

TAX PRACTITIONERS, BOARD of
Annual Performance Progress Report (APPR) for Fiscal Year (2014-2015)

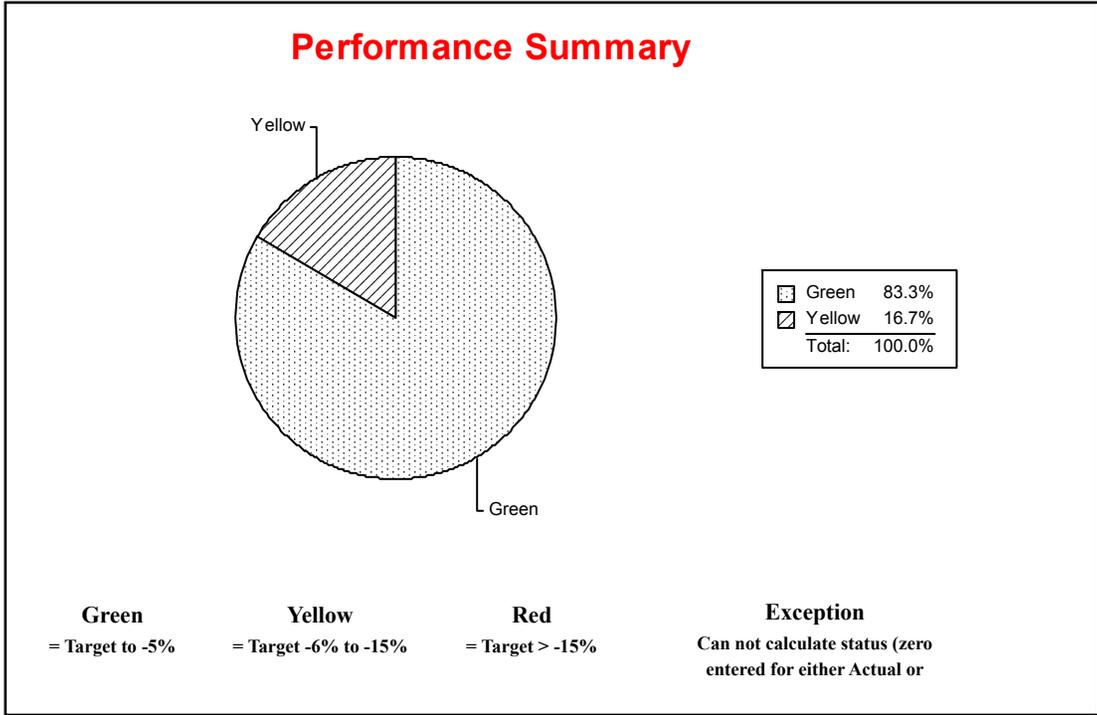
Original Submission Date: 2015

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2014-2015 KPM #	2014-2015 Approved Key Performance Measures (KPMs)
1	The average number of days it takes the board to process annual license and registration renewals.
2	The average number of days it takes the board to process exam applications.
3	CONTINUING EDUCATION HOURS SUBMITTED - Average number of continuing education hours licensees receive annually (at least 30 hours are required for annual renewal).
4	RESPONSE TIME TO COMPLAINTS - Average number of hours to make an initial response to a consumer complaint.
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.
6	EFFECTIVE GOVERNANCE - Percent of total best practices by the agency.

New Delete	Proposed Key Performance Measures (KPM's) for Biennium 2015-2017
	Title: Rationale:

TAX PRACTITIONERS, BOARD of	I. EXECUTIVE SUMMARY
Agency Mission: The Oregon Board of Tax Practitioners protects consumers by ensuring Oregon tax professionals are competent and ethical in their professional activities.	
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1. SCOPE OF REPORT

Agency programs/services are addressed by key performance measures.

