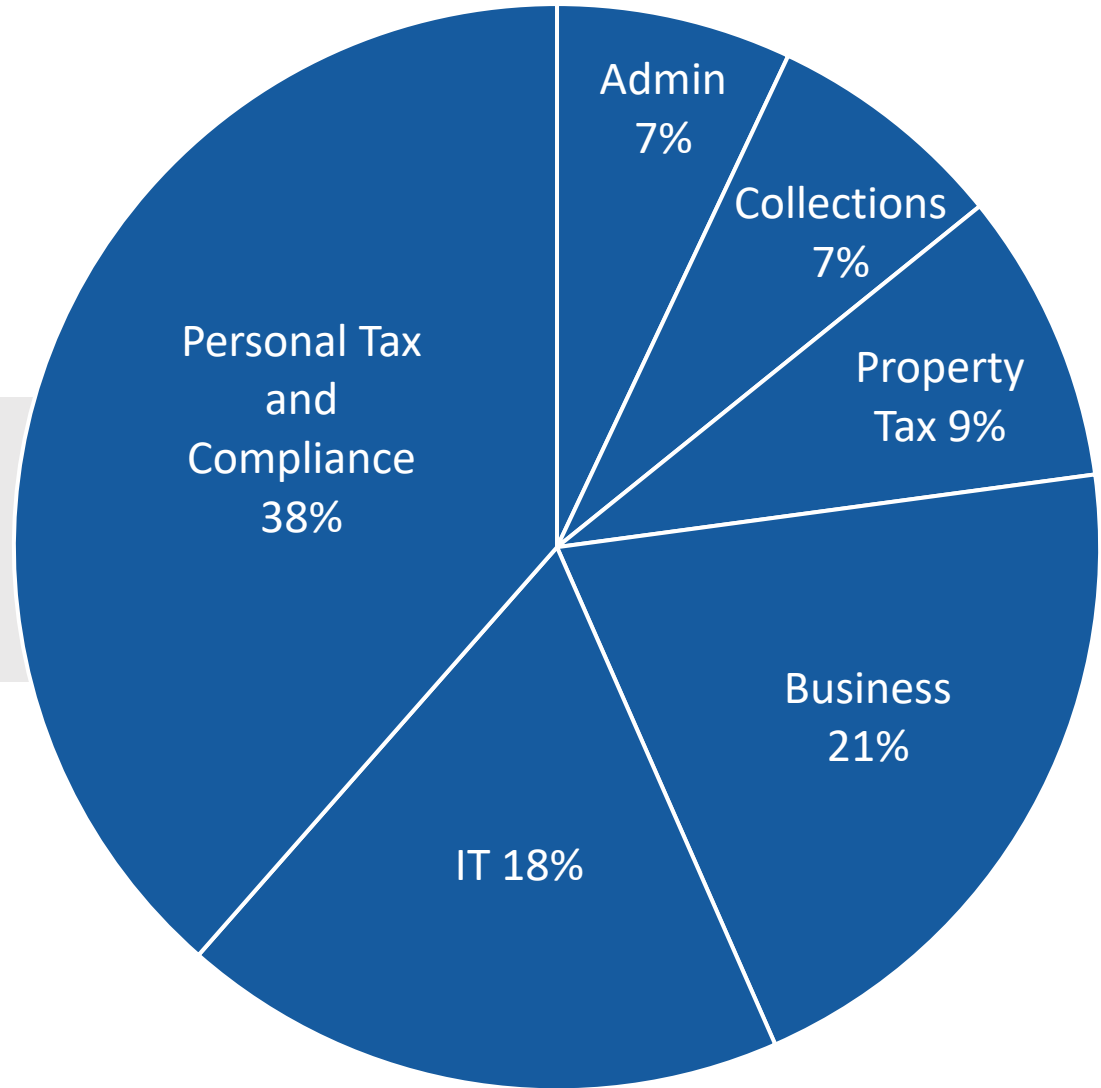
Oregon Department of Revenue





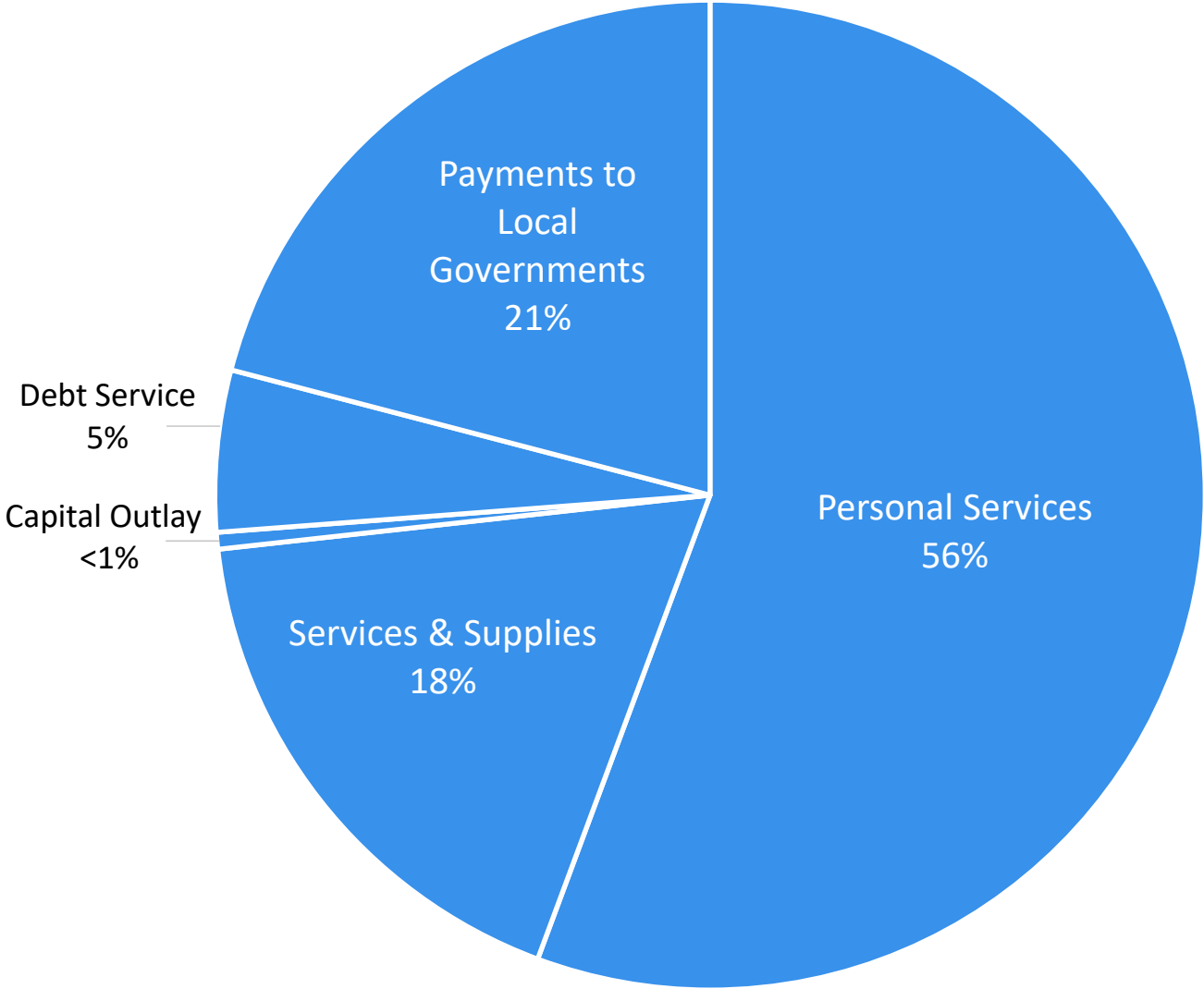
DOR Team

1014 FTE 2019—21 LAB



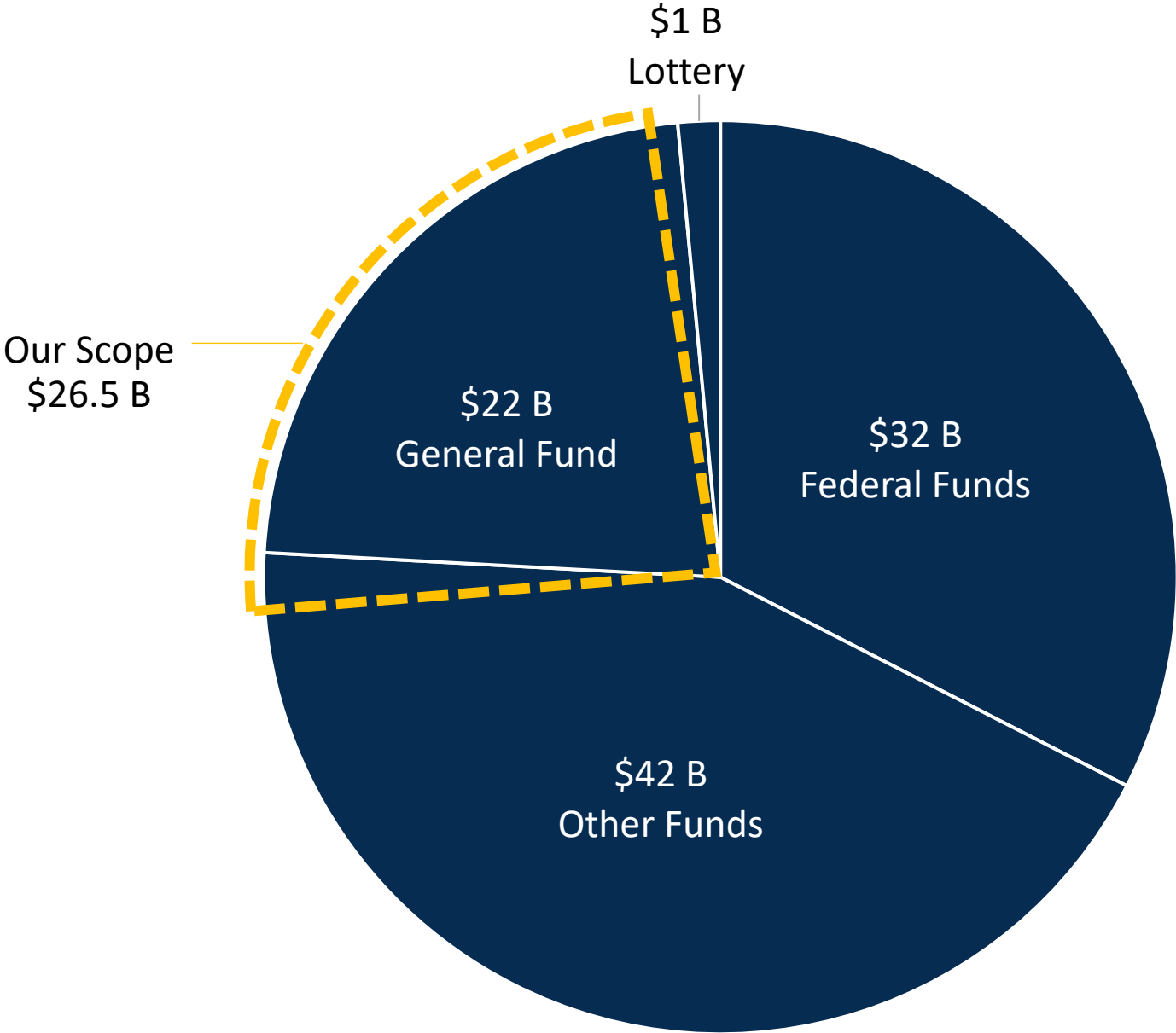
Current Budget Breakdown

2019–21 LAB
\$351.8 million

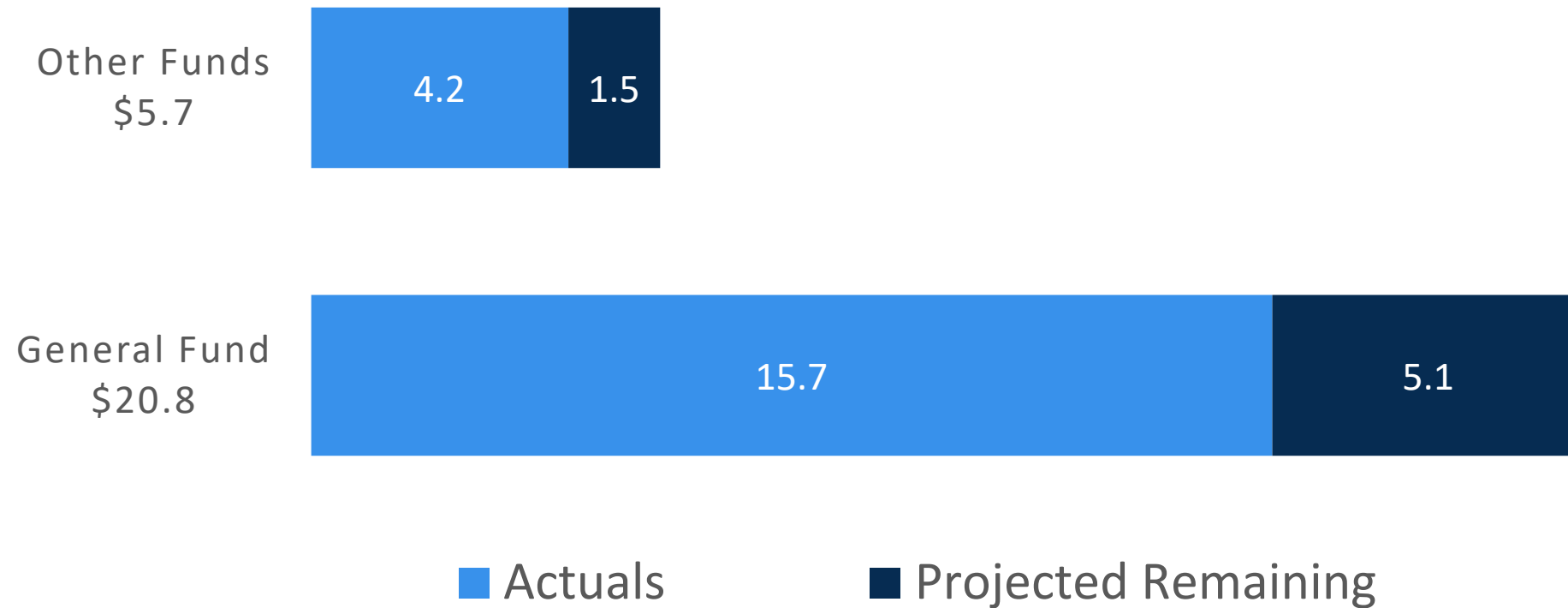


Oregon's Revenue

All Funds
2019–21



Revenue Raised 2019–21 (in Billions)



What We Do



Administer 37
tax and fee
programs



Bring in over
\$26.5 billion
dollars this
biennium

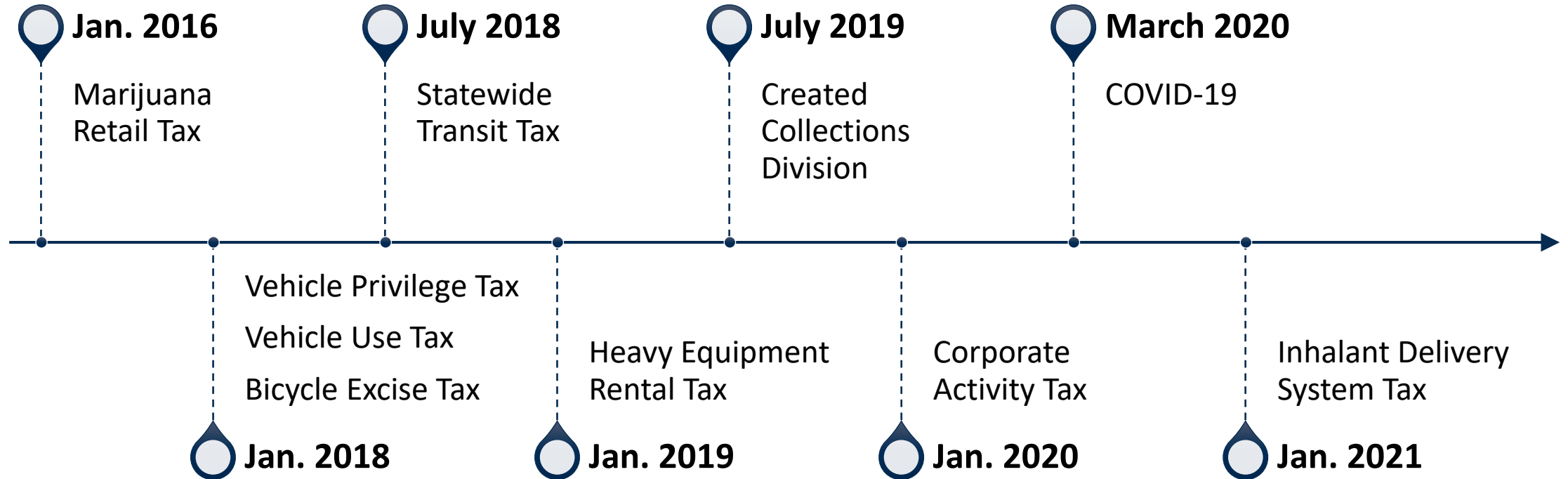


Oversee the
property tax
system



Collect on
behalf of state
and local
governments

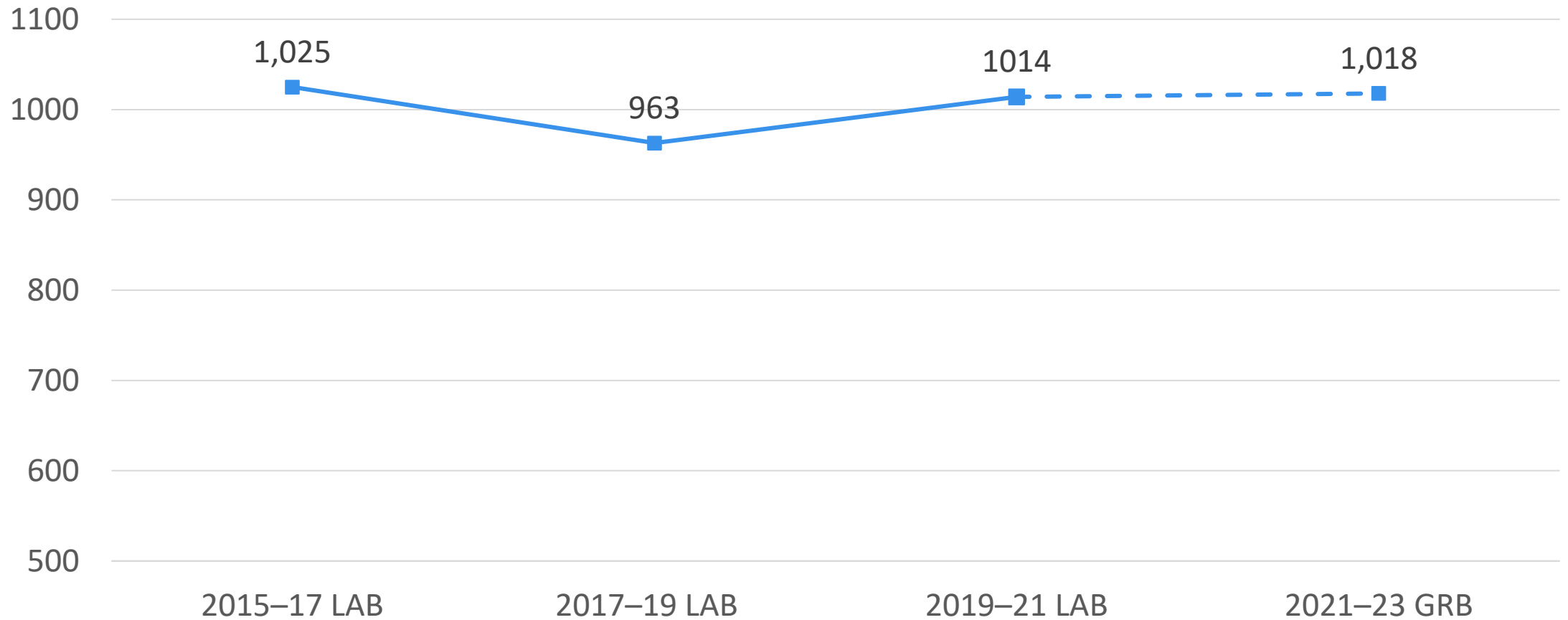
Major Changes 2016–21



Core Systems Replacement (2013–18)

Processing Center Modernization (2018–21)

Historical Staffing (Full Time Equivalent)