2. THE OREGON CONTEXT

The Oregon Board of Tax Practitioners was created by the 1973 Legislative Assembly for the purpose of protecting the consumer by ensuring that Oregon tax

professionals are competent and ethical in their professional activities. All persons in Oregon who prepare, advise or assist in the preparation of personal income tax returns for a fee, or represent that they do so, must be licensed. Oregon was the first state in the country to license and regulate tax preparers.

The Tax Board issues two types of licenses. The Licensed Tax Preparer is an apprenticeship license that enables a person to lawfully prepare personal income tax returns in Oregon under the supervision of a Licensed Tax Consultant. The Licensed Tax Consultant is a higher competency license obtained through testing and experience to the point that a licensee may prepare taxes as a self-employed, independent or supervising tax practitioner. There is a business registration which is required for offices preparing personal income tax returns, however a business registration does not cover the individual actually performing the work (the practitioner). All income tax preparation businesses must be registered and must have a licensed tax consultant providing services and/or supervising licensed tax preparers.

The Tax Board is funded entirely from fees derived from the licensees and other miscellaneous services.

3. PERFORMANCE SUMMARY

The Board's performance measures link to the agency's mission rather than to Oregon benchmarks or high-level outcomes. KPM #1 - average number of days to process license and registration renewals - demonstrates the efficiency and effectiveness of the Board. KPM #2 - average number of days to process exam applications - also demonstrates the efficiency and effectiveness of the Board. KPM #3 - continuing education hours submitted - indicates licensees are staying current with changing tax laws and regulations. Licensed tax practitioners in Oregon complete more hours of continuing education than those licensed by the IRS or other states. KPM #4 - average time for an initial response to complaints - shows the Board is protecting consumers by actively following-up on complaints submitted. The Board also conducts hundreds of audits and compliance checks on its own each year to verify that tax practitioners are in compliance with federal and state law. KPM #5 is a standard customer service measure. Obtaining customer feedback has long been a difficult undertaking for the Board. The vast majority of interactions with licensees occurs only once a year during the license renewal period. License renewals are mailed or faxed to the Board and are processed within two days of receipt. A new license is then mailed to the licensee. The Board has included brief customer service surveys with the new licenses in the mail but only a small handful are returned. However, anecdotal feedback from licensees and the general public is extremely positive and staff are often praised for their professionalism, friendliness, and helpfulness. KPM #6 - percent of total best practices implemented by the agency - is an indication of effective governance and administration.

4. CHALLENGES

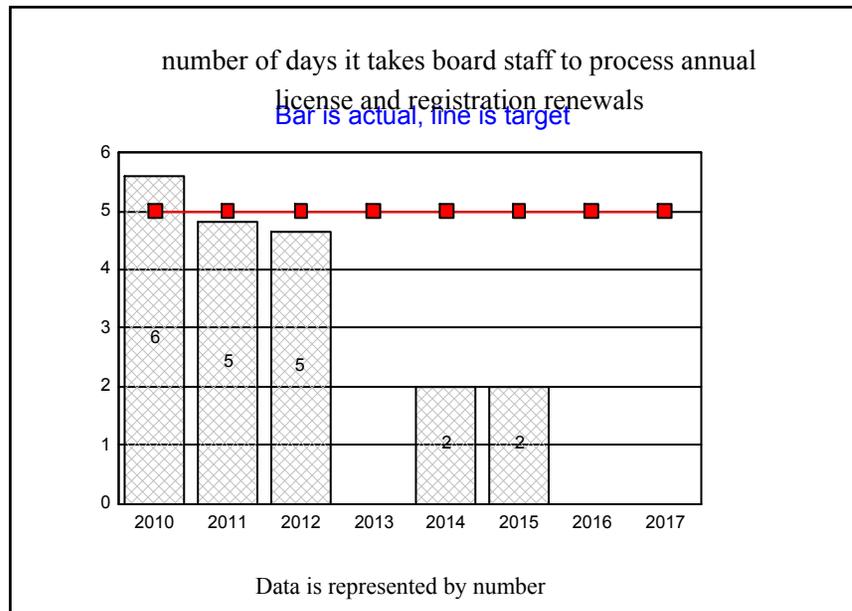
The Board faces two primary challenges. The first is staffing. With only four FTEs, one vacancy can have a significant impact on operations. Staff turnover is also a concern as the lack of a career ladder makes it difficult to retain highly skilled staff. The second challenge is resources. The Board's annual revenue has declined from \$1.4 million in the 2007-2009 biennium to \$980,000 in 2013-2015, a reduction of nearly 30 percent. Fewer active licensees is the main driver of this decrease in revenue. The vast majority of the Board's licensees are senior citizens and/or those who are retired from a former profession. The influx of new licensees has not kept pace with natural attrition in recent years. However, the Board is making a concerted effort to encourage more young adults and

mid-career professionals to enter the profession.

5. RESOURCES AND EFFICIENCY

The Board of Tax Practitioners' budget for the biennium ending June 30, 2017 is \$1,235,571. Anticipated revenues for the biennium are \$980,000.

KPM #1	The average number of days it takes the board to process annual license and registration renewals.	2010
Goal	Process license and business registration renewal forms within two days of receipt.	
Oregon Context	None	
Data Source	The agency database captures the date license renewal forms are received and the date processed. The database report computes the average number of days from the date received to the date processed of all license renewals and business registrations.	
Owner	Howard Moyes Executive Director 503-378-4733	



1. OUR STRATEGY

The agency is aggressively pursuing electronic licensing, registration and payment applications. We are working the state's Chief Technology Officer and the Health Licensing Agency to migrate to the HLA database and e-portal system. Once operational, licenses and exam registrations can be processed and

completed entirely online.

2. ABOUT THE TARGETS

All tax preparers and tax preparation businesses are required to renew their license or registration annually. Board rules prohibit licensees from practicing if their licensed is expired. Therefore, quick turnaround on license renewal applications is critical.

3. HOW WE ARE DOING

This is an established performance measure. Data was first available in 2010.

4. HOW WE COMPARE

Four states in the nation have some form of tax practitioner licensing program. Each state's methodology is unique thus we are unable to compare how we are doing compared to other states.

5. FACTORS AFFECTING RESULTS

All license applications and renewals are paper based and must be submitted to the Board via mail or fax. All information must be entered manually, and all payments must be processed manually. Moreover, the current database used by the Board is very outdated and lacks much of the functionality needed to process renewals more quickly, e.g. physical and mailing address have to be entered separately even though they are often the same.

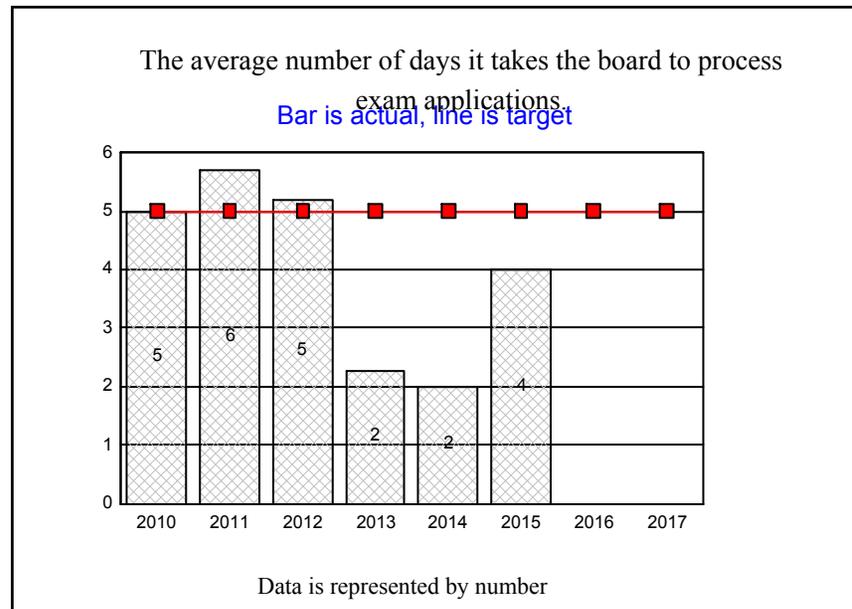
6. WHAT NEEDS TO BE DONE

The Board is in the process of migrating its database and payment systems to those currently used by the Health Licensing Agency.