Key Performance Measures



KPM #1

Average Days to Process
Personal Income Tax
Refund



KPM #2

Percent of Personal
Income Tax Returns Filed
Electronically



KPM #3

Employee Training
Per Year



KPM #4

Customer Service



KPM #5

Effective Taxpayer
Assistance



KPM #6

Appraisal Program
Equity and Uniformity



KPM #7

Appraisal Value
Uniformity



KPM #8

Direct Enforcement
Dollars Cost of Funds



KPM #9

Collection Dollars
Cost of Funds



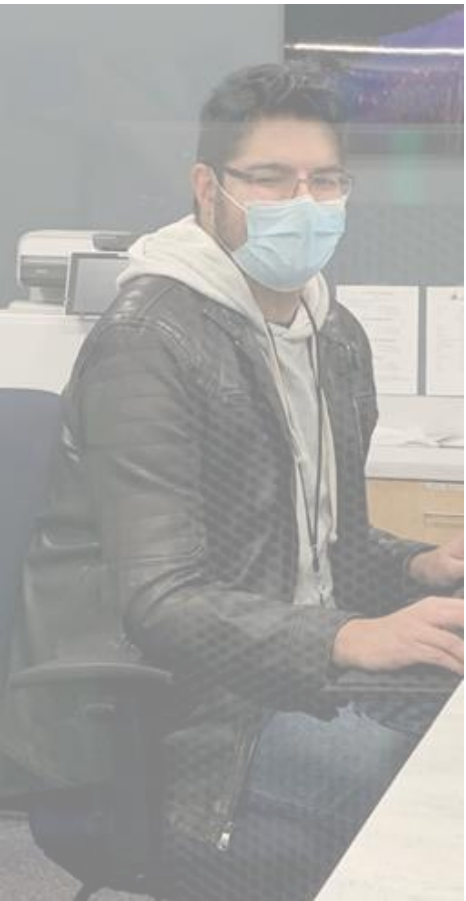
KPM #10

Cost of Assessments



KPM #11

Employee Engagement



Challenges

IT maintenance and operations

Demands of new tax programs

Increasing program complexity

Changes at the IRS

Maintaining resiliency

Resiliency in 2020

About 85 percent of DOR
staff work remotely as of
March 2020

In-person appointments are
available in field offices

Online self-scheduling is
available





COVID-19 and Wildfire Relief

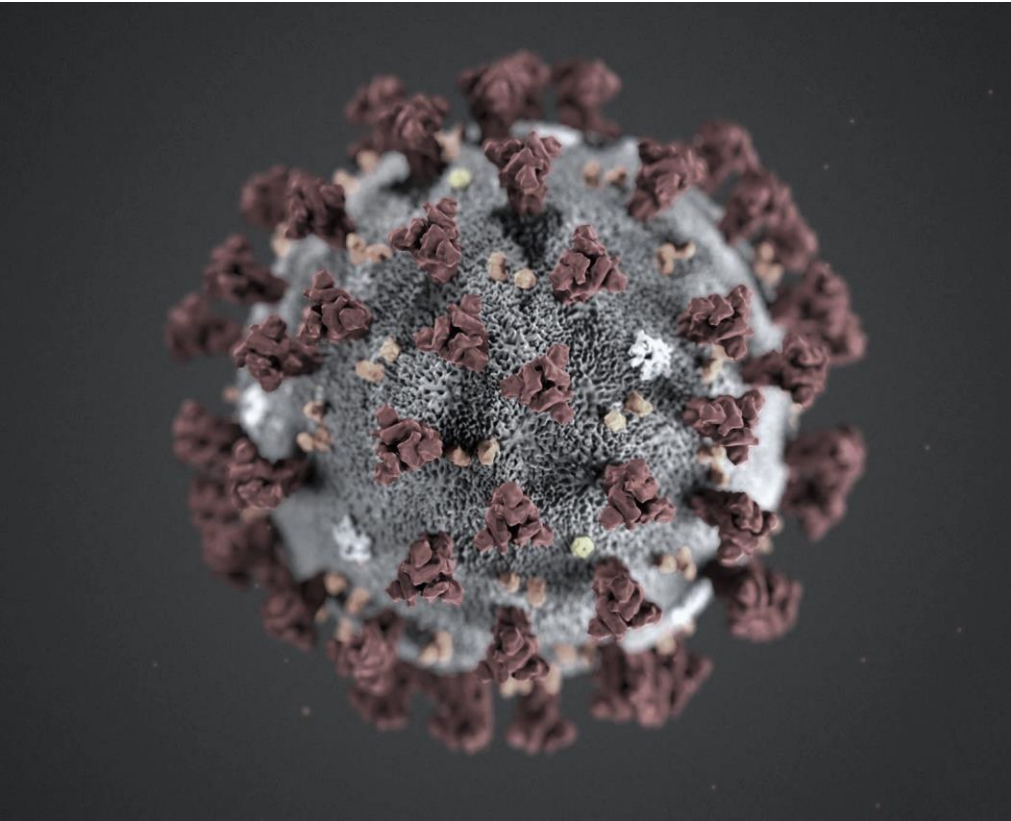
Extended due dates

Longer payment plans

Interest and penalty waivers

COVID-19 Temporary Paid Leave Program (DCBS)

Data sharing with Employment





Where We Are Headed

Update our strategic plan

Expand our engagement with taxpayers

Increase our data capabilities






Reimagine our workplace for increased remote work

Continue investment in our people, training, empowerment, and equity

Continue investment in our efficiency with technology



Key Budget Investment Requests

 WORKFORCE	 MORE REVENUE	 MORE EFFICIENT	 MORE EFFICIENT	 MORE EFFICIENT
EQUITY AND TRAINING	NEW & EXPANDED TAX PROGRAMS	CUSTOMER SERVICE	IT OPERATIONS	IT MODERNIZATION PROPERTY TAX
3 FTE \$0.6 M	31 FTE \$8.3 M	5 FTE \$0.6 M	19 FTE \$10.5 M	2 FTE \$4.9 M
POP 101	POP 090, 104, 105	POP 103	POP 109, 110, 111, 112, 113	POP 102

Oregon Department of Revenue Budget

	General Fund	Other Funds	Total Funds	Pos.	FTE
2019–21 LAB	207,397,041	144,450,716	351,847,757	1,094	1014.40
2021–23 CSL	211,133,745	130,361,113	341,494,858	1,001	957.18
2021–23 GRB	215,064,325	141,720,264	356,784,589	1,082	1,018.29
CSL-GRB Change	3,930,580	11,359,151	15,289,731	81	61.11



Betsy Imholt, Director

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Personal Tax and Compliance Division

Joint Committee on Ways and Means
Subcommittee on General Government

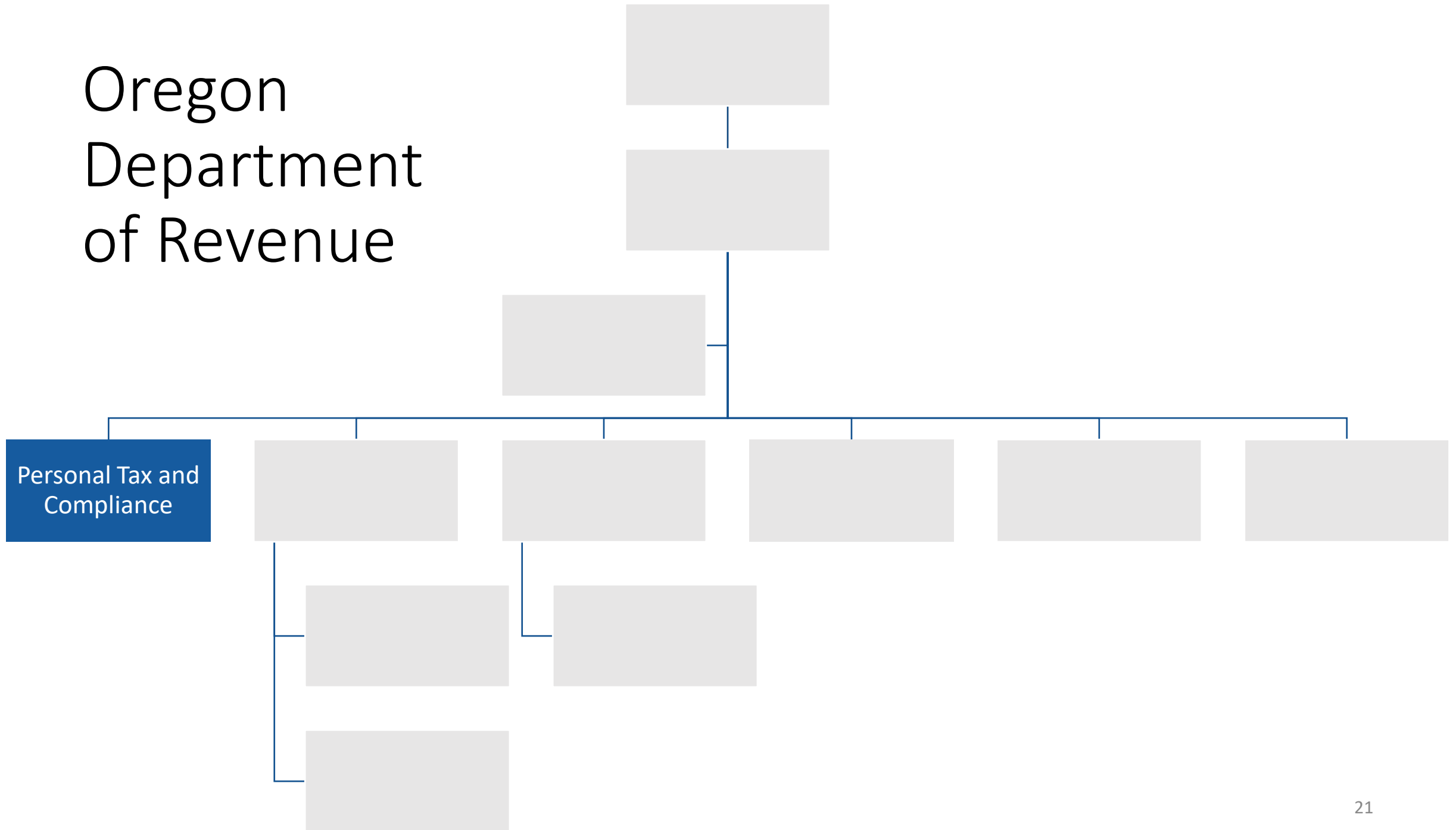
March 2021

Joann Martin, Personal Tax and Compliance
Division Administrator

Topics

- 01** Division Overview
- 02** Key Performance Measures
- 03** Challenges
- 04** COVID-19 Relief
- 05** Policy Option Packages
- 06** Budget

Oregon Department of Revenue



What We Do in Personal Income Tax



Largest source of
revenue for the state



Brought in \$19 billion for
Oregon in the 2019–21
biennium



Over 2.2 million tax
returns processed in
2020

Personal Income Tax Basics



Follow federal law
with adjustments
for Oregon

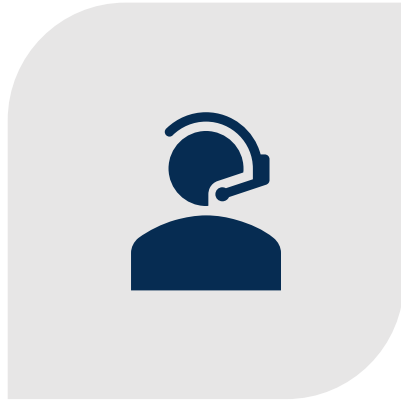


Federal connection
allows for ease of
administration



The “kicker”
is unique to
Oregon

How We Do It



Call centers



Online self-services



Five field offices

We Focus on Voluntary Compliance



Assistance to make filing easy and accessible



Education to provide support through information and outreach



Enforcement to encourage compliance through audits and reviews

Enforcement Activity



Audit



Discovery



Filing enforcement



Return processing
adjustments

Fraud by the Numbers



Stopped over \$7.7 million

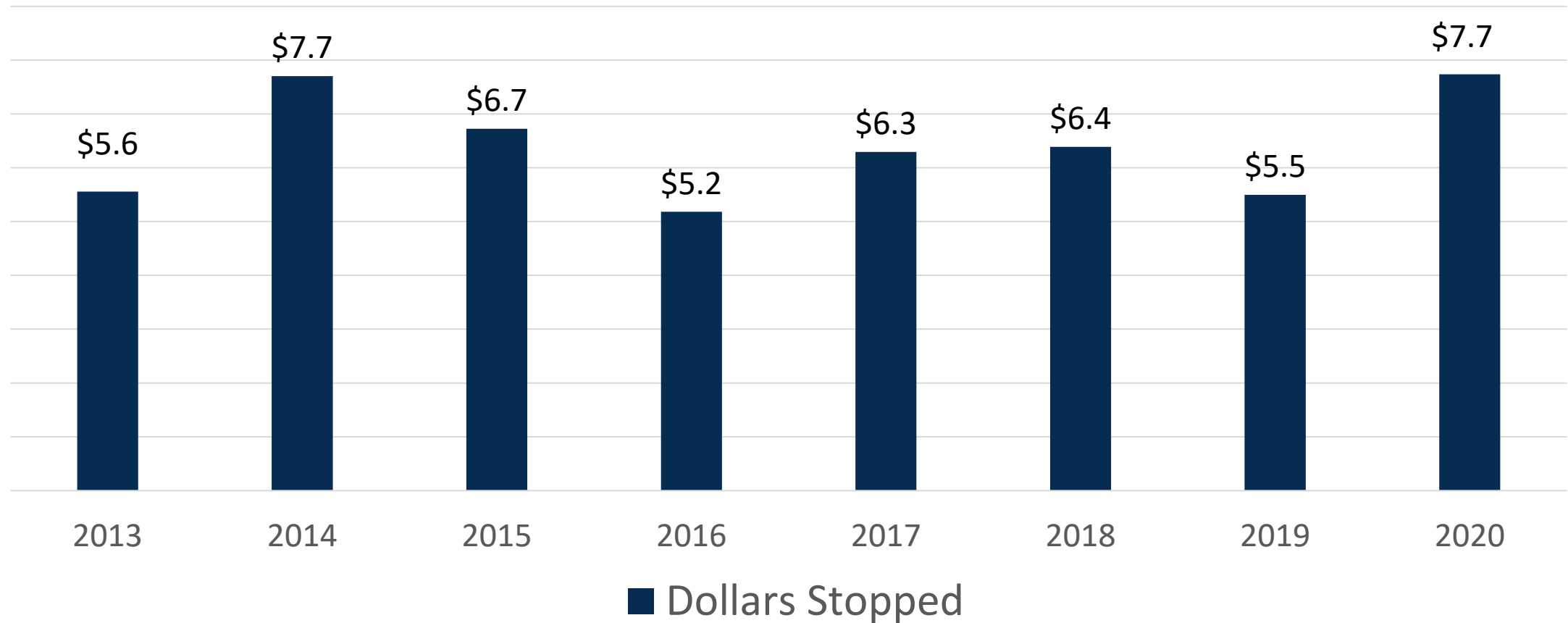


Stopped almost 13,000 returns

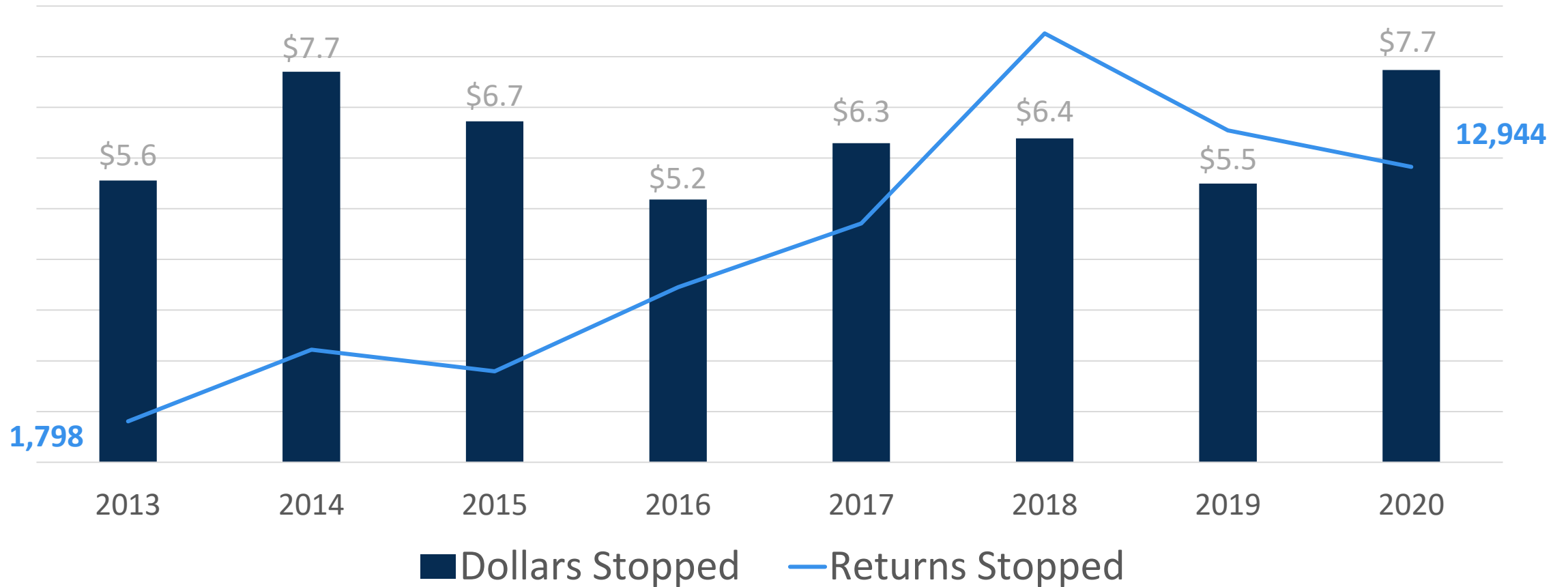


Average refund stopped: \$600

Fraud Prevented Over Time (in Millions)

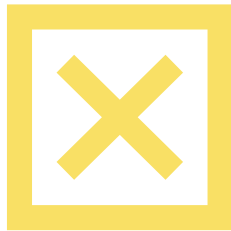


Returns Stopped Over Time



Key Performance Measures

KPM #1



Average days to process personal income tax refund

Target: 16 days

Actual: 17 days

KPM #2



Percent of personal income tax returns filed electronically

Target: 90%

Actual: 91.3%

KPM #4



Customer service rating of “good” or “excellent”

Target: 85%

Actual: 91%

Key Performance Measures

KPM #5

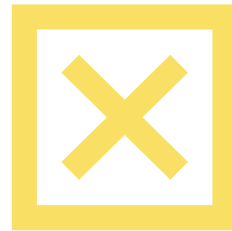


Effective Taxpayer Assistance

Target: 85%

Actual: 85%

KPM #8



Direct Enforcement Dollars
Cost of Funds

Target: \$0.20

Actual: \$0.21

KPM #10



Cost of Assessments

Target: \$0.18

Actual: \$0.06

Challenges

Federal law changes

Transfer of experienced staff
to support new programs

COVID-19

Oregon wildfires

Remote work





COVID-19 Relief

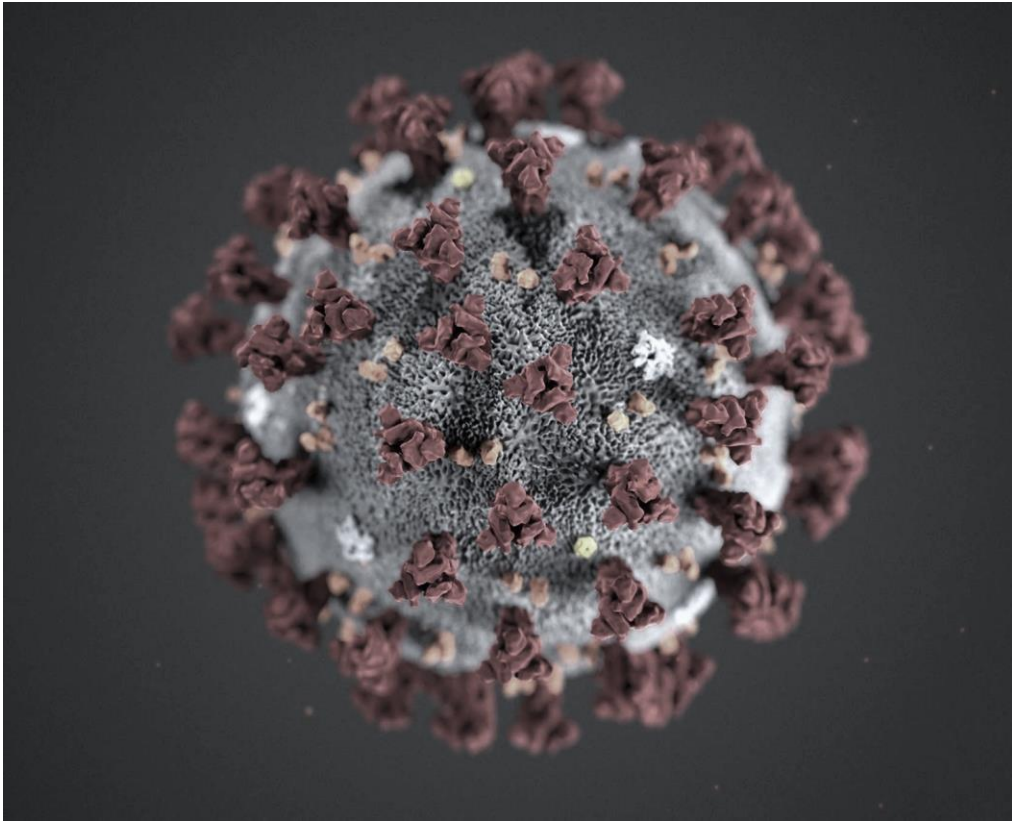
Filing due date moved to July 15, 2020

Changed audits

Virtual Oregon New Law Updates with over 800 people attending

COVID-19 Temporary Paid Leave Program (DCBS)

Data sharing with Employment





Seasonal Staff

Policy Option Package 103

Provides \$575,790 General Fund and \$11,747 Other Funds to fund 4.68 full-time equivalent permanent, seasonal positions to address increased tax processing workload during tax season.



Collections Consolidation

Policy Option Package 106

Shifts \$29,228,030 General Fund, \$583,326 Other Funds, and 147.00 full-time equivalent positions to the Collections Division to comply with legislative direction to consolidate all collection functions into a single division.

No additional funds requested.