7. ABOUT THE DATA

This data is reported on a calendar year basis. All licenses and applications are date stamped when they arrive. This date is manually entered into the database by the licensing specialist. The date processed is recorded by the database when information is entered or updated.

KPM #2	The average number of days it takes the board to process exam applications.	2010
Goal	To process exam applications within five working days.	
Oregon Context	None.	
Data Source	The agency database captures the date exam application forms were received and the date processed. The database report computes the average number of days from the date received to the date processed of all license renewals and business registrations.	
Owner	Howard Moyes Executive Director 503-378-4733	



1. OUR STRATEGY

The Board is in the process of transitioning to the Health Licensing Office's database and online payment portal system.

2. ABOUT THE TARGETS

Individuals must submit an examination application to the board. The board staff will process the application after reviewing the application and determining that the applicant qualifies to take the exam and the payment has been processed. Many exam takers wait until just prior to the commencement of tax season to take their exam, and they are prohibited from preparing taxes unless and until they pass the required Board-administered exam. Therefore, it is important for the agency to process exam applications quickly.

3. HOW WE ARE DOING

This is an established performance measure. Data was first available in 2010.

4. HOW WE COMPARE

Four states in the nation have some form of tax practitioner application and licensing program. Each state's methodology is unique thus we are unable to compare how we are doing compared to other states.

5. FACTORS AFFECTING RESULTS

Approximately 85% of the nearly 800 - 900 exam applications are received between November 1 and February 28.

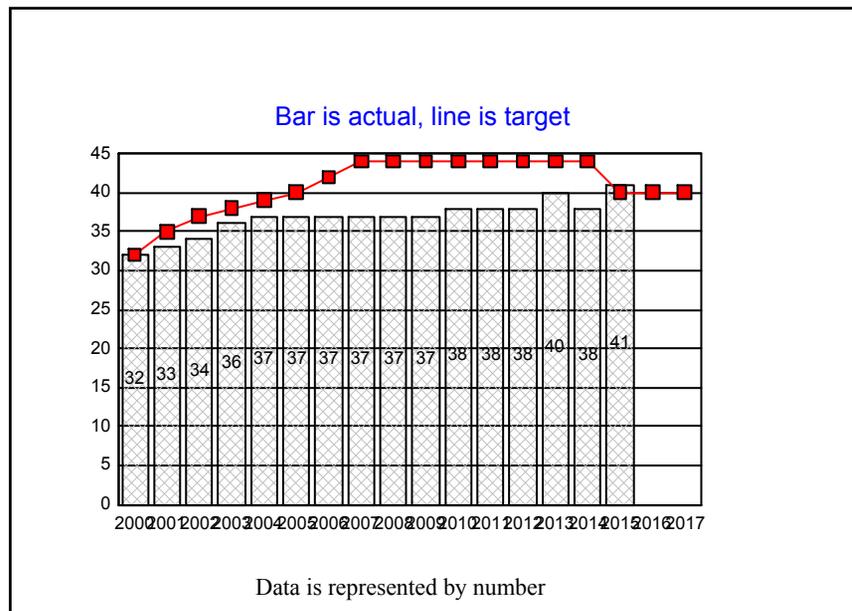
6. WHAT NEEDS TO BE DONE

The Board recently began offering exams every day at its main office in Salem. This is reducing the number of exam takers during the November - February period, which facilitates more rapid processing of exam applications.

7. ABOUT THE DATA

This data is reported on a calendar year basis. The date received is manually entered by staff into the Board's database at the time an exam application form is processed. The date processed is automatically entered by the system. The accuracy of the data depends upon the timeliness of the data entry.

KPM #3	CONTINUING EDUCATION HOURS SUBMITTED - Average number of continuing education hours licensees receive annually (at least 30 hours are required for annual renewal).	2000
Goal	To ensure Licensed Tax Practitioners are properly educated to provide accurate and professional personal tax preparation services to Oregonians.	
Oregon Context	None	
Data Source	Licensed tax practitioners attest they completed 30 hours of continuing education on their annual license renewal form.	
Owner	Bill McMillen Executive Director 503-378-4733	



1. OUR STRATEGY

Oregon Administrative Rules require each licensee to attest that they completed 30 hours of continuing education. The exam and education coordinator randomly selects a pool of Licensed Tax Preparers and a pool Licensed Tax Consultants to audit and verify compliance with the rule. Should a licensee be found out of compliance, the Tax Board takes corrective action.

2. ABOUT THE TARGETS

Continuing education is the primary method for licensed tax professionals to keep informed about regular changes in state and federal tax laws. A practitioner who neglects to maintain their continuing education may unintentionally provide inaccurate advice to clients. The Board determined that 30 hours of continuing education is a minimum standard for licensees. The more continuing education hours a licensee receives, the more competent they are in preparing personal income tax returns.

3. HOW WE ARE DOING

Oregon licensed tax practitioners are well educated. The average number of continuing education hours exceeded the required 30 hours by more than 20%. The average number of continuing education hours reported to the board as received by Oregon licensed tax practitioners remains roughly the same. The Tax Board also uses its newsletter to inform licensees to attest all continuing education received in the previous year when renewing their licenses.

4. HOW WE COMPARE

Oregon requires 30 hours of continuing education, including at least two hours of ethics or professional conduct, each year. The IRS requires only 24 hours of continuing education for its Enrolled Agents. The handful of other states that oversee tax preparers have even less stringent requirements. Oregon's continuing education requirements are the gold standard for the country.

5. FACTORS AFFECTING RESULTS

Continuing education hours can be expensive and time consuming. Time spent obtaining continuing education hours can impact hours available to prepare returns for clients affect their profit. However, practitioners also benefit from continuing education by improving accuracy and keeping current with state and federal tax changes.

6. WHAT NEEDS TO BE DONE

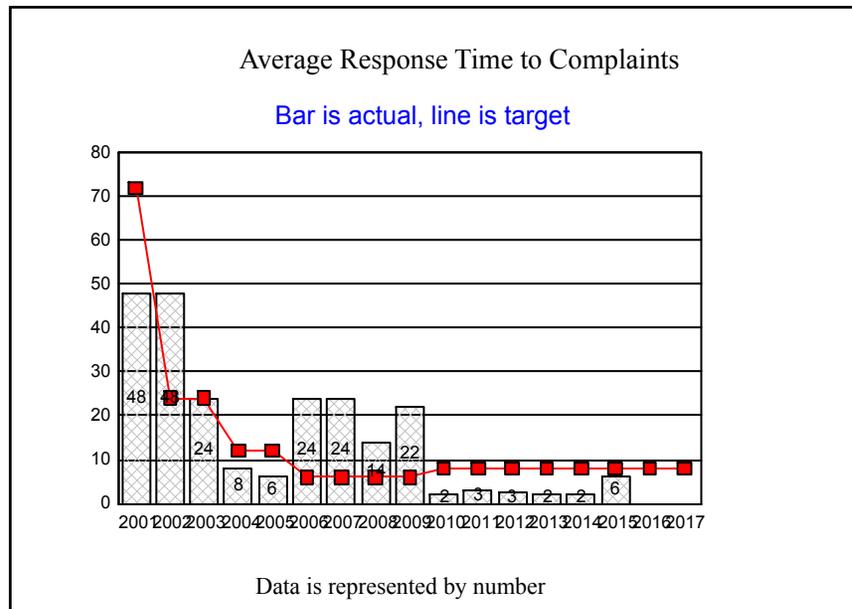
The Board is not considering any increase in the continuing education requirement. The Board will continue to encourage licensees to be actively involved in their profession and to recognize that more education contributes to their expertise in tax preparation. The Tax Board continues to engage with industry associations underscoring the importance of effective continuing education at reasonable costs to licensees. The Tax Board reminds all licensees to submit all hours of continuing education. The agency website maintains a current list of approved continuing education providers.