Personal Tax and Compliance Division Budget

	General Fund	Other Funds	Total Funds	Pos.	FTE
2019–21 LAB	79,092,342	1,826,433	80,918,775	391	390.76
2021–23 CSL	86,643,016	1,875,337	88,518,353	391	390.55
2021–23 GRB	57,297,025	1,281,024	58,578,049	254	248.23
CSL-GRB Change	(29,345,991)	(594,313)	(29,940,304)	(137)	(142.32)



JoAnn Martin

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Administrator

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Business Division

Joint Committee on Ways and Means
Subcommittee on General Government

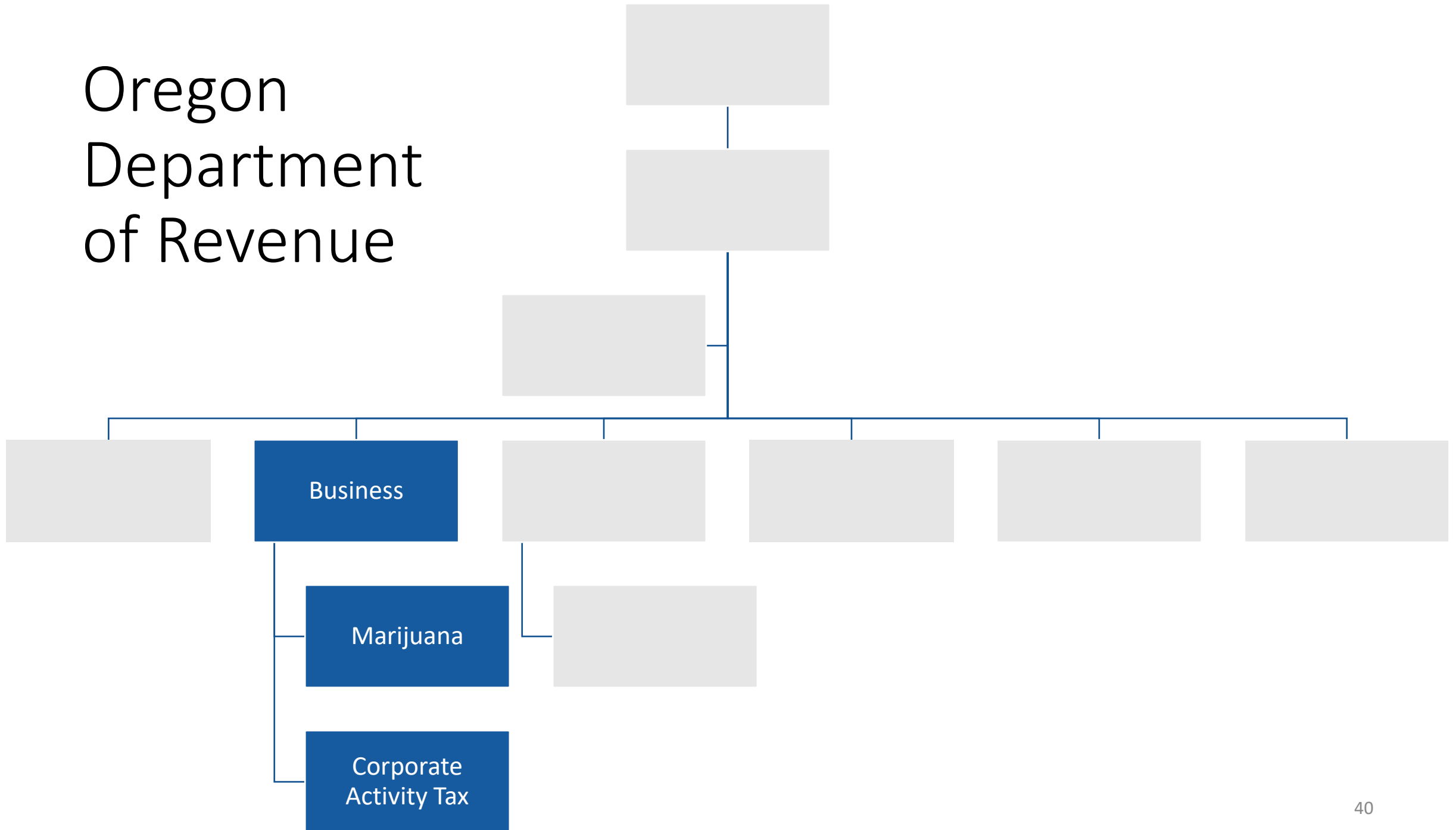
March 2021

Katie Lolley, Business Division Administrator

Topics

- 01** Division Overview
- 02** Key Performance Measures
- 03** Challenges
- 04** Cost Containment
- 05** Partnerships and Stakeholders
- 06** COVID-19 and wildfire relief
- 07** Budget
- 08** Marijuana Retail Tax
- 09** Corporate Activity Tax

Oregon Department of Revenue



What We Do



Corporation & Estate Tax



Withholding & Payroll Tax



Cigarette & Tobacco Tax



Special Programs

Annual Revenue Distribution

\$10 Billion

Recipients of other 5 percent:

Cities and counties

Community Right to Know

Department of Environmental Quality

Office of Emergency Management

Office of State Fire Marshal

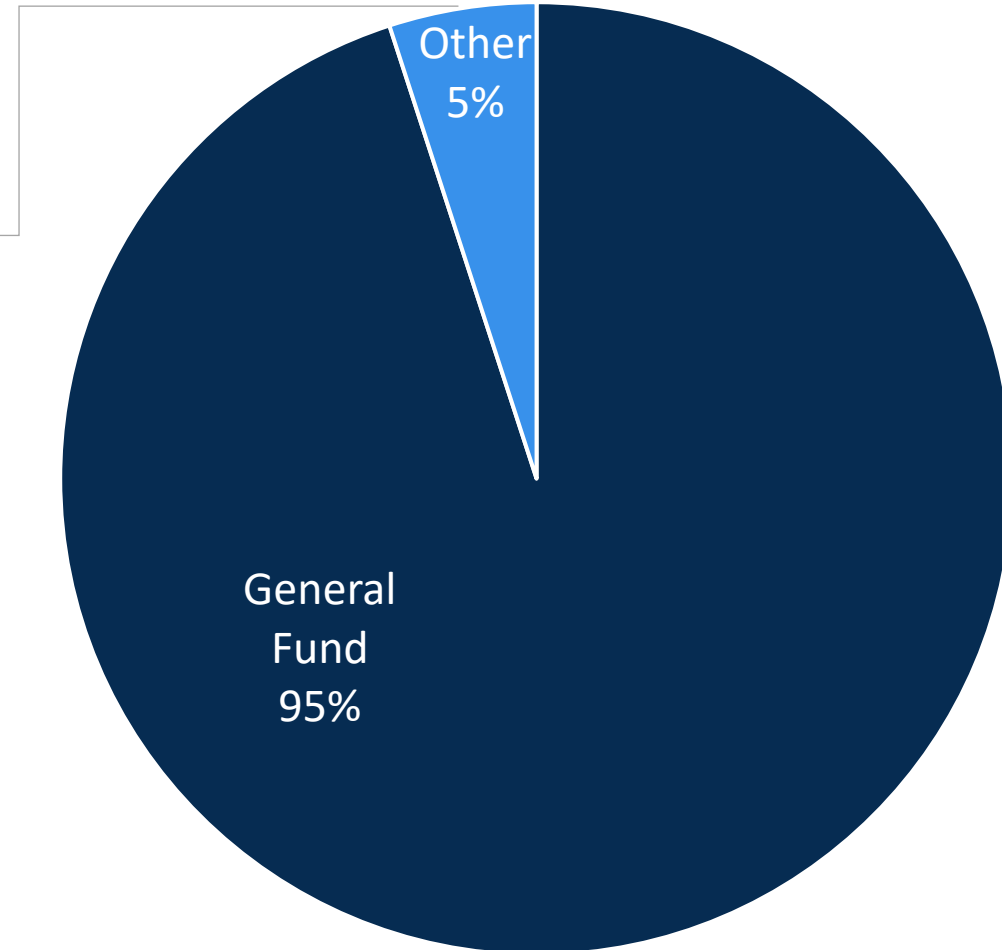
Oregon Department of Transportation

Oregon Health Authority

Oregon Youth Conservation

Travel Oregon

Local tourism organizations



Program Goals

Voluntary compliance

Efficient and timely service



How We Do It



23,527
Registrations



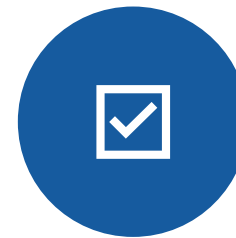
130,822
Phone Calls



884,787
Returns



Digital and
Paper Resources

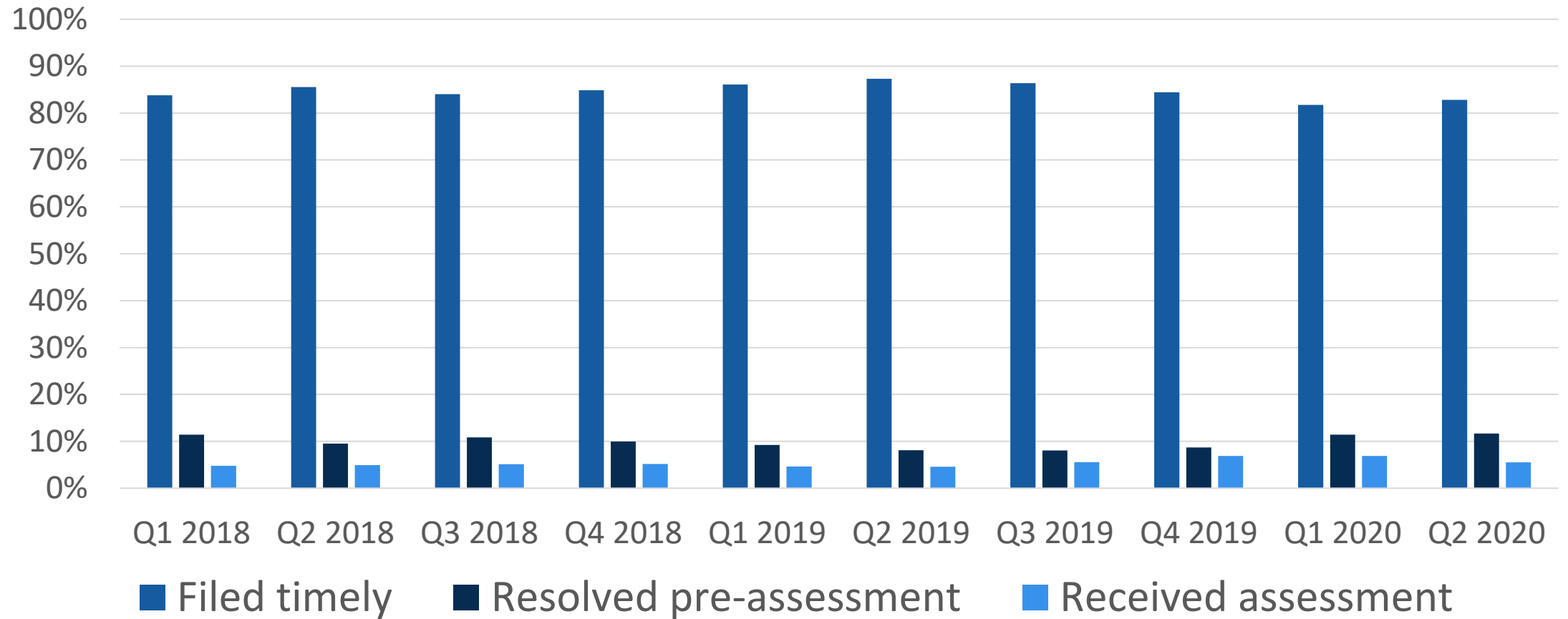


Compliance

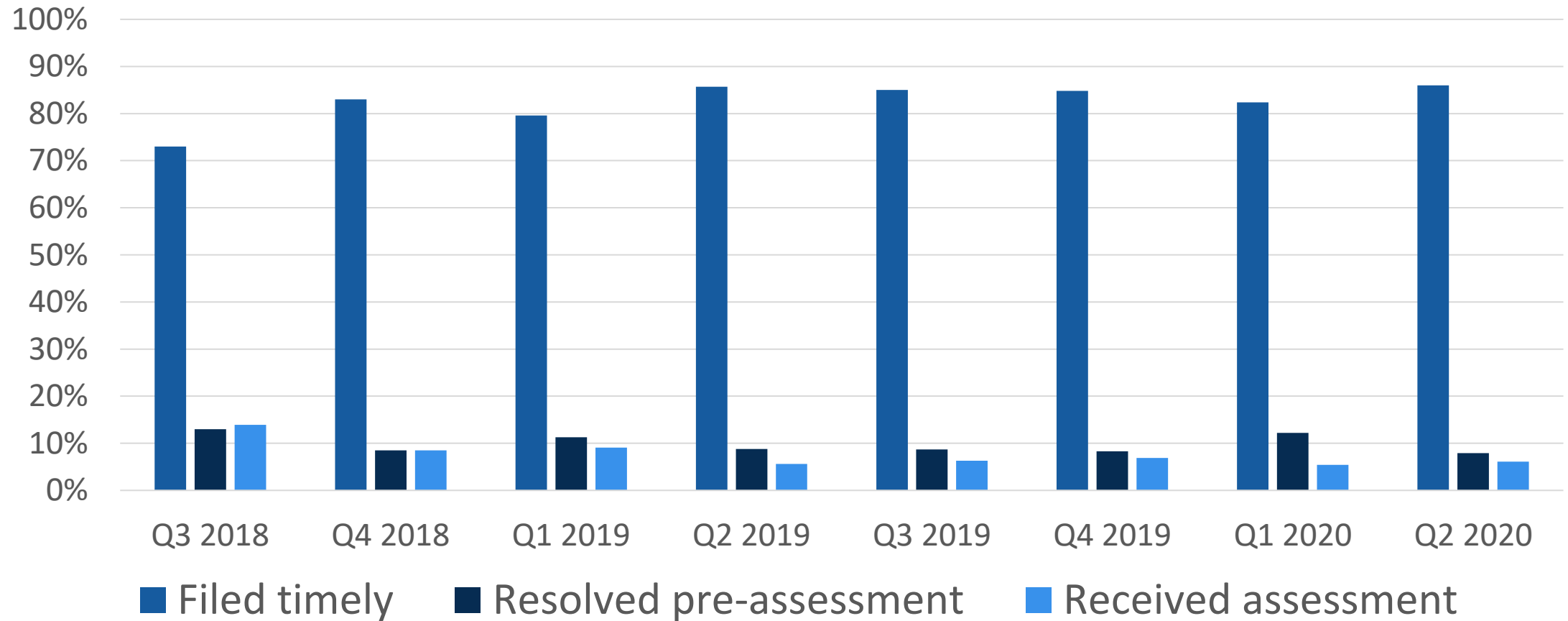


Appeals

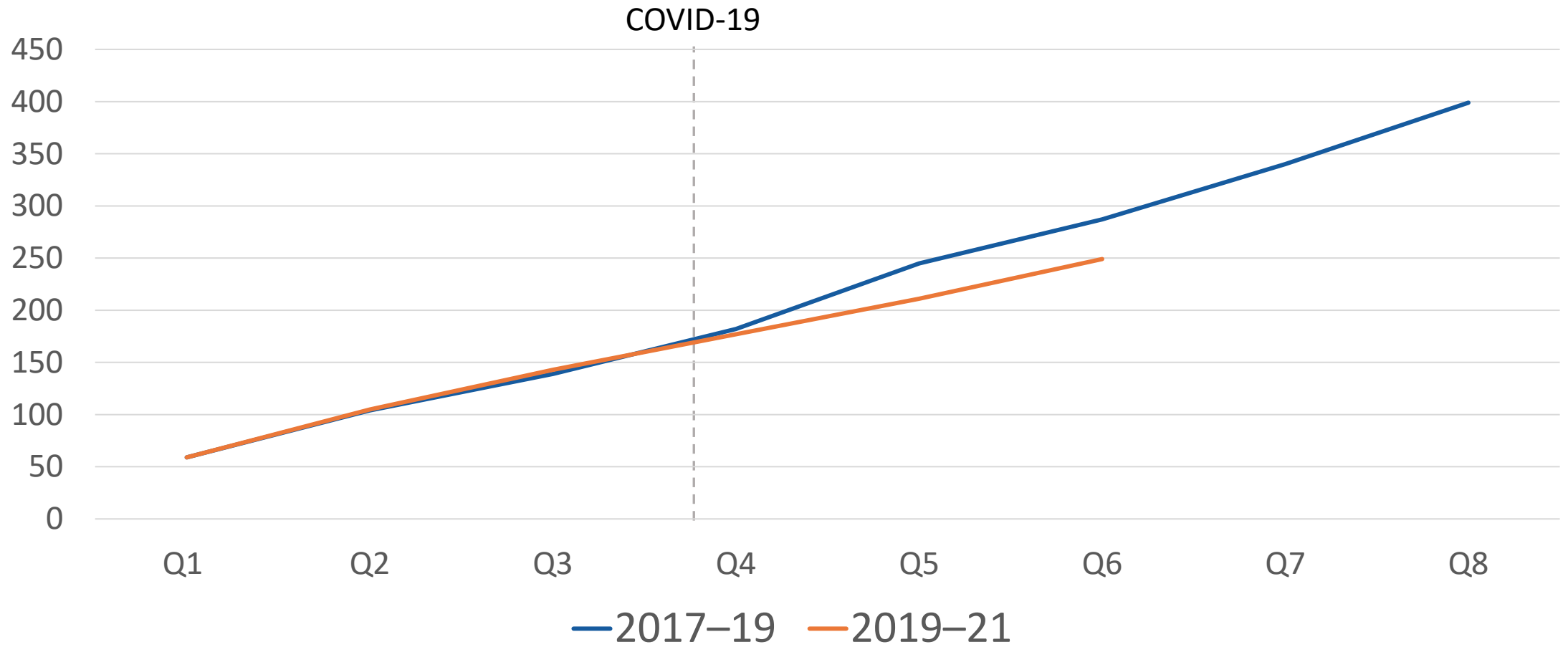
Withholding Compliance



Statewide Transit Compliance

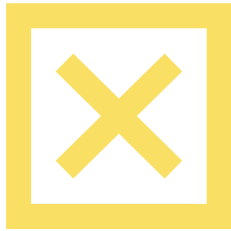


Corporate Audits Completed



Key Performance Measures

KPM #8



Direct Enforcement Dollars
Cost of Funds
Target: \$0.20
Actual: \$0.21

KPM #10



Cost of
Assessments
Target: \$0.18
Actual: \$0.06

Challenges



New tax programs



System work



Local government needs

New Tax Programs



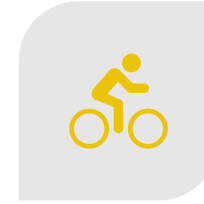
Statewide
Transit Tax



Vehicle
Privilege Tax



Vehicle
Use Tax



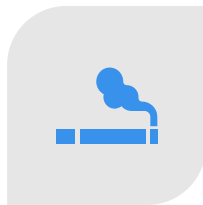
Bicycle
Excise Tax



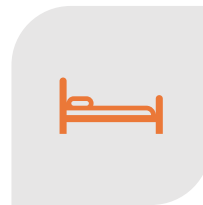
Heavy
Equipment
Rental Tax



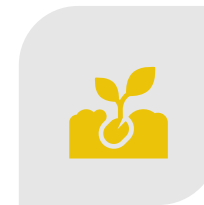
High Hazard Oil
Train Fee



Tobacco and
inhalant delivery
systems



Local
Lodging Tax
Administration



Marijuana
Retail Tax



Corporate
Activity Tax

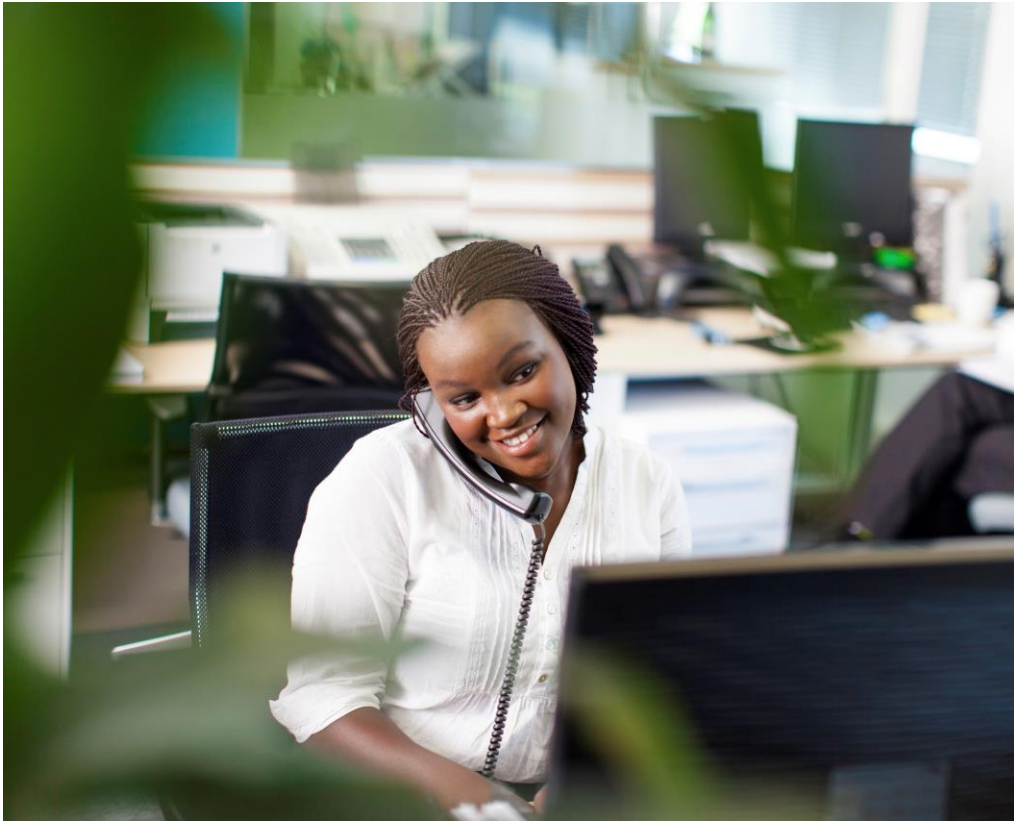


Other Changes

Market-based apportionment

Dedicated phone line

1099-K and 1099-NEC





Cost Containment

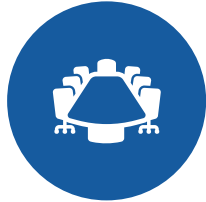


Electronic filing
Bulk filing
Combined voucher
Postage

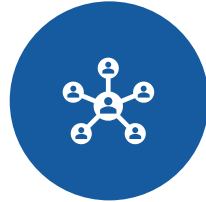
Partnerships and Stakeholders



Oregon
Employment
Department



Department of
Consumer and
Business Services



Interagency
Compliance
Network



Multistate Tax
Commission



Oregon
Lottery



Tax
Professionals



Federation of Tax
Administrators



Internal
Revenue Service



Small Business
Development
Centers



Local
Governments

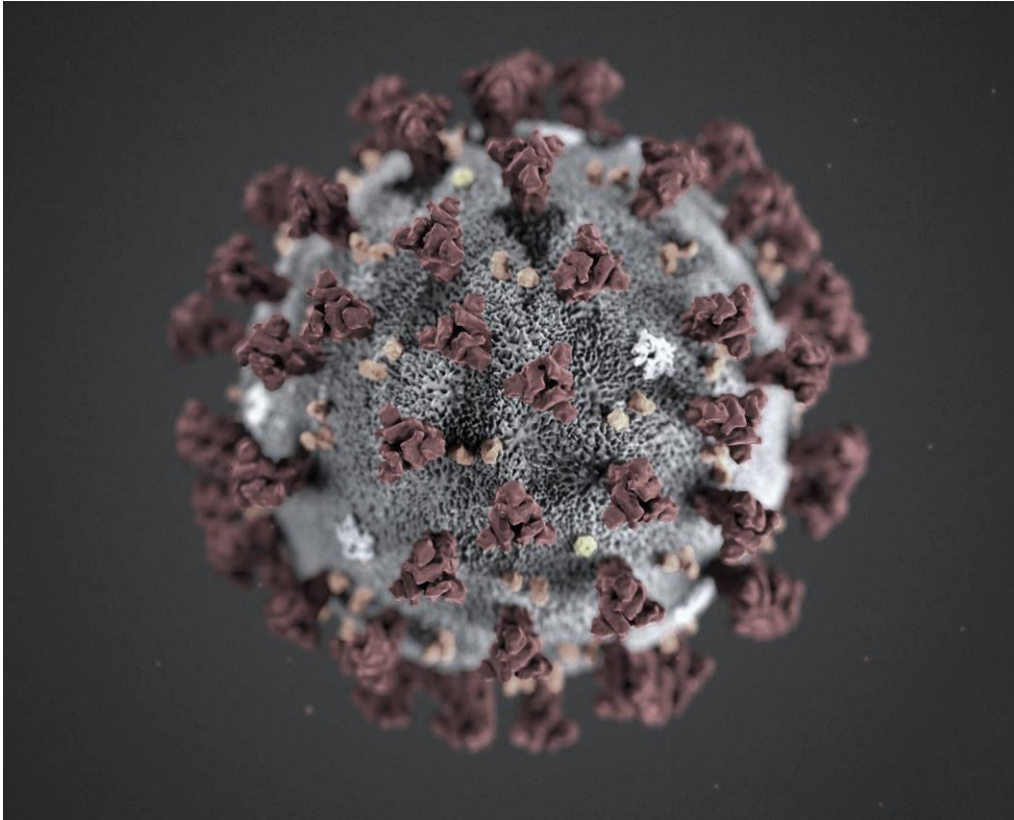


COVID-19 and Wildfire Relief

Fewer outreach events

Tax relief, penalty and interest waivers

Audit and compliance work changes





Cigarette and Tobacco Tax

Policy Option Package 104

Provides \$1,330,419 Other Funds to fund 6.00 full-time equivalent positions to implement House Bill 2270 (2019) passed by voters in November 2020. This referendum increased taxes on cigarettes, made changes to cigar taxes, and expanded taxes on vaping products.