7. ABOUT THE DATA

The data is initially compiled from licensee's annual renewal forms. Licensees attest to the number of hours of continuing education earned during the prior fiscal year. The Board performs a random audit of Licensed Tax Consultants and a random audit of Licensed Tax Preparers verifying the accuracy of hours reported by a licensee. The Board reminds licensees to attest to the total number of

continued education hours received not just the minimum hours required.

KPM #4	RESPONSE TIME TO COMPLAINTS - Average number of hours to make an initial response to a consumer complaint.	2001
Goal	To expedite the resolution of consumer complaints.	
Oregon Context		
Data Source	The board compliance specialist enters information on a spreadsheet noting the date, time and a complaint summary when a complaint is received. The compliance specialist then notes the date and time the subject of the complaint is contacted.	
Owner	Howard Moyes Executive Director 503-378-4733	



1. OUR STRATEGY

An unethical, incompetent, or unlicensed tax practitioner has the ability to harm Oregon a large number of consumers in short period of time. Violators often disappear as soon as they sense tension from consumers and often with advance payments from clients and their source documents. The Board's goal seeks to respond to complaints within 24 hours of receipt. Faster response times translate to a better opportunity for the Tax Board catch violators and enforce its statutes and rules.

2. ABOUT THE TARGETS

The target is to shorten initial response times to complaints particularly during tax season when most violations occur. Faster response means a better opportunity for the compliance specialist to investigate and halt a potential violator.

3. HOW WE ARE DOING

Most complaints are responded to within four to five hours.

4. HOW WE COMPARE**5. FACTORS AFFECTING RESULTS**

The Board has only one compliance specialist. If the incumbent is out of the office, it may take a day or two to respond to a complaint received.

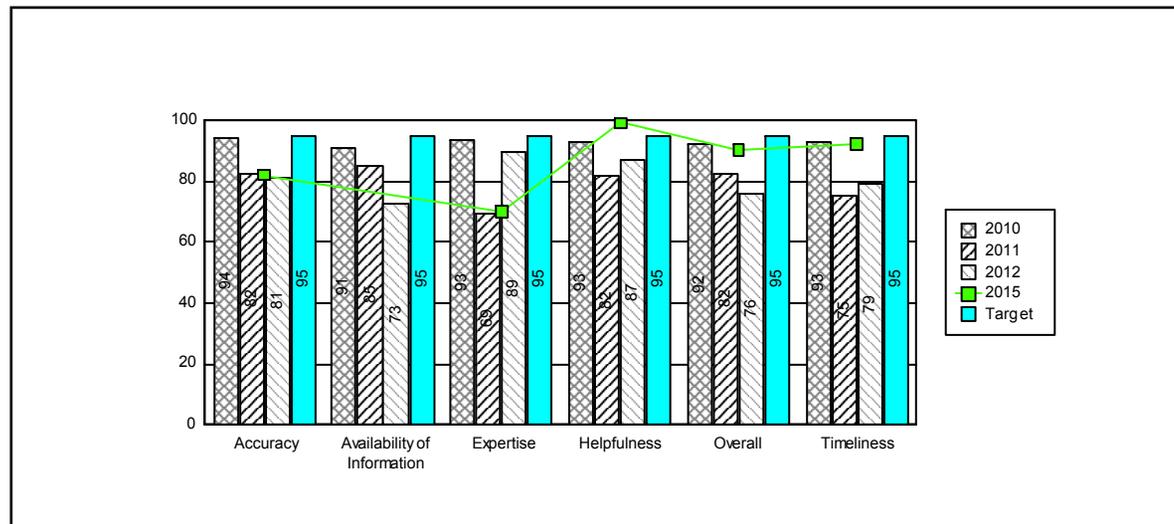
6. WHAT NEEDS TO BE DONE

All four staff members of the Board are trained to accept consumer complaints and discuss the Board's role in overseeing tax practitioners. If the compliance specialist is out of the office for more than two days, the executive director follows-up on any complaints received until the compliance specialist returns.

7. ABOUT THE DATA

Hours calculate on an eight-hour workday. If a complaint arrives at 2:00 p.m. and the first contact is made at 10:00 a.m. the following morning, response time is calculated as five hours.

KPM #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.	2006
Goal	To measure agency customer service.	
Oregon Context		
Data Source	The data source is the customer satisfaction surveys received by the agency.	
Owner	Howard Moyes Executive Director 503-378-4733	



1. OUR STRATEGY

All four staff of the Board are cross-trained to assist consumers or licensees with any issue. Phones are answered by the third ring and all documents received via mail or fax are processed within two days of receipt. The staff takes pride in providing exceptional customer service.

2. ABOUT THE TARGETS

Excellent customer service is a top priority for the agency. The staff are often praised by licensees and the public for their professionalism, positive attitude, and helpfulness.

3. HOW WE ARE DOING

The agency initialized the Customer Service Survey in July 2006. The agency sent the survey to roughly 4,000 licensees and followed up to consumers (approx 100) who contacted and used agency services. The survey generated less than twenty responses during the last year. Anecdotal feedback from licensees and the public is overwhelmingly positive.

4. HOW WE COMPARE

5. FACTORS AFFECTING RESULTS

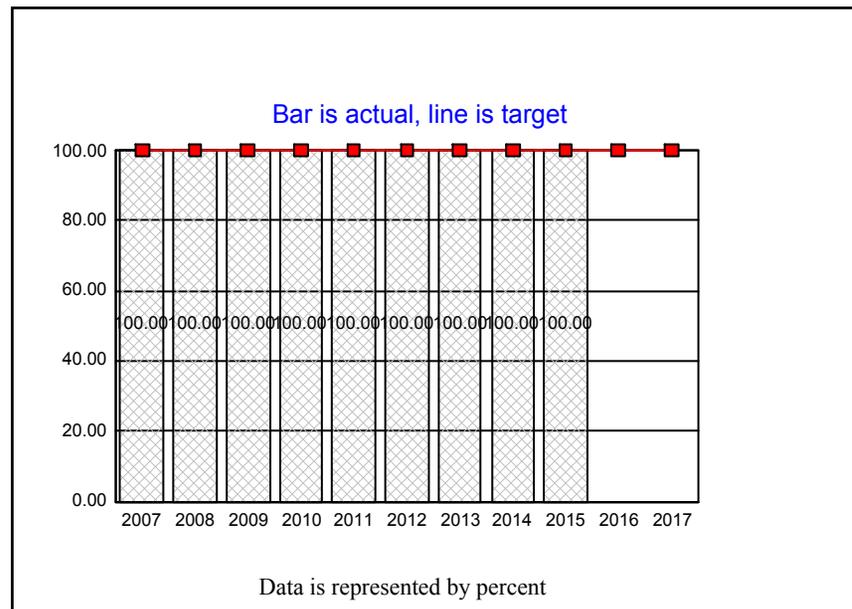
Frequent staff turnover. Very low response rate on surveys. The only interaction the vast majority of licensees have with the Board is when they submit their annual license renewal. Satisfaction is dependent on how quickly the applications are processed, which is a separate performance measure for the agency.