Collections Consolidation

Policy Option Package 106

Shifts \$3,387,096 General Fund, \$1,926,047 Other Funds, and 27.56 full-time equivalent positions to the Collections Division to comply with legislative direction to consolidate all collection functions into a single division.

No additional funds requested.



Psilocybin, EITC, and Tobacco Retail Licensure

Policy Option Package 090

Provides \$546,491 General Fund and 2.00 full-time equivalent positions for administration of Measure 109—Psilocybin.

Provides \$696,872 General Fund, \$36,676 Other Funds, and 2.95 full-time equivalent positions to support the expansion of the Earned Income Tax Credit for taxpayers with individual taxpayer identification numbers.

Business Division Budget

	General Fund	Other Funds	Total Funds	Pos.	FTE
2019–21 LAB	23,660,861	13,054,626	36,715,487	162	155.10
2021–23 CSL	25,120,857	13,335,699	38,456,556	153	152.06
2021–23 GRB	22,723,884	12,665,867	35,389,751	150	139.85
CSL-GRB Change	(2,396,973)	(669,832)	(3,066,805)	(3)	(12.21)

Marijuana Retail Tax



What We Do



The Marijuana Retail Tax Program began in 2016



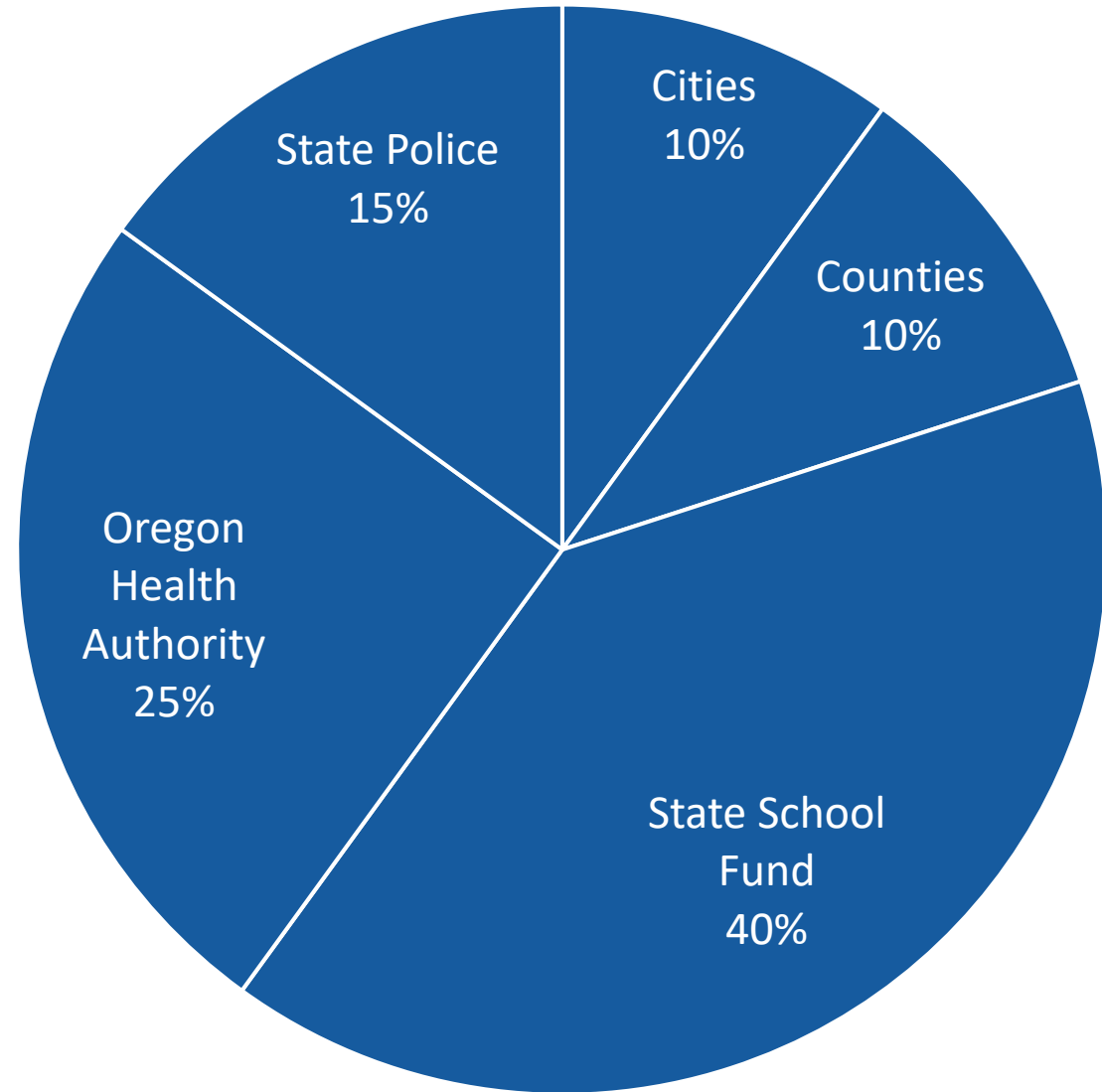
We administer the tax for 89 local government



We enter into agreements with tribal governments

Marijuana Revenue Distribution

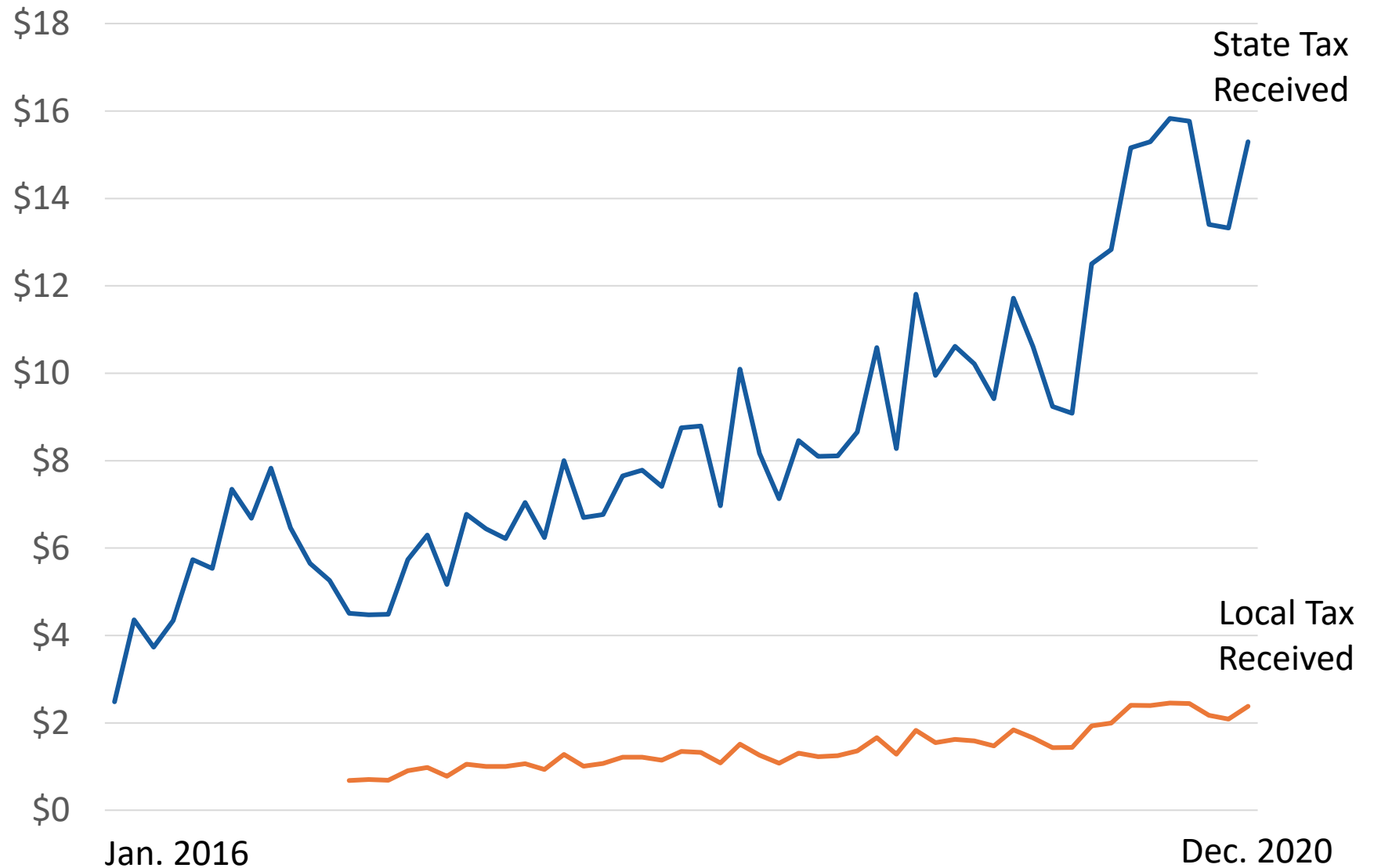
(first \$11,250,000/quarter)



By the Numbers

There are 663 registered marijuana retail locations, a 26 percent increase over 2019.

Monthly Marijuana Tax Receipts Since Inception (in Millions)





Challenges

Cash processing

Enforcement activities

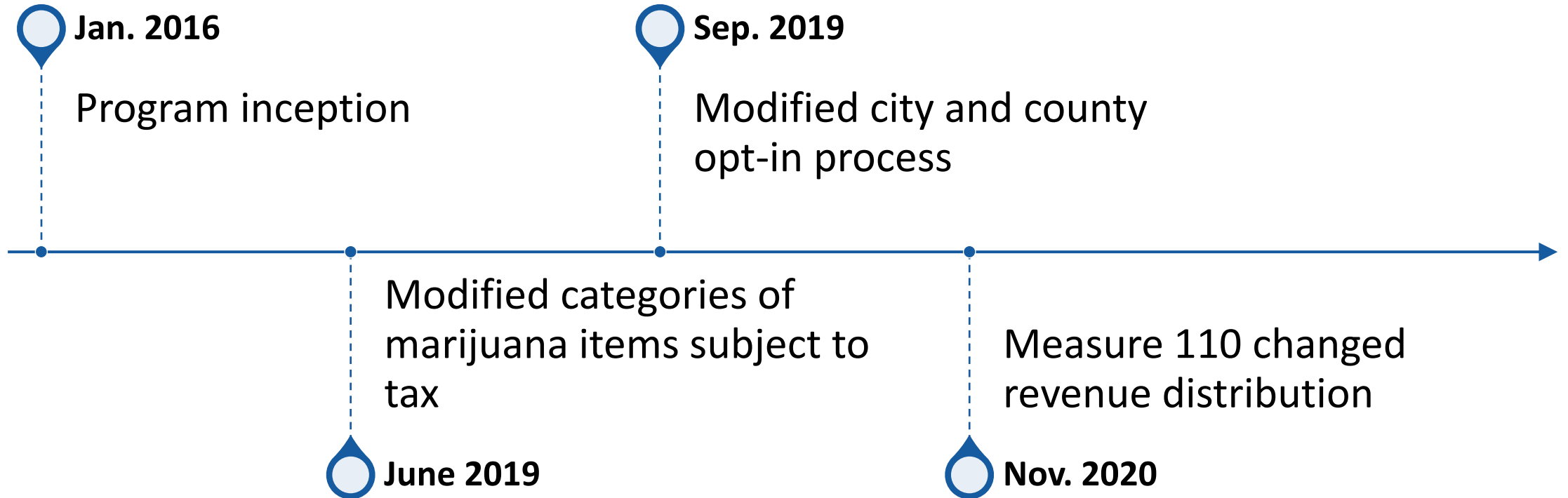
DOR costs recovered

Deschutes County lawsuit

COVID-19 and wildfires



Program Changes



Partnerships



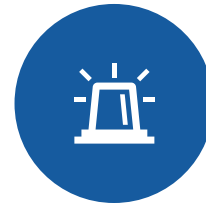
Oregon Liquor
Control
Commission



Oregon
Department of
Justice



Department of
Administrative
Services



Law
Enforcement



City
Governments



County
Governments

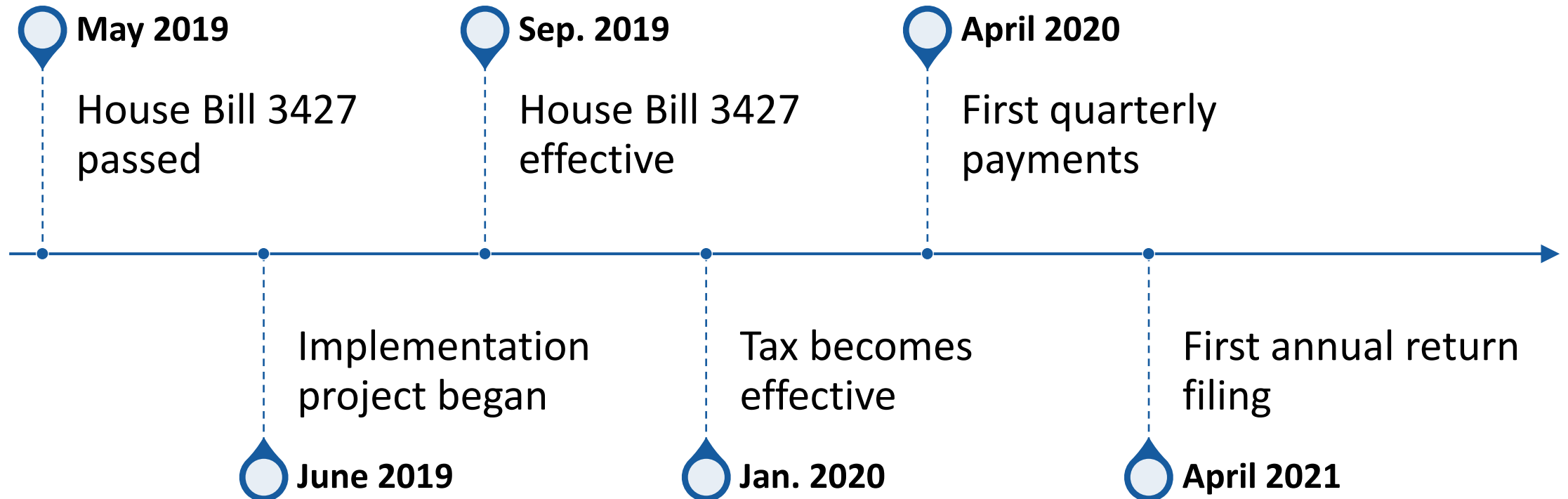
Marijuana Division Budget

	General Fund	Other Funds	Total Funds	Pos.	FTE
2019–21 LAB	-	4,609,158	4,609,158	16	15.76
2021–23 CSL	-	4,926,318	4,926,318	16	16.00
2021–23 GRB	-	4,840,400	4,840,400	16	16.00
CSL-GRB Change	-	(85,918)	(85,918)	-	-



Corporate Activity Tax
Fund for Student Success

Providing What Taxpayers Need to Comply



Implementation Status

Project Purpose: Implement the Corporate Activity Tax by creating and staffing the CAT program section and configuring DOR's IT systems to manage the new tax.

Start
June
2019



Finish
July
2021

Budget and Staffing

On track



**Communication
and Outreach**

On track



Policy and Systems

On track

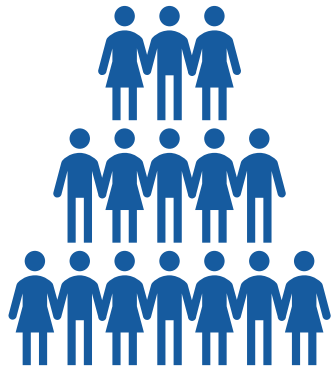


**IT Systems
Configuration**

Behind schedule



By the Numbers



21,032

Registered CAT
taxpayers (Jan. 2021)

25,204 

 **\$818M**

Quarterly estimated
payments (Jan. 2021)



\$627M

Disbursements to Fund
for Student Success

Outreach and Communication Since Inception



Sent 736,000 letters to businesses



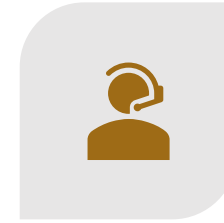
Issued 42 press releases



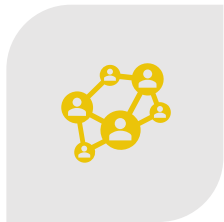
Sent 61 email updates



Responded to 4,100 emails



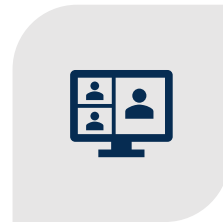
Answered 11,000 phone calls



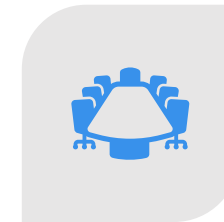
Twitter and LinkedIn



Outreach tours



Virtual public meetings



Met with industry groups



Website

Challenges



Potential for changes since it is a new program



Work left to complete



Customer service during first filing season



Taxpayer and tax professional education



Resources for Program Operations

Policy Option Package 105

Provides \$4,642,013 Other Funds and 17.76 full-time equivalent positions for the Corporate Activity Tax program administrative support.

Corporate Division Budget

	General Fund	Other Funds	Total Funds	Pos.	FTE
2019–21 LAB	108,398	11,536,916	11,645,314	66	37.75
2021–23 CSL	-	20,682	20,682	-	-
2021–23 GRB	-	4,668,812	4,668,812	21	17.76
CSL-GRB Change	-	4,648,130	4,648,130	21	17.76



Katie Lolley

Business Division Administrator

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Property Tax Division

Joint Committee on Ways and Means
Subcommittee on General Government

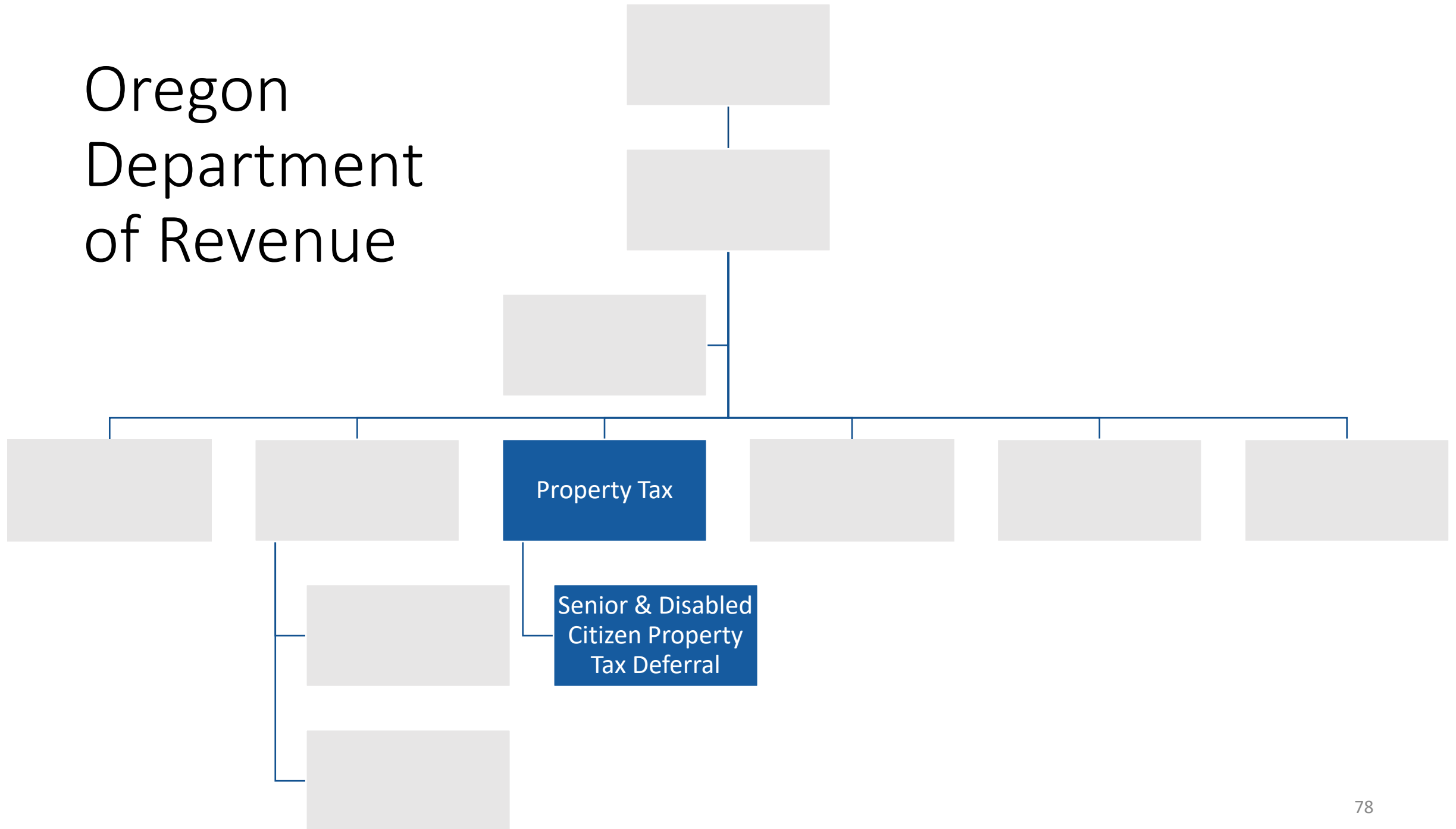
March 2021

Bram Ekstrand, Property Tax Division Administrator

Topics

- 01** Division Overview
- 02** Property Tax System Oversight
- 03** Timber Tax Programs
- 04** Industrial Valuation and Central Assessment
- 05** Key Performance Measures
- 06** Challenges
- 07** COVID-19 and Wildfire Relief
- 08** Budget
- 09** Senior & Disabled Citizen Property Tax Deferral

Oregon Department of Revenue



What We Do



We oversee the property tax system and provide technical assistance to local governments



We determine the value of private forestland and administer timber tax programs



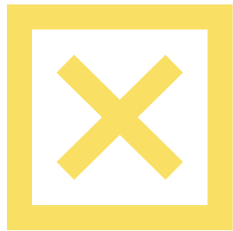
We value industrial and centrally assessed property



We support bringing in \$14 billion in county property tax revenue this biennium

Key Performance Measures

KPM #6



Appraisal Program Equity
and Uniformity

Target: 98%

Actual: 97%

KPM #7



Appraisal Value
Uniformity

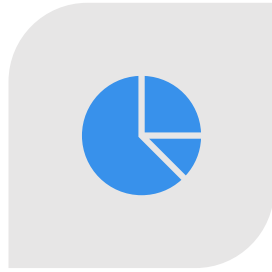
Target: 20%

Actual: 12%

Oversight and Technical Assistance



Administer
CAFFA grant
program



Review ratio
reports



Provide
appraiser
training



Provide
mapping
standards and
services

Process Boundary Changes in Half the Time

Completed
within 30 days

Statutory
requirement

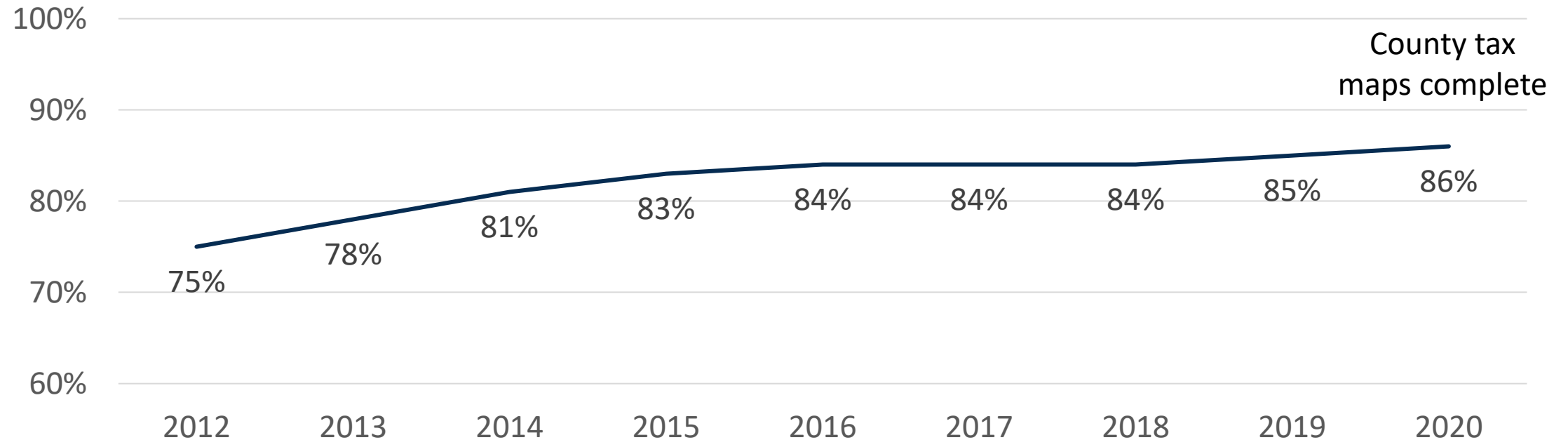


Completed 82
percent within
14 days

Actuals
2019–20



Digital Mapping Progress with ORMAP



Forestland Valuation and Timber Taxes

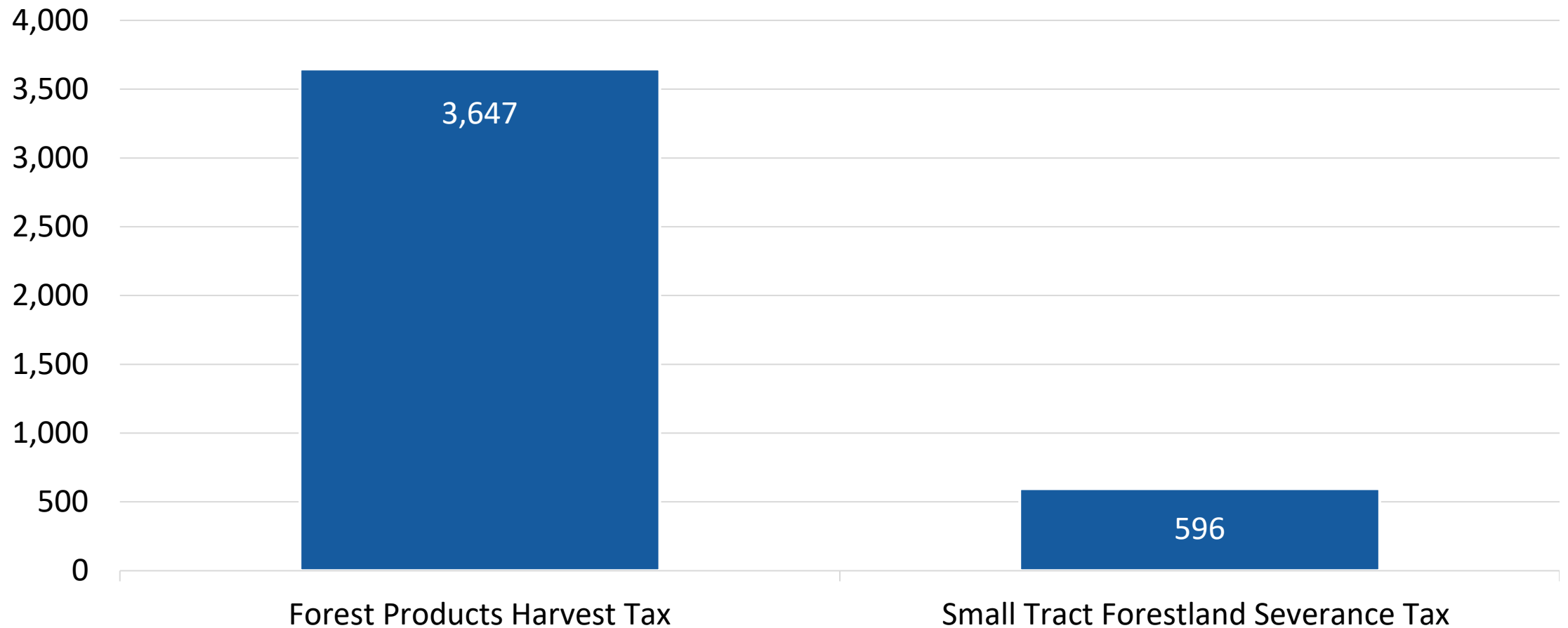
Our private forestland values
resulted in \$23.3 million in
taxes paid to counties

Timber taxes generated
about \$34 million in revenue

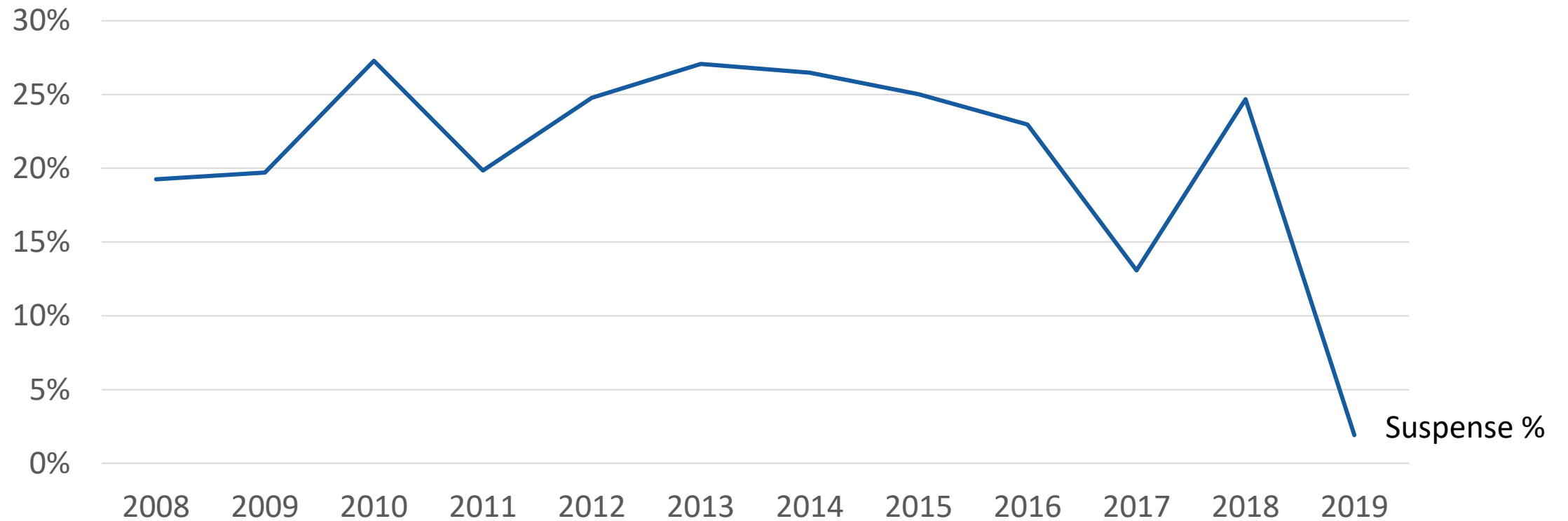
Participation in timber tax
programs is stable

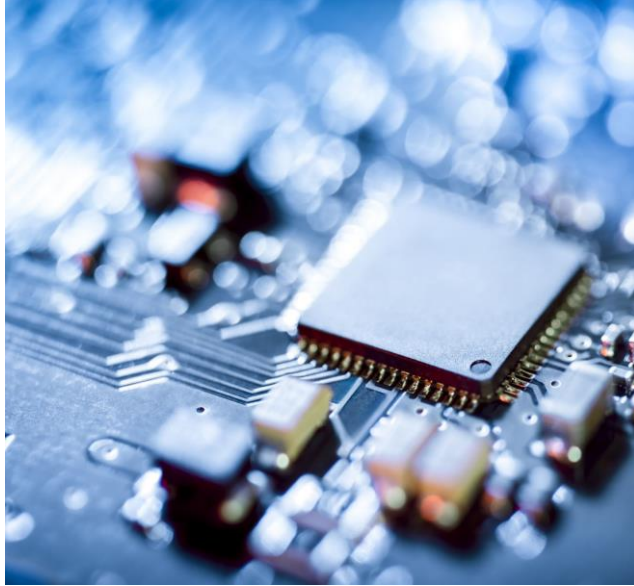


Participation in Timber Tax Programs by Number of Tax Returns



Reduced Manual Intervention of Timber Tax Program Returns in 2019





Industrial Valuation

Electronics

Wood

Technology

Food Processing

Central Assessment

Railroads

Airlines

Pipelines

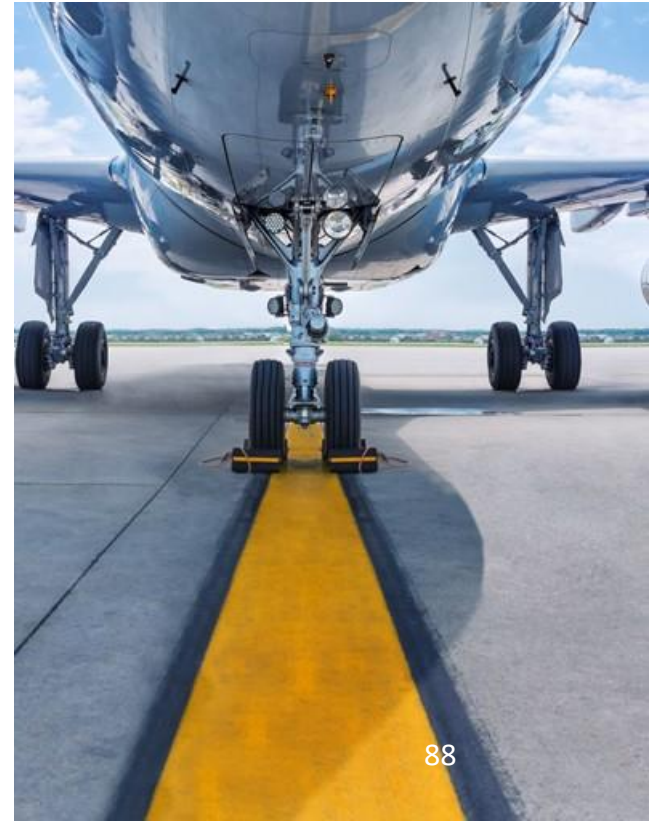
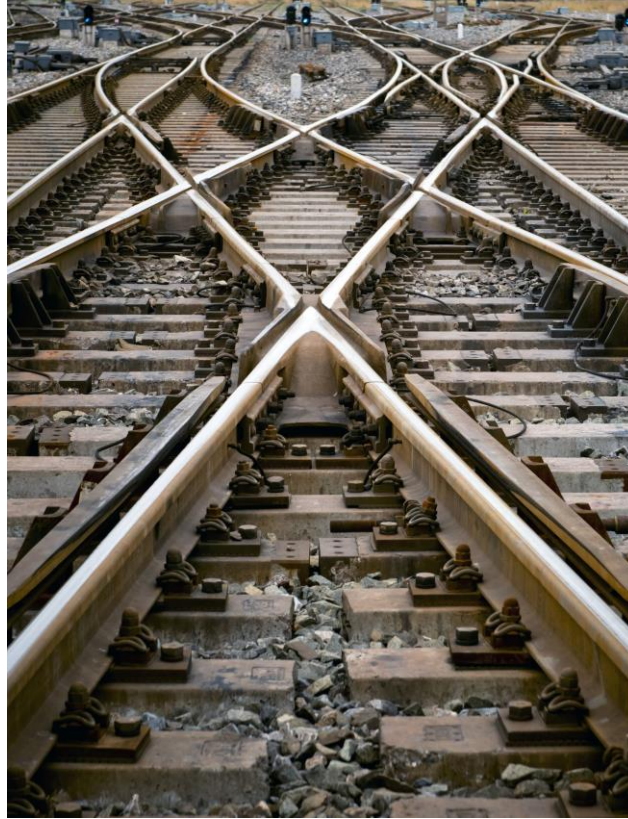
Communication
Companies

Energy

Transmission

Solar Farms

Wind Farms





Industrial Valuation and Central Assessment Risk

This program results in about \$535 million in tax revenue to local governments

The program's aging software system is becoming increasingly unstable and puts that revenue at risk

Electronic Valuation Information System (ELVIS)

Policy Option Package 102

Provides \$4,245,000 Other Funds through bond funding, \$672,270 General Fund for debt service, and 1.76 full-time equivalent positions for the Electronic Valuation Information System (ELVIS) project, which would modernize the determination of real market value for industrial accounts and central assessment companies, reducing the risk of unrealized property tax revenues.





Challenges



Economic downturns spike litigation

We are currently seeing a spike in litigation due to COVID-19

Our system is aging and puts \$535 million in revenue at risk

The amount of property we have to value is increasing every year



Cost Containment



Self-service portals for appraiser training, registration testing, and continuing education tracking



Online filing of returns and reports and payments for timber, oil and gas, small railcar, and CAFFA



Electronic delivery of training materials, industrial property returns, and annual statements



Added additional approval steps for DOJ legal services requests and reduced DOJ costs by 30 percent



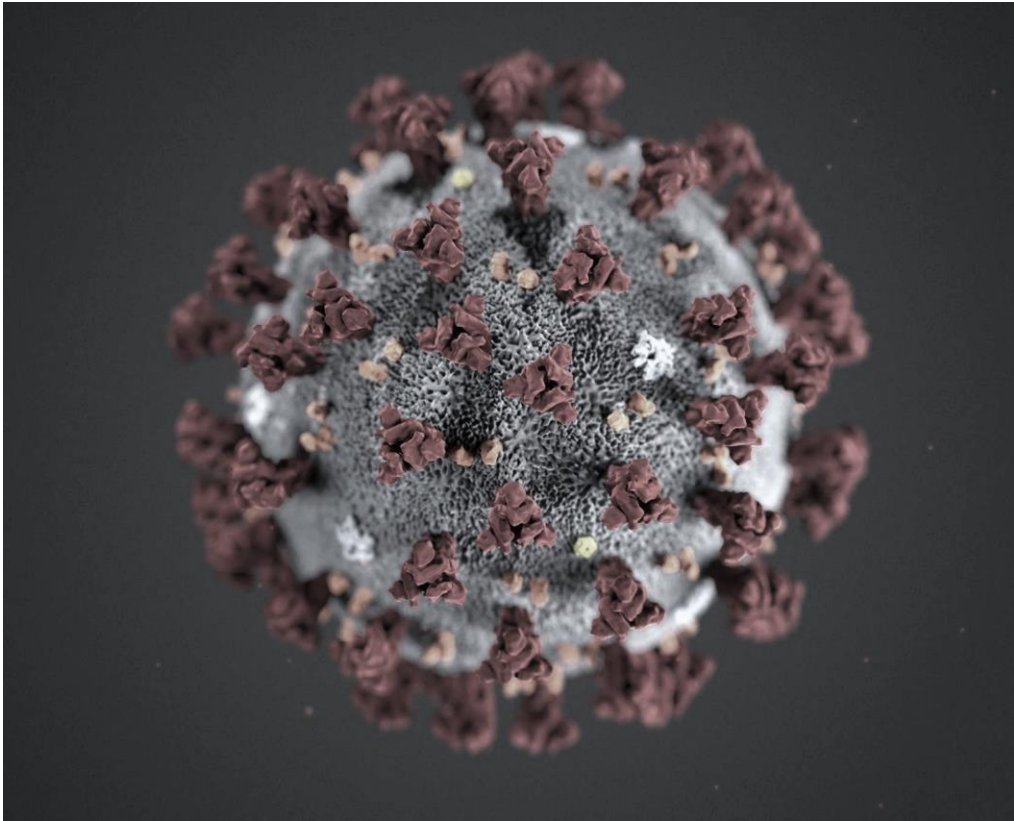
COVID-19 and Wildfire Relief

Waived late-filing penalties for delays

Approved hardship waivers

Provided virtual appraiser training

Monitoring appraiser registration testing online



Property Tax Division Budget

	General Fund	Other Funds	Total Funds	Pos.	FTE
2019–21 LAB	17,447,147	43,949,920	61,397,067	81	80.13
2021–23 CSL	19,253,100	45,580,451	64,833,551	80	79.25
2021–23 GRB	19,078,268	45,432,218	64,510,486	80	79.25
CSL-GRB Change	(174,832)	(148,233)	(323,065)	-	-

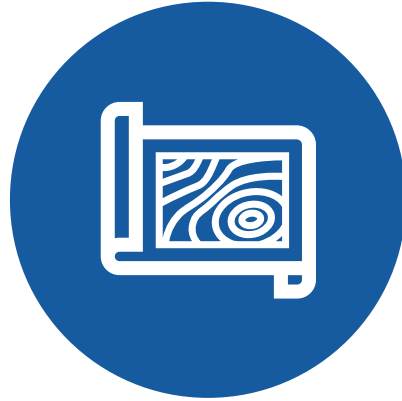


Senior & Disabled Citizen
Property Tax Deferral

How It Works



Seniors and people with disabilities apply to the program



The state pays their county property tax if they qualify



DOR recovers the taxes when the property no longer qualifies, such as when the home is sold

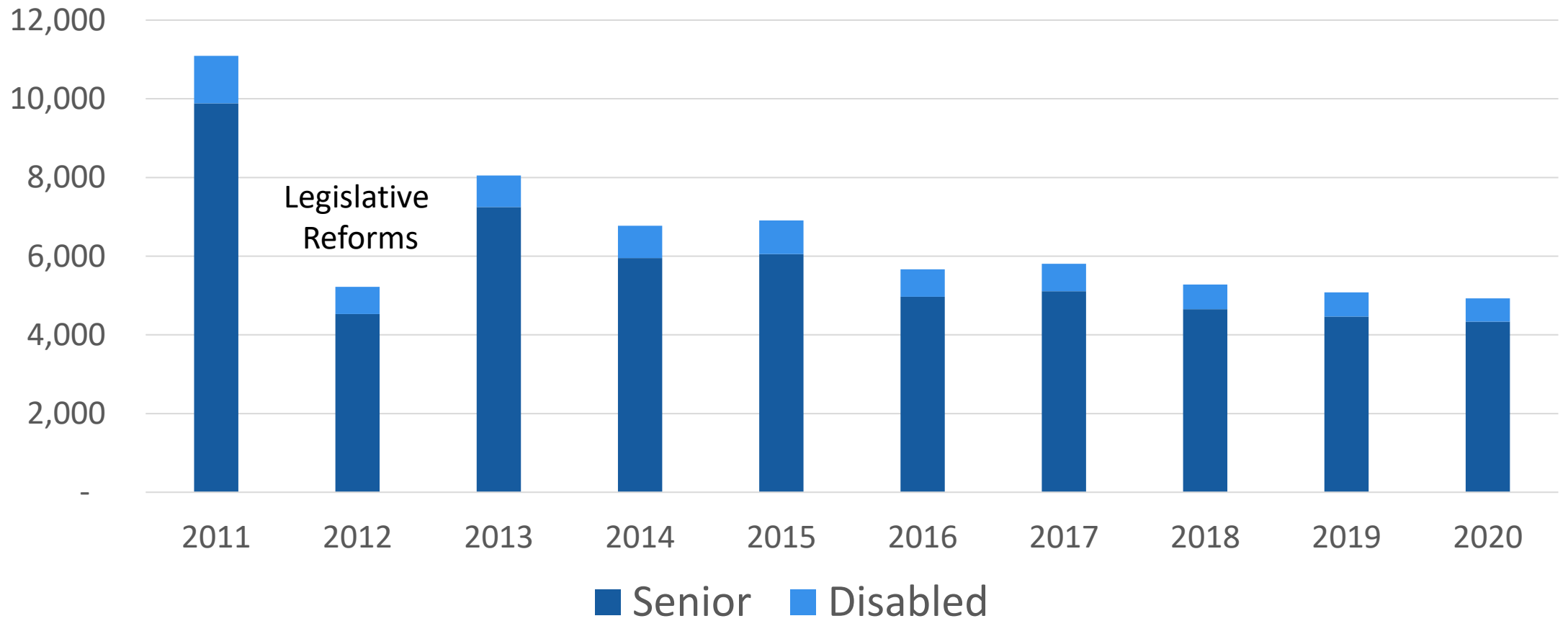
By the Numbers

We pay about \$13 million on behalf of participants annually

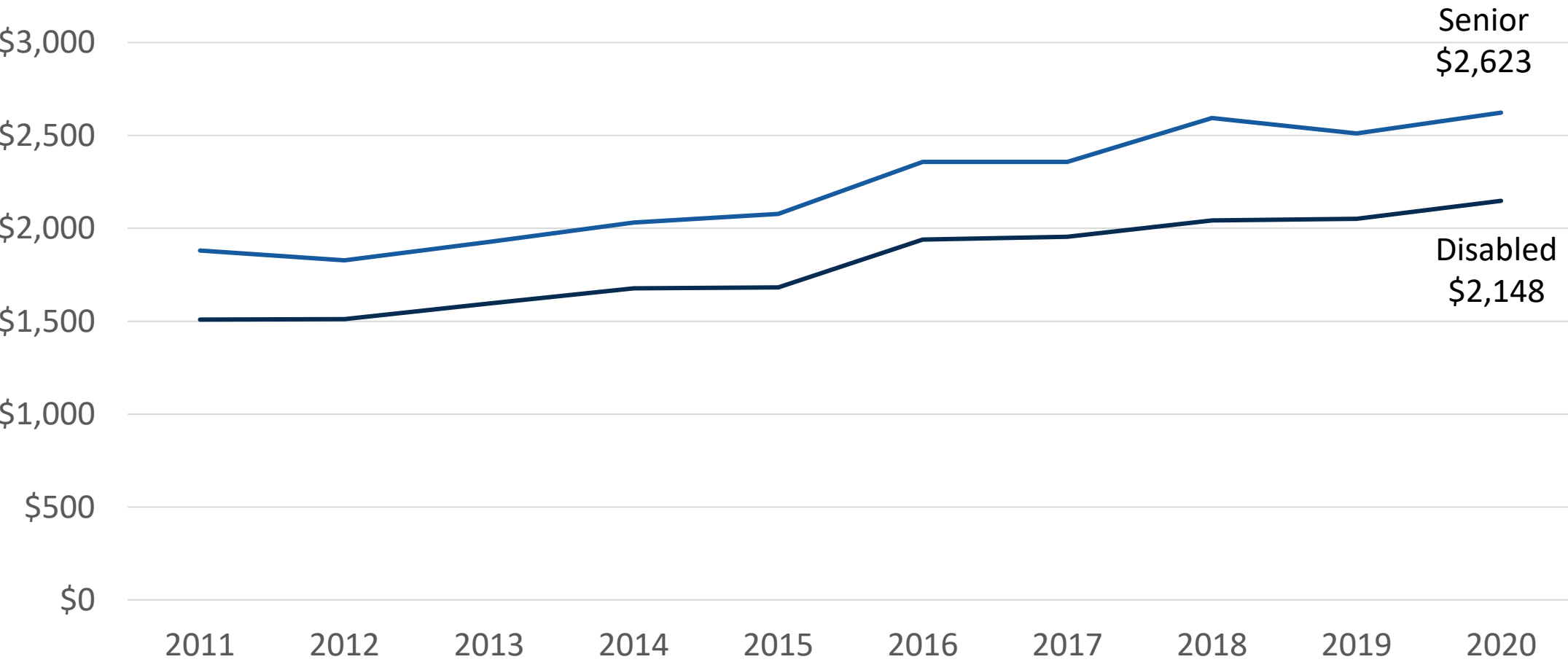
We help keep about 5,000 people in their homes



Program Participation



Average Tax DOR Pays per Household per Year

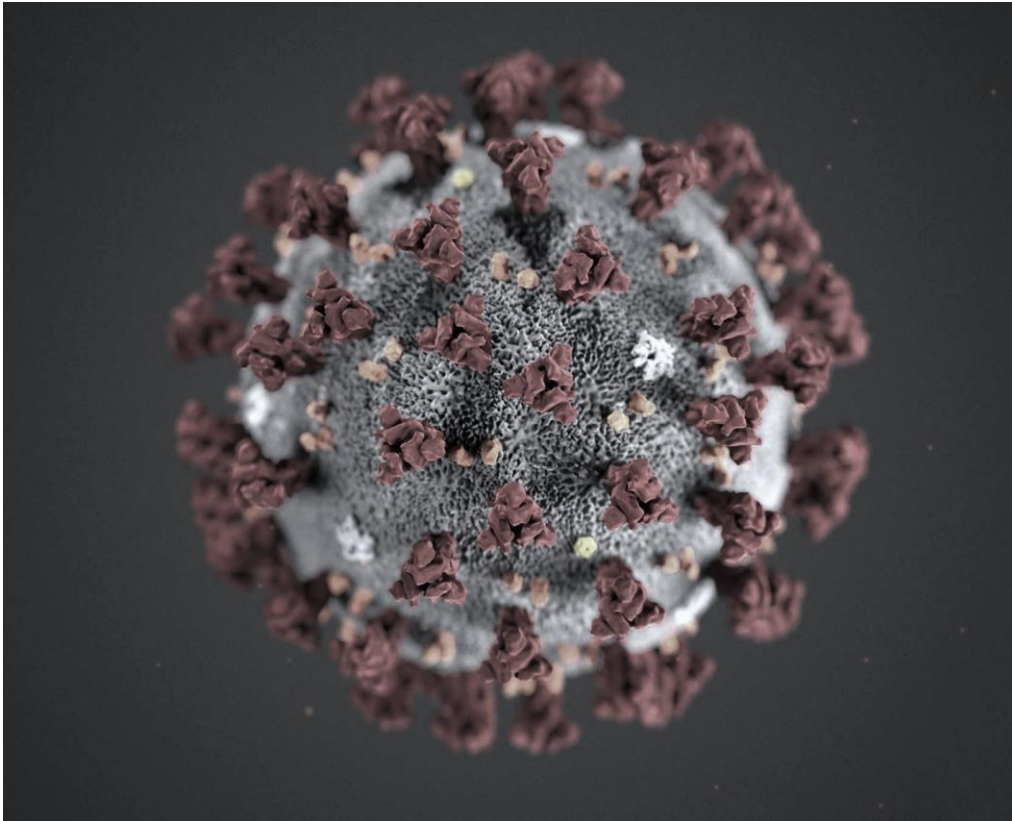




COVID-19 Relief

We extended the application period

We processed 134 additional applications



Senior & Disabled Citizen Property Tax Deferral Program Budget

	General Fund	Other Funds	Total Funds	Pos.	FTE
2019–21 LAB	-	33,822,890	33,822,890	8	7.75
2021–23 CSL	-	35,426,437	35,426,437	8	7.75
2021–23 GRB	-	35,413,129	35,413,129	8	7.75
CSL-GRB Change	-	(13,308)	(13,308)	-	-



Bram Ekstrand

Property Tax Division Administrator

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Collections Division

Joint Committee on Ways and Means
Subcommittee on General Government

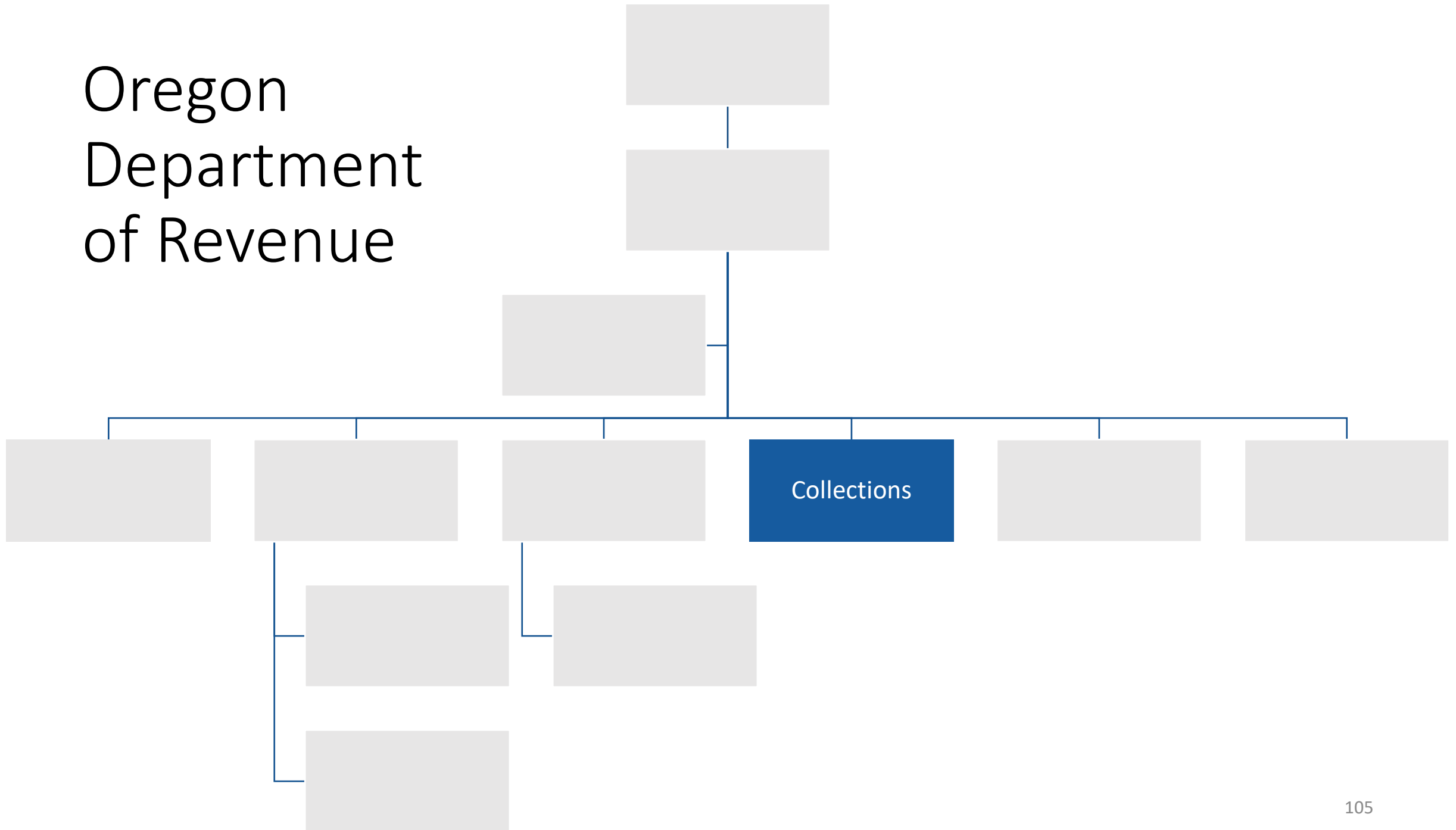
March 2021

Deanna Mack, Collections Division Administrator

Topics

- 01** Division Overview
- 02** Debt Portfolio
- 03** Key Performance Measures
- 04** Challenges
- 05** COVID-19 and Wildfire Relief
- 06** Budget

Oregon Department of Revenue



Background

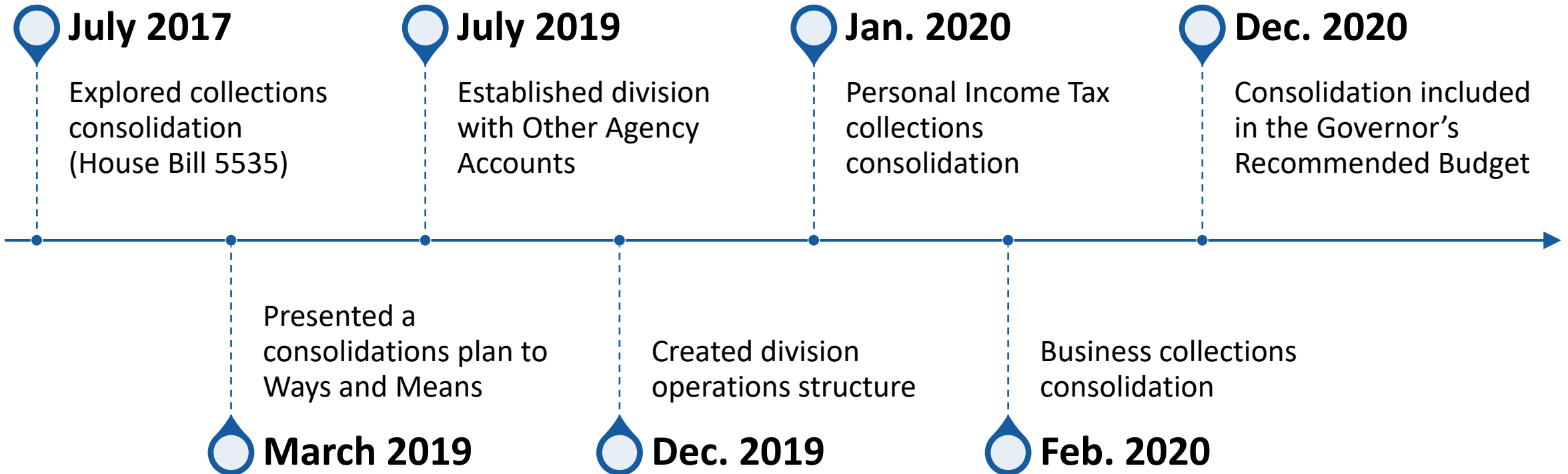
Tax collections spread throughout the agency

Other Agency Accounts unit provides services for 185 entities

Legislature created Collections Division in 2019



Consolidation Timeline



Debt Portfolio



Tax debt under normal billing or in active collection by DOR



Other Agency Accounts in active collection by DOR



Debt assigned to private collection firms (both tax debt and Other Agency Accounts)

How We Collect



Normal billing



Active collection
by DOR



Private collection
firms

2020 Debt Collection Rates

17.2%
collection rate



Tax debt collected
at DOR

8.9%
collection rate



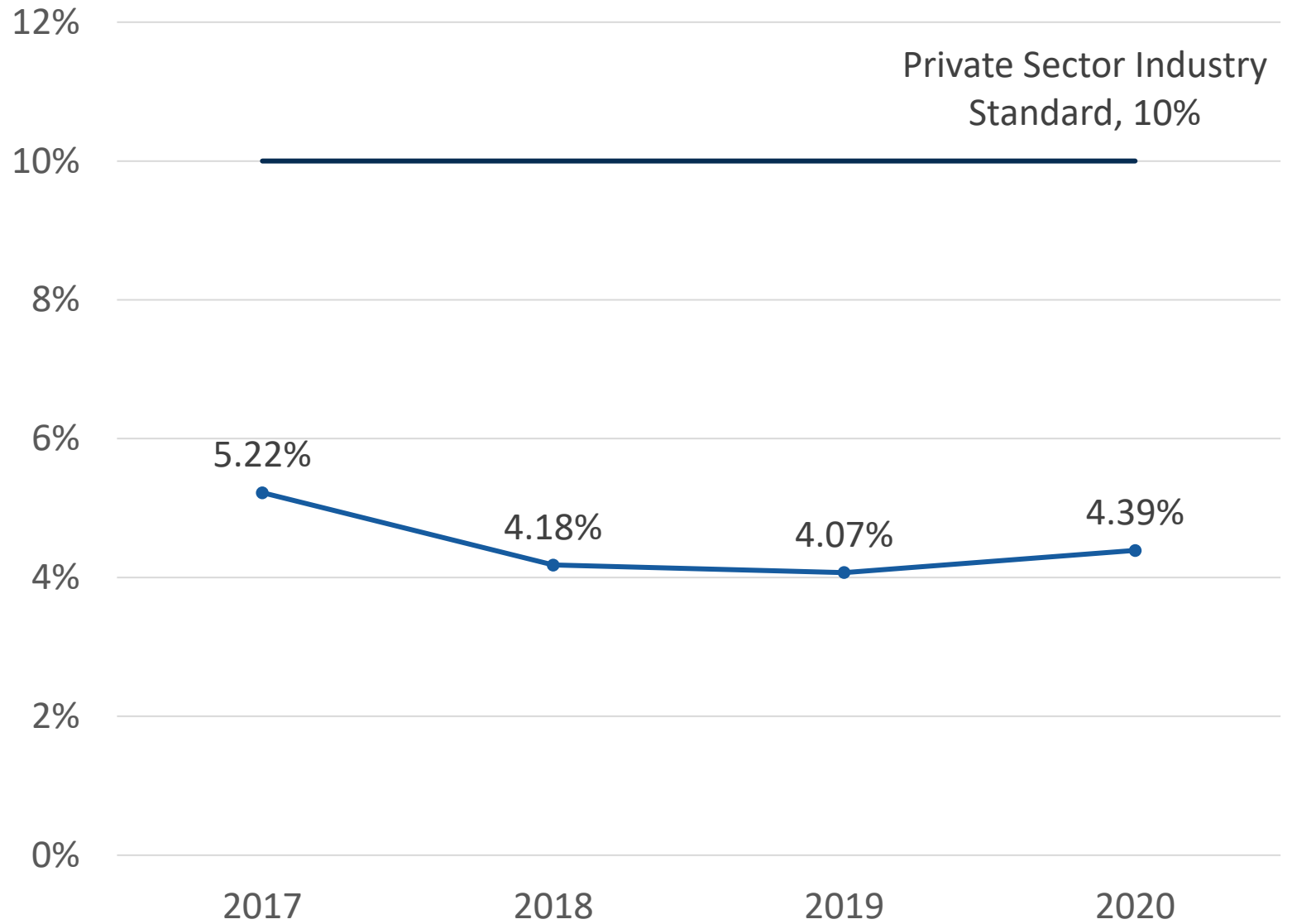
Other Agency
Accounts collected
at DOR

1.7%
collection rate

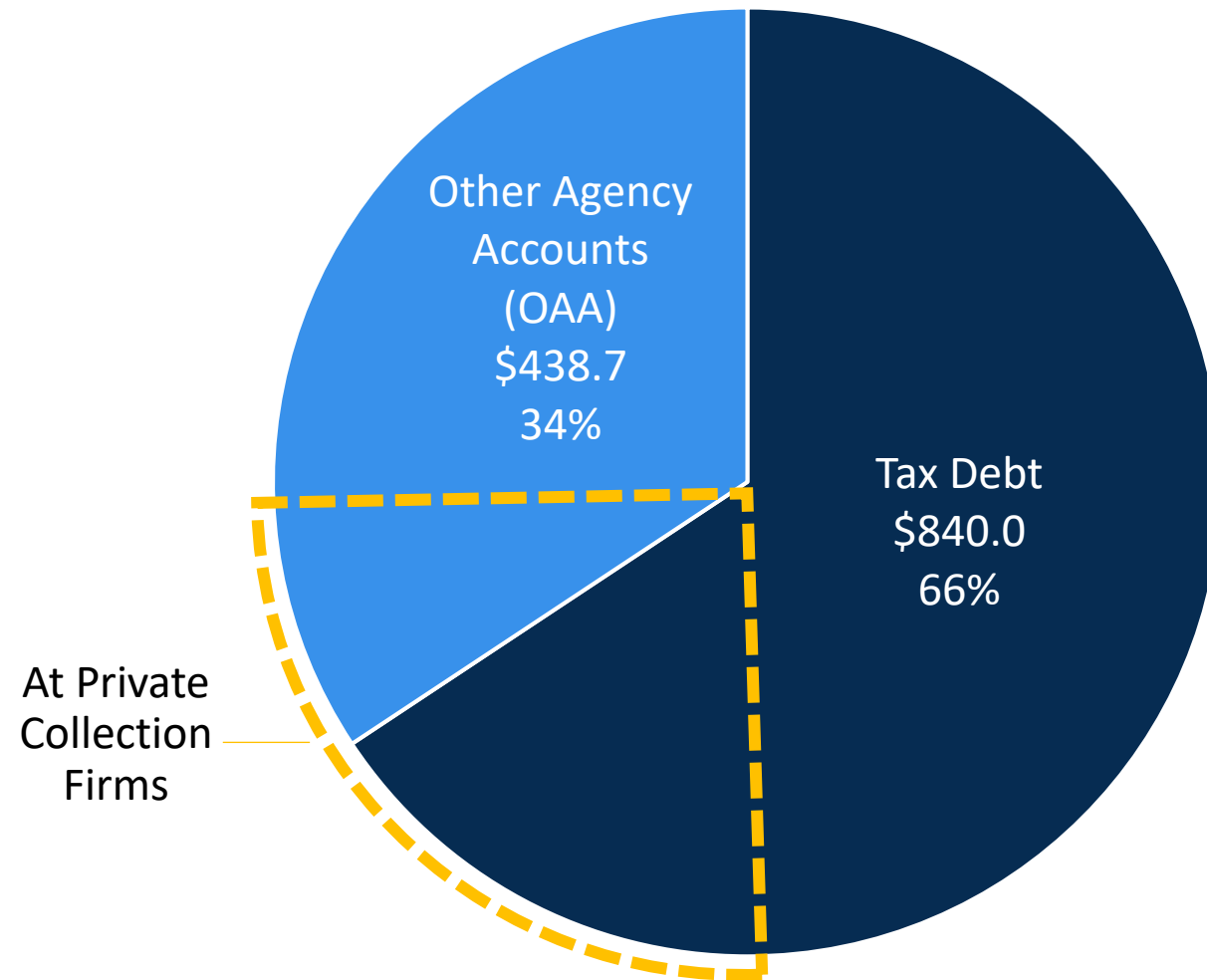


Debt assigned to
private collection
firms

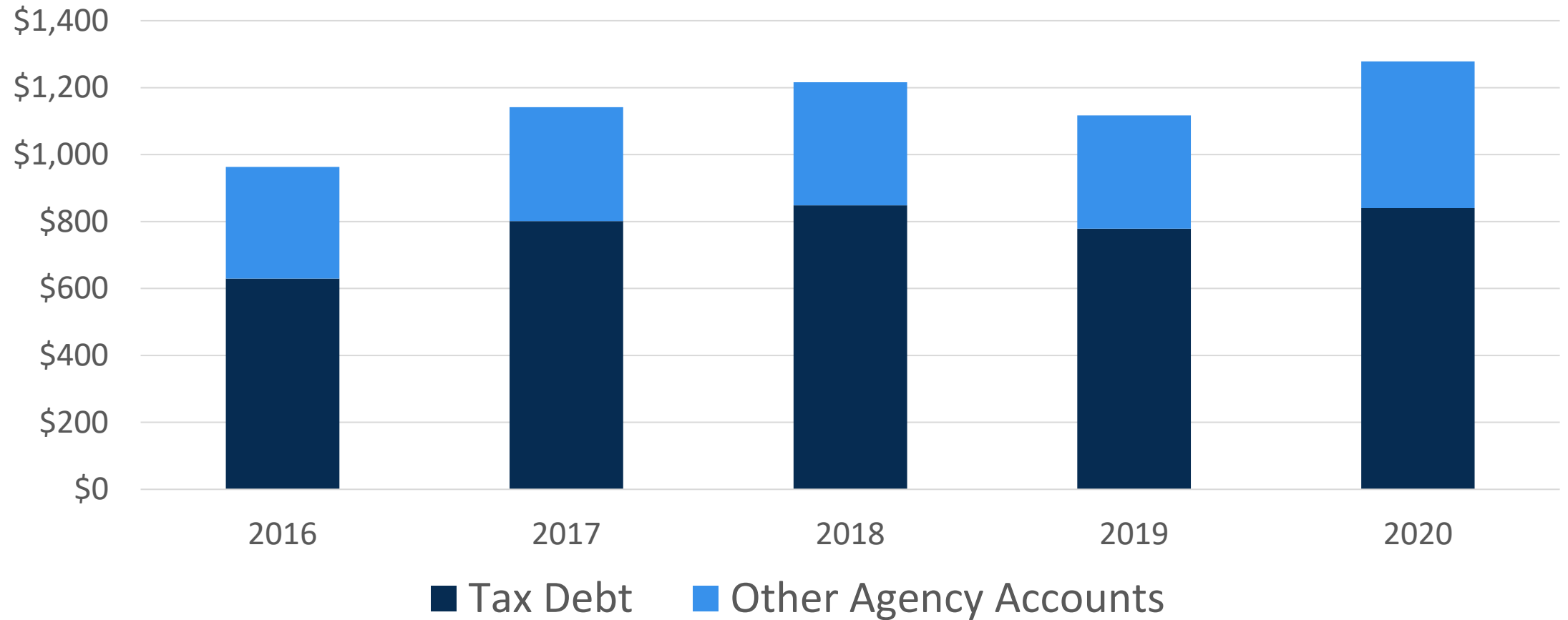
About 5 percent of taxes we collect every year end up being severely past due



Debt Inventory (in Millions)

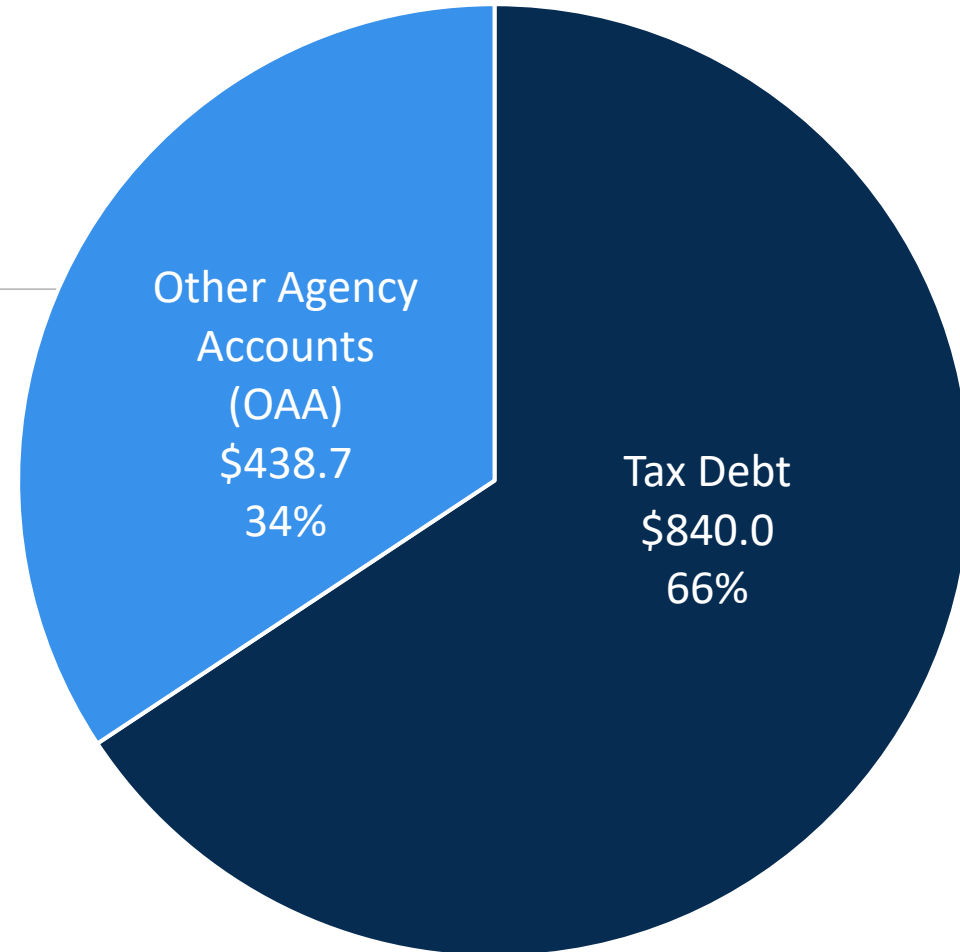


Historical Debt Inventory (in Millions)



Composition of Other Agency Accounts

Agency	Amount (millions)
OJD	\$208.0
DCBS	\$84.3
Employment	\$47.8
OHSU	\$19.6
BOLI	\$8.0
Others	\$71.0
Total	\$438.7



Uncollectable Debt in Fiscal Year 2020



\$1.4 million forgiven in
settlement offers



\$42.4 million in write-offs



\$20.6 million in cancellations

Our 2021–23 Collection Projections



Other Agency Accounts: about \$90 million



Tax Collection: about \$430 million



Based on historic monthly collections

Key Performance Measure

KPM #9



Collection Dollars
Cost of Funds

Target: \$0.10

Actual: \$0.10

Challenges

High unemployment may cause taxpayers to have unexpected tax bills in 2021

COVID-19 relief options slow progress of collections on existing debt

COVID-19 safety constraints impact field collections work





COVID-19 and Wildfire Relief

Payment plan terms extended

One-time “skip payment” offered

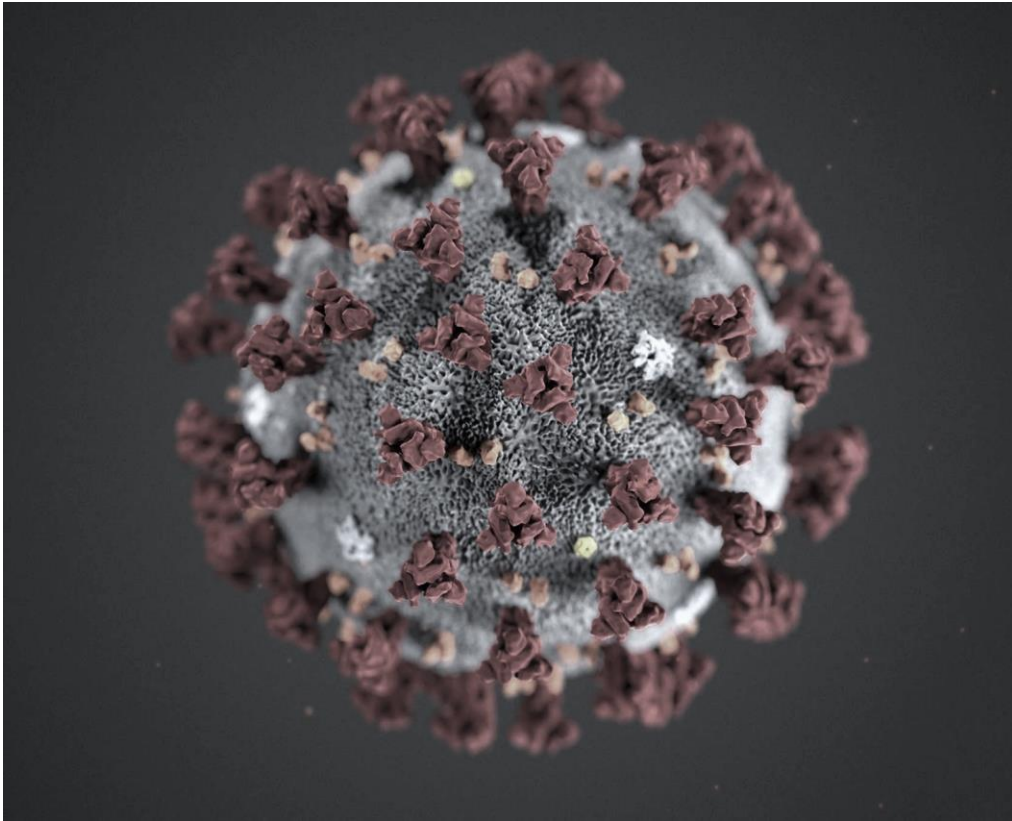
Payment plan and garnishment modifications offered

Temporary reduction in garnishments issued

Reduction in tax liens filed

NSF check penalties waived

Income tax filing due dates extended





Collection Consolidation

Policy Option Package 106

Accepts \$32,615,126 General Fund, \$2,509,373 Other Funds, and 174.56 full-time equivalent positions shifted from the Personal Tax and Compliance and the Business divisions to comply with legislative direction to consolidate all collection functions into a single division.

No additional funds requested.

Financial Institution Data Match

Policy Option Package 107

Provides \$214,500 General Fund and \$71,500 Other Funds to continue funding the Financial Institution Data Match program approved by Senate Bill 254 (2017).



Collections Division Budget

	General Fund	Other Funds	Total Funds	Pos.	FTE
2019–21 LAB	-	13,626,145	13,626,145	73	73.00
2021–23 CSL	-	14,801,885	14,801,885	73	73.00
2021–23 GRB	32,829,626	17,280,730	50,110,356	248	247.56
CSL-GRB Change	32,829,626	2,478,845	35,308,471	175	174.56



Deanna Mack

Collections Division Administrator

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Information Technology Division

Joint Committee on Ways and Means
Subcommittee on General Government

March 2021

Kathy Terman, Information Technology
Division Administrator

Topics

- 01** Division Overview
- 02** Information Technology Services
- 03** Processing Center
- 04** Major Changes and Accomplishments
- 05** Requested Budget and Desired Results
- 06** Challenges
- 07** Cost Containment
- 08** COVID-19 Relief
- 09** Budget

Information Technology Services



Provide ongoing support for the agency's computer users



Maintain and support the agency's hardware and software portfolios

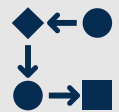


Manage the IT project portfolio and provide IT project management services

Processing Center



Process incoming paper returns and payments



Resolve posting errors for payments and returns, regardless of how the return was filed (electronic or paper)



Prepare and test processing systems; troubleshoot daily operations

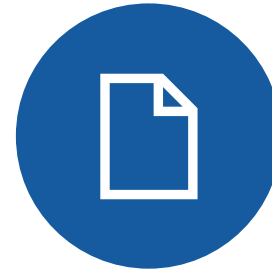
By the Numbers



Support
around 1,000
employees' IT
needs



Bank over
\$15 billion in
tax payments
annually



Process
690,000 paper
tax returns
annually

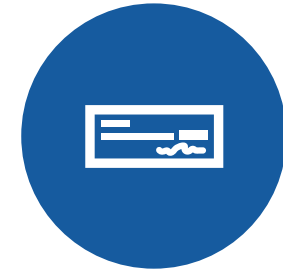


Image all check
payments and
95 percent of
paper tax
returns

Major Changes and Accomplishments



Core Systems Replacement



Processing Center Modernization



Implementing new tax programs



Auto garnishments for collections



Modernized computer hardware

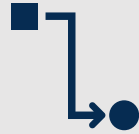


Retired older equipment



Disaster recovery

IT Strategic Plan



Develop outcome-based management rooted in processes and procedures

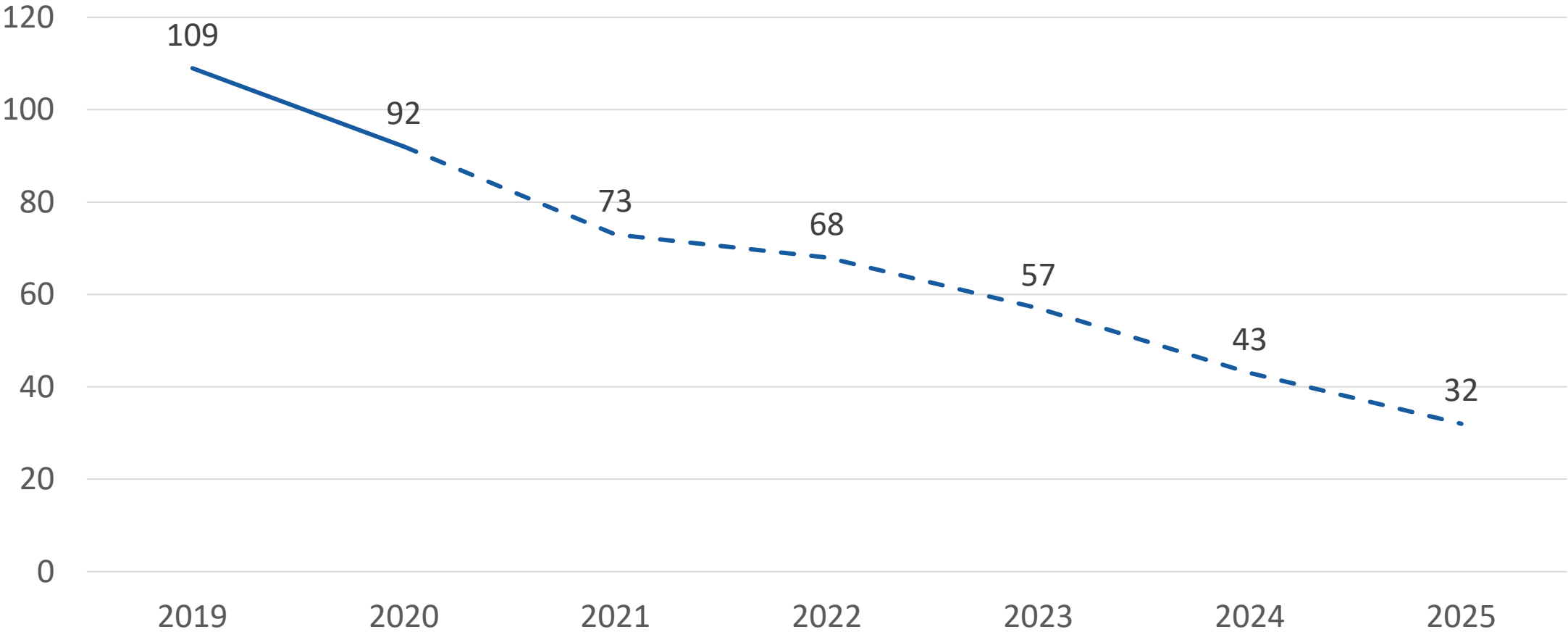


Optimize and modernize infrastructure and application portfolios

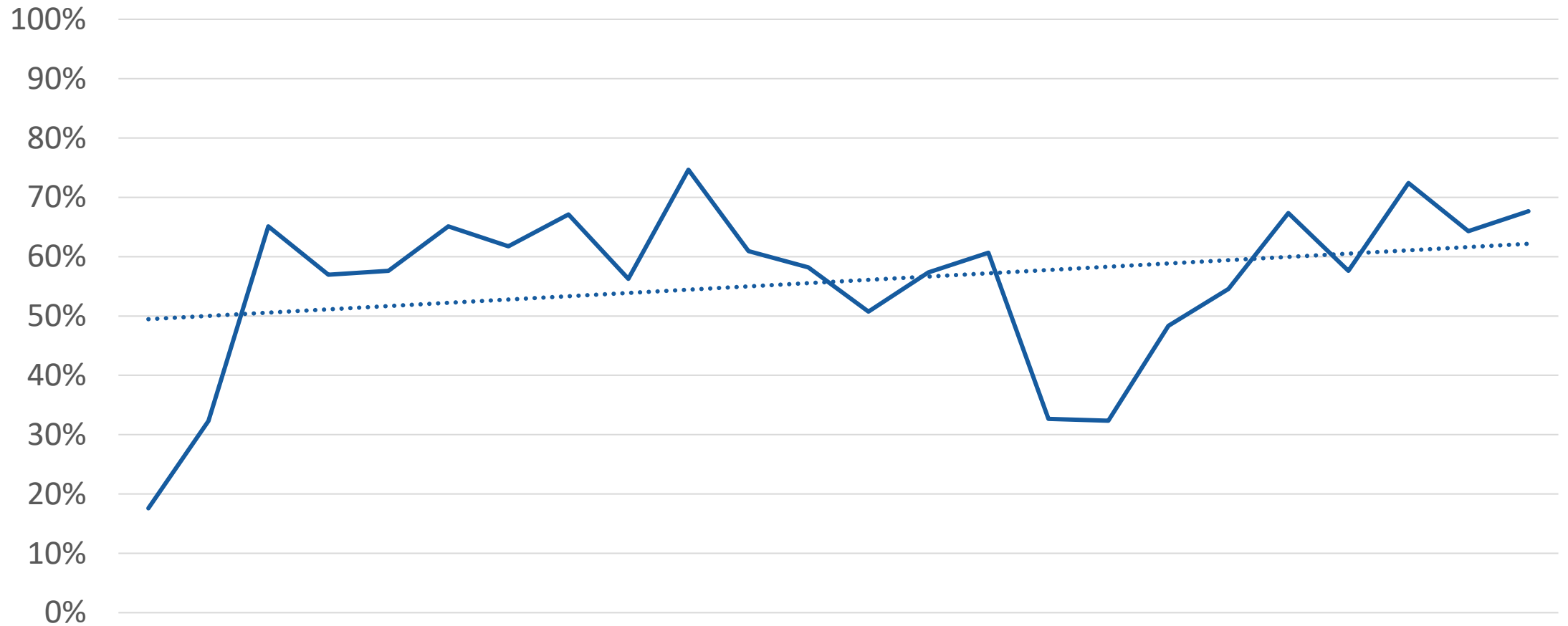


Build our employees' skills today to equip the agency with the capabilities of tomorrow

Simplifying Our Software Application Portfolio

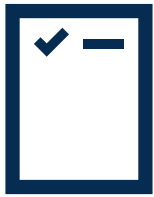


Increasing Our GenTax Expertise



Monthly percentage of change requests completed by DOR (July 2018 – June 2020)

GenTax Change Request (SQR) Examples



Simple Request

Changing a signature
on a form



Medium Request

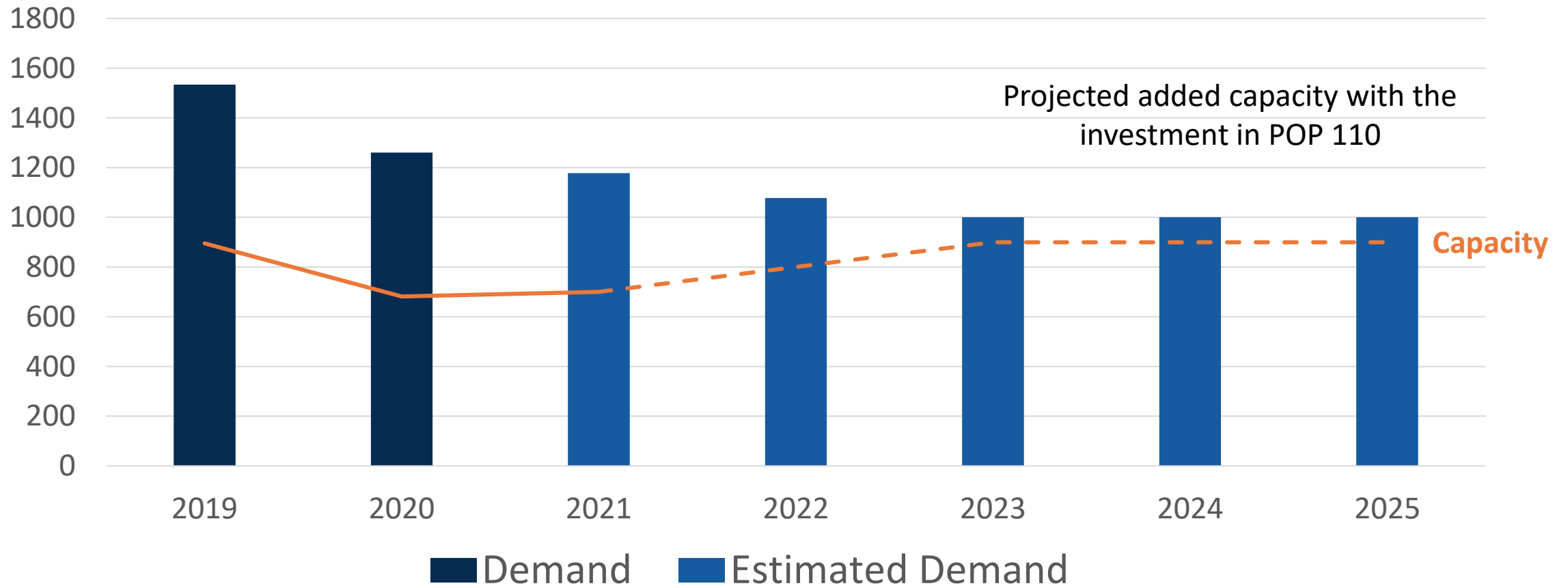
Clarifying language
in a letter series



Complex Request

Implementing the Corporate
Activity Tax Program

GenTax Change Request (SQR) Capacity



Requested Budget and Program Results



Maintain core systems. Process payments and returns. Provide end user support.

Expand internal GenTax team to achieve greater capacity to do work internally and achieve independence from vendor.

Ensure compliance with IRS guidelines.



Vendor Contracted Maintenance and Support

Policy Option Package 109

Provides \$5,571,002 General Fund and \$484,435 Other Funds for ongoing contracted maintenance and support for GenTax, the department's new tax administration system.

This request maintains current service level. This was funded in 2019–21. Not approving this request will be a reduction in service.



Core Systems Operations and Maintenance

Policy Option Package 110

Provides \$2,217,434 General Fund, \$192,818 Other Funds, and 7.92 full-time equivalent positions to build agency IT capacity to reduce dependence on vendors.



IT Compliance Risk Mitigation

Policy Option Package 111

Provides \$243,871 General Fund and \$21,206 Other Funds for IT compliance risk mitigation regarding federal tax data.




Processing Center Transit Tax Processing

Policy Option Package 112

Provides \$1,367,685 Other Funds and 11.00 full-time equivalent seasonal positions to meet processing demands of the Statewide Transit Tax.

This request maintains our current staffing level. Not approving this request will be a reduction in service.



Quick Modules

Maintenance and Support

Policy Option Package 113

Provides \$394,075 General Fund and \$27,483 Other Funds to pay for ongoing support and maintenance costs for the agency's new paper tax return processing system.



Challenges

Technology and customer demand shifts at the legislative, state agency, local government, and taxpayer level

Effect of other agencies' modernization efforts on DOR IT resources

Agency dependence on vendor resources

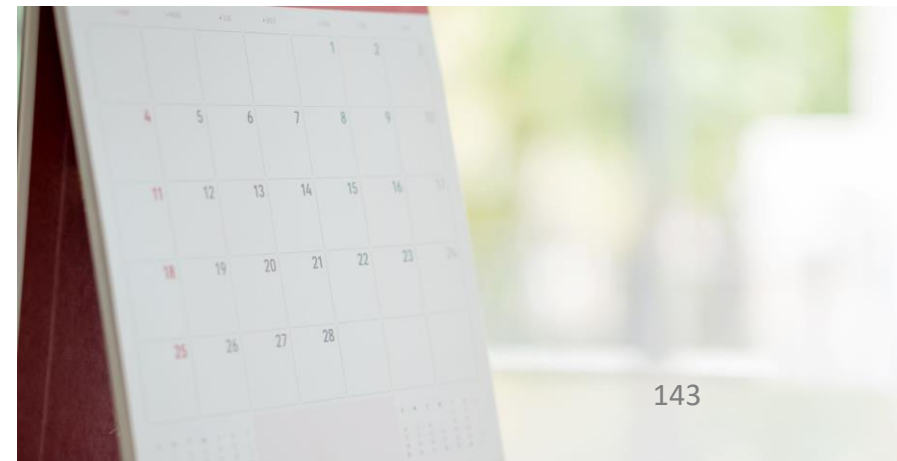
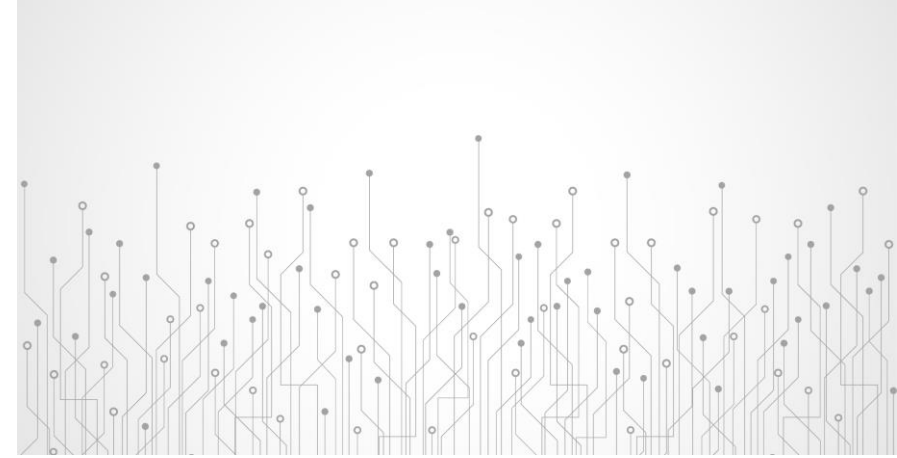


Cost Containment

Decommissioning the legacy tax applications and cleaning up the application portfolio

Transitioning away from vendor resources supporting Oregon's core tax processing system to having DOR IT provide support

Increasing Processing Center efficiencies due to the completion of the Processing Center Modernization project



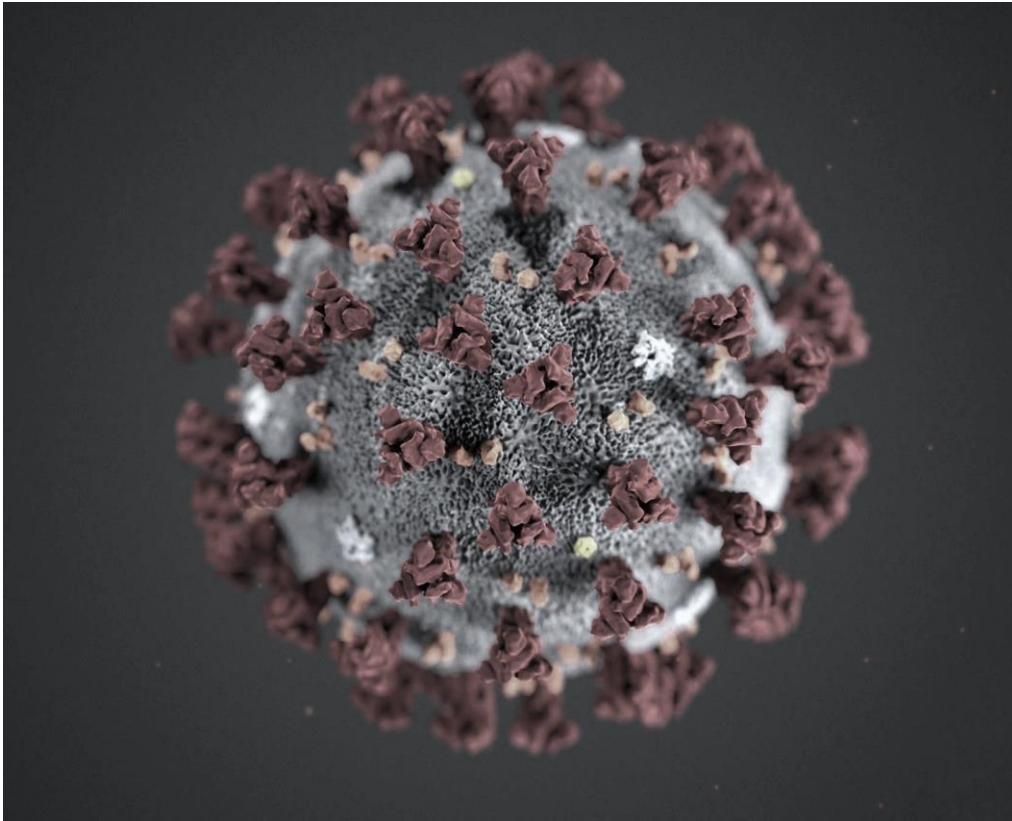


COVID-19 Relief

Transitioned 400 employees to remote working over 10 days in March 2020

Implemented COVID-19 relief actions for agency programs, including modifying filing deadlines

Data sharing with Employment for Pandemic Unemployment Assistance claims



Information Technology Division Budget

	General Fund	Other Funds	Total Funds	Pos.	FTE
2019–21 LAB	42,077,981	7,297,299	49,375,280	226	183.15
2021–23 CSL	37,194,466	5,421,723	42,616,189	212	170.57
2021–23 GRB	44,590,120	7,321,387	51,911,507	232	189.49
CSL-GRB Change	7,395,654	1,899,664	9,295,318	20	18.92

Core Systems Replacement Budget

	General Fund	Other Funds	Total Funds	Pos.	FTE
2019–21 LAB	-	3,251,000	3,251,000	-	-
2021–23 CSL	-	-	-	-	-
2021–23 GRB	-	4,245,000	4,245,000	2	1.76
CSL-GRB Change	-	4,245,000	4,245,000	2	1.76



Kathy Terman

Information Technology Division
Administrator

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Administration Division

Joint Committee on Ways and Means
Subcommittee on General Government

March 2021

Satish Upadhyay, Deputy Director

Topics

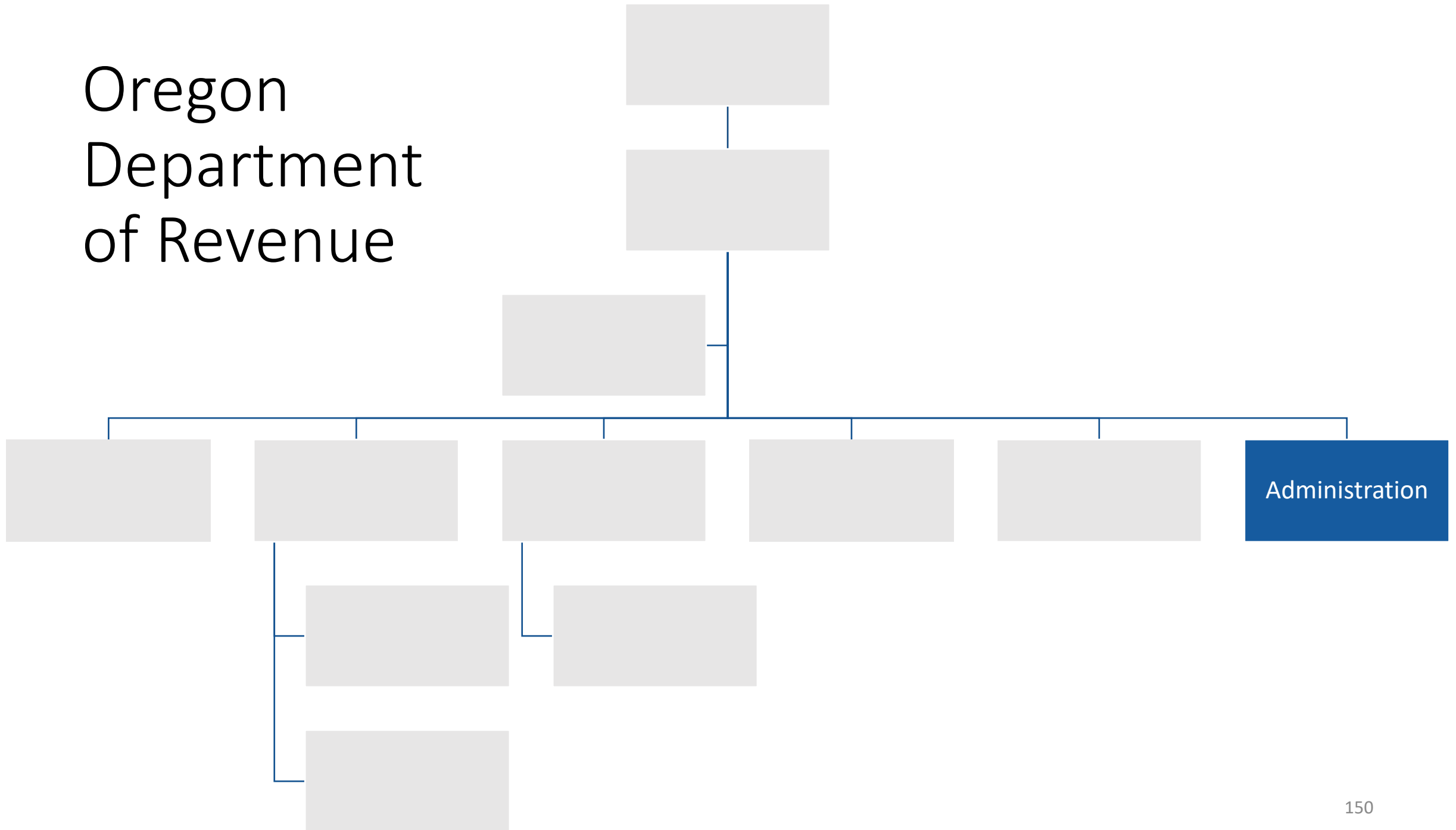
01 Division Overview

02 Summary of Programs

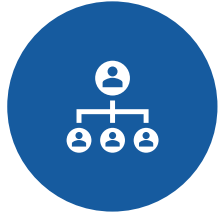
03 Key Performance Measures

04 Budget

Oregon Department of Revenue



Division Overview



Director's Office



Financial Services



Communications



Human Resources



Research



Internal Audit



General Services

Communication and Outreach



857
followers



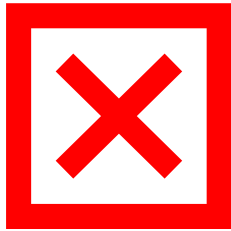
971
followers



55,097
email
subscribers

Key Performance Measures

KPM #3

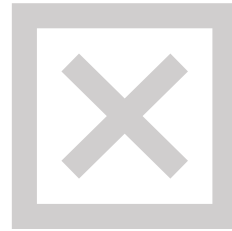


Employee Training
per Year

Target: 65%

Actual: 26%

KPM #11

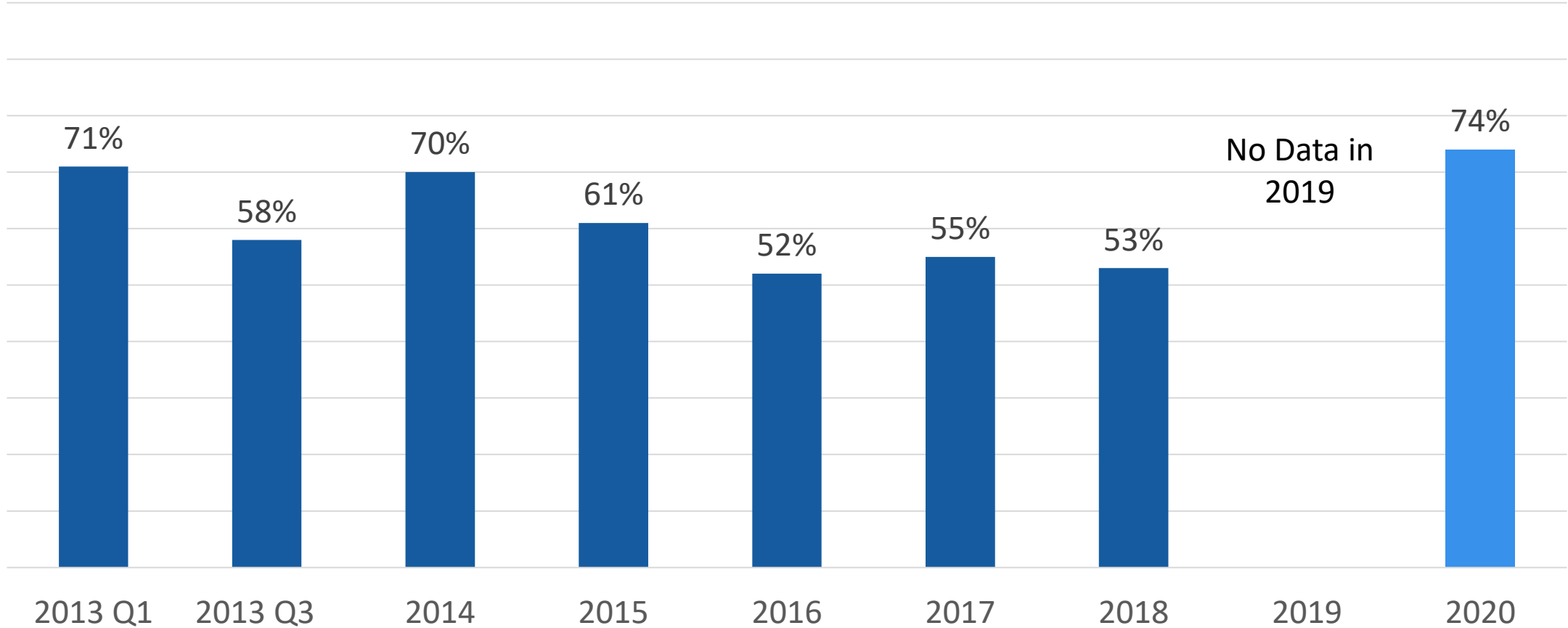


Employee
Engagement

Target: Index of 60

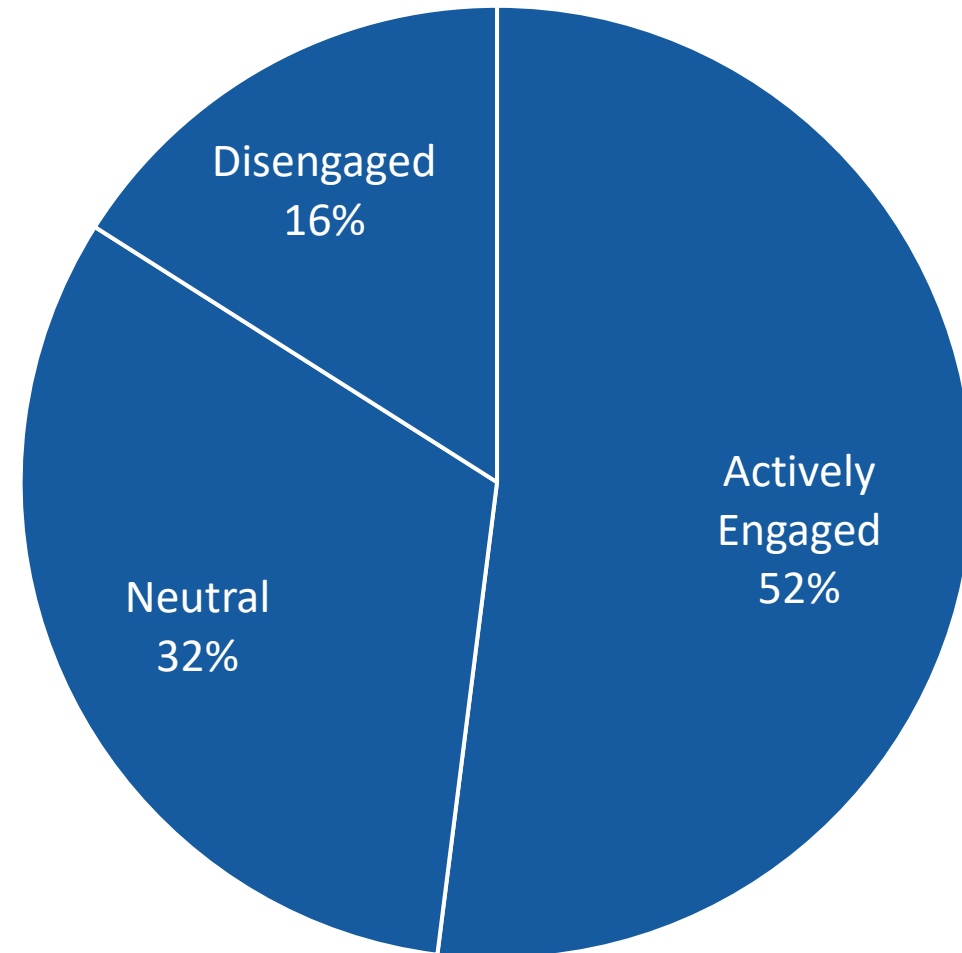
Actual: No Data

Employee Engagement Survey Response Rate



2020 Employee Engagement Survey Results

Overall percent of engaged workers in the U.S. during 2020 was 36 percent





Recent Audits

January 2019 Culture Audit

January 2019 Cyber Security Audit

April 2020 CAFR Audit

January 2021 Change of Director Review

Pending CAFR Audit

The results of, and agency responses to, these audits are available in our Written Reference Materials in Appendix G

Long-Term Vacancies

Status	Vacant 7-11 Months	Vacant 12+ Months	Total
In Recruitment Process	22	6	28
In Use for Personnel Actions	5	14	19
Vacant	11	9	20

Ten Percent Reductions

	General Fund	Other Funds	Total Funds	Pos.	FTE
PTAC	8,819,875	158,931	8,978,806	49	49.00
Business	2,128,124	1,007,453	3,135,577	16	16.00
Marijuana	-	244,339	244,339	1	1.00
Corporation	-	511,805	511,805	2	1.76
PTD	1,958,688	180,778	2,139,466	10	10.00
Senior Deferral	-	68,476	68,476	1	0.50
Nonprofit Homes	3,492,972	-	3,492,972	-	-
Collections	-	741,660	741,660	5	5.00
ITSD	1,922,275	239,405	2,161,680	12	11.50
Administration	2,232,940	277,923	2,510,863	11	11.00
Total Reductions	20,554,874	3,430,770	23,985,644	107	105.76



Equity and Training

Policy Option Package 101

Provides \$553,376 General Fund and \$60,679 Other Funds to fund 2.64 full-time equivalent positions to work on improving workforce diversity, help develop internal career pathways, and implement an employee engagement program.

Administration Division Budget

	General Fund	Other Funds	Total Funds	Pos.	FTE
2019–21 LAB	27,373,952	7,202,857	34,576,809	71	71.00
2021–23 CSL	32,733,434	8,422,461	41,155,895	68	68.00
2021–23 GRB	31,177,232	8,021,577	39,198,809	71	70.64
CSL-GRB Change	(1,556,202)	(400,884)	(1,957,086)	3	2.64

Capital Debt Service and Related Costs Budget

	General Fund	Other Funds	Total Funds	Pos.	FTE
2019–21 LAB	14,287,394	4,273,472	18,560,866	-	-
2021–23 CSL	6,695,900	550,120	7,246,020	-	-
2021–23 GRB	7,368,170	550,120	7,918,290	-	-
CSL-GRB Change	672,270	-	672,270	-	-



Satish Upadhyay

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