6. WHAT NEEDS TO BE DONE

Customer service is a top priority for the agency. Telephones are almost always answered in two rings and staff are always polite, professional, and helpful. We often receive positive comments from licensees and the general public on how friendly and helpful we are. The Board will develop an online survey that current and prospective licensees can access when they apply for or renew their licenses online.

7. ABOUT THE DATA

KPM #6	EFFECTIVE GOVERNANCE - Percent of total best practices by the agency.	
Goal	The agency uses fifteen best practice criteria as outlined in number 7 below.	
Oregon Context		
Data Source	The data source for criteria #1 and #2 is the completed performance evaluation. The data source for criteria #3, #4, #6, #7, #8, #9, #10, #12, #14, and #15 stems from board minutes held during the fiscal year. The data source for criteria #5 is email received from the Board chair approving the agency's communications. The data source for criteria #11 comes from Shared Client Services with whom the Board contracts to perform the accounting function. The data source for criteria #13 is in the email sent and received between affected stakeholders.	
Owner	Howard Moyes Executive Director 503-378-4733	



1. OUR STRATEGY

Our strategy is to include the review of best practices on the Board's agenda. That ensures the best practices receive proper review. We also include sharing them with all business partners and stakeholders in business activity or business decisions where appropriate. Our partners include the Oregon Department of Revenue, IRS, Governmental Accountability Office, TIGTA (Treasury Inspector General for Tax Administration), Oregon Board of Accountancy, and state and local chapters of professional tax practitioner organizations.

2. ABOUT THE TARGETS

The targets ensure that the Board members are properly involved and up-to-date on the proper business activities of the Board. The criteria is measured with a simple yes or no answer. The more yes answers received, the more involved the board members are.

3. HOW WE ARE DOING

Little data is available to support the status from prior years.

4. HOW WE COMPARE

5. FACTORS AFFECTING RESULTS

Frequent staff turnover.

6. WHAT NEEDS TO BE DONE

Staff need to be sure that best practices are included in Board agendas and are reviewed by board members at appropriate intervals throughout the year.

7. ABOUT THE DATA

Best practices contain fifteen criteria:

1. Executive Director's performance expectations are current.
2. Executive Director's performance has been evaluated in the last year.
3. The agency's mission and high-level goals are current and applicable.

4. The Board of Directors reviews the Annual Performance Progress Report.
5. The Board of Directors is appropriately involved in review of the agency's key communications.
6. The Board of Directors is appropriately involved in policy-making activities.
7. The Board's policy option budget packages are aligned with its mission and goals.
8. The Board of Directors reviews all proposed budgets.
9. The Board of Directors periodically reviews key financial information and audit findings.
10. The Board of Directors is appropriately accounting for resources.
11. The Board of Directors adheres to accounting rules and other relevant financial controls.
12. Board members act in accordance with their roles as public representatives.
13. The Board coordinates with others where responsibilities and interest overlap.
14. The Board of Directors and staff identify and attend appropriate training sessions.
15. The Board reviews its management practices to ensure best practices are utilized.

TAX PRACTITIONERS, BOARD of	III. USING PERFORMANCE DATA
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Agency Mission: The Oregon Board of Tax Practitioners protects consumers by ensuring Oregon tax professionals are competent and ethical in their professional activities.

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The following questions indicate how performance measures and data are used for management and accountability purposes.

1. INCLUSIVITY	<ul style="list-style-type: none"> * Staff : * Elected Officials: * Stakeholders: * Citizens:
2 MANAGING FOR RESULTS	
3 STAFF TRAINING	
4 COMMUNICATING RESULTS	<ul style="list-style-type: none"> * Staff : * Elected Officials: * Stakeholders: * Citizens: