

Department of Revenue Annual Performance Progress Report (APPR) for Fiscal Year 2007-09

2007-09 Budget Form 107BF04c

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To obtain additional copies of this report, contact Susan Browning, Dept. of Revenue, 503-945-8117, 955 Center St. NE, Salem, Oregon 97310 or visit http://www.oregon.gov/DAS/OPB/GOVresults.shtml#Annual_Performance_Reports.

Agency Mission

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

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ABOUT THIS REPORT

Purpose of Report

The purpose of this report is to summarize the agency's performance for the reporting period, how performance data are used and to analyze agency performance for each key performance measure legislatively approved for the 2005-07 biennium. The intended audience includes agency managers, legislators, fiscal and budget analysts and interested citizens.

1. PART I: EXECUTIVE SUMMARY defines the scope of work addressed by this report and summarizes agency progress, challenges and resources used.
2. PART II: USING PERFORMANCE DATA identifies who was included in the agency's performance measure development process and how the agency is managing for results, training staff and communicating performance data.
3. PART III: KEY MEASURE ANALYSIS analyzes agency progress in achieving each performance measure target and any corrective action that will be taken. This section, the bulk of the report, shows performance data in table and chart form.

KPM = Key Performance Measure

The acronym "KPM" is used throughout to indicate **Key Performance Measures. Key performance measures are those highest-level, most outcome-oriented performance measures that are used to report externally to the legislature and interested citizens. Key performance measures communicate in quantitative terms how well the agency is achieving its mission and goals. Agencies may have additional, more detailed measures for internal management.**

Consistency of Measures and Methods

Unless noted otherwise, performance measures and their method of measurement are consistent for all time periods reported.

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| 2005-07 KPM# | 2005-07 Key Performance Measures (KPMs) | Page # |
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Department of Revenue

I. EXECUTIVE SUMMARY

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

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|----------------------------|---------------------|
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1. SCOPE OF REPORT

- The agency’s performance measures represent the major programs within the department: the income tax and property tax programs. The measures address the agency’s major functions, including collection of revenue, auditing, and taxpayer assistance.

2. THE OREGON CONTEXT

The Department of Revenue is a key partner in providing healthy tax systems and long-term stability of revenues for the State of Oregon. From our mission of making tax systems work to fund public services, to our strong values around operational excellence and fiscal responsibility, we have the experience, skills, and mandate to help the governor and the legislature provide a bright future for all Oregonians. Our performance is guided by the agency's vision that emphasizes the importance of tax administration and service, operational excellence, and our agency work environment. We currently have 12 department performance measures that tell us how well we are doing in these areas. Our vision is designed to move and motivate the department for many years. To make it a reality, we will continue to innovate, streamline and use appropriate tools and technology.

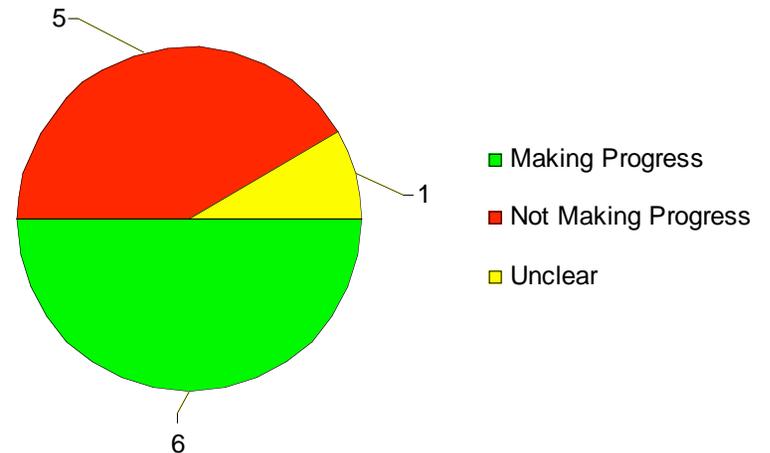
In pursuing its goals, Department of Revenue programs contribute to the Oregon Benchmark No. 33 – “Percentage of Oregonians who understand the Oregon tax system and where tax money is spent.” The following are examples of things that we have done to assist the State in making progress on this benchmark:

- The agency contributes funding to the Oregon Progress Board for the survey they use to determine progress on the benchmark.
- The agency issues messages on tax refund check stubs explaining how tax dollars are spent.
- The agency distributes written information to the public and to other government bodies displaying how each tax dollar is split between various public services.

3. PERFORMANCE SUMMARY

The department has identified 12 key measures of performance linked to its mission and vision and the Oregon benchmark identified above. Significant successes during the past year include:

Performance Summary



I. EXECUTIVE SUMMARY

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

- o A significant increase in the dollars collected per revenue agent per month for the personal income tax program. The productivity of the staff continues to increase with additional automated tools (KPM #1).
- o A significant growth in the number of personal income tax returns filed electronically. More and more taxpayers are filing electronic returns, improving the speed and efficiency of processing (KPM #9).
- o Continued strength in support to the statewide property tax program. The improvement in the percent of property taxes collected (KPM#2) and the percent of assessors’ maps digitized in GIS format (KPM #3) contribute to a strong program.

The department also had challenges in meeting some performance measures, including:

- o An increase in the average days to process personal income tax refunds (KPM #8). In 2005 and 2006, the department designed and implemented a new processing system for the personal income tax program. Transition to the new system temporarily affected the processing seasons.
- o A struggle to provide staff with essential training (KPM #11) during a time of high workload and budget challenges. While we are not meeting our targets, we are making progress.

| KPM Progress Summary | Key Performance Measures (KPMs) with Page References | # of KPMs |
|--|---|-----------|
| KPMs MAKING PROGRESS at or trending toward target achievement | Dollars Collected per Revenue Agent Per Month (Personal Income Tax) (page 5), Percent of Property Taxes Collected (page 6) Percent of Assessor’s Maps Digitized in GIS Format (page 7), Percent of Personal Income Tax Returns Filed Electronically (page 13),Taxpayer Assistance Contacts (page 8), Personal Income Tax and Corporation Tax Cases Closed Per Revenue Agent Per Month (page 10), | 6 |
| KPMs NOT MAKING PROGRESS not at or trending toward target achievement | Personal Income Tax Nonfiler Assessments Issued Per Employee Per Month (page 9), Delinquent Returns Filed After Compliance Contact Per Filing Enforcement Employee Per Month (page 11), Average Days to Process Personal Income Tax Refund (page 12), Employee Work Environment (page 14), Employee Training Per Year (percent receiving 20 hours per year) (page 15) | 5 |
| KPMs - PROGRESS UNCLEAR target not yet set | 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 (page 16) | 1 |
| Total Number of Key Performance Measures (KPMs) | | 12 |

4. CHALLENGES

As we look to the future, the department will continue to operate in a time of tight budget resources and growing demands. We will be challenged to find new and innovative ways of delivering services, collecting tax revenues, providing training to our employees, and maintaining the infrastructure needed to efficiently process and manage information. The agency is proud of the accomplishments it has made and continues to strive for excellence each and every day.

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

5. RESOURCES USED AND EFFICIENCY

The agency's budget for the 2005-07 biennium is \$168,200,000. During the biennium, the department adjusted to a \$3 million unspecified budget cut. Despite the reduction, the department made good progress on its key measures over the last year, including its efficiency measures. We are looking forward to finding additional ways to use performance measures as a management tool within the agency.

Department of Revenue

II. USING PERFORMANCE DATA

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

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

| | |
|--|---|
| <p>1 INCLUSIVITY Describe the involvement of the following groups in the development of the agency’s performance measures.</p> | <ul style="list-style-type: none"> • Staff are involved in reviewing our agency mission, vision and values, which are supported by the performance measures. Agency staff provided input for the development of the performance measures at the time they were established. They also review the measures and recommend modifications as appropriate. • Elected Officials review the performance measures as part of the legislative process. • Stakeholders are consulted regarding the measures as appropriate. • Citizens review the performance measures on the department’s Web site and submit questions and comments. |
| <p>2 MANAGING FOR RESULTS How are performance measures used for management of the agency? What changes have been made in the past year?</p> | <p>Performance measures are used as key indicators of the agency’s progress toward achievement of its long-term vision. They are also used as indicators of progress made in projected efficiency gains as a result of automation.</p> |
| <p>3 STAFF TRAINING What training has staff had in the past year on the practical value and use of performance measures?</p> | <p>Management Team members and managers involved in preparing and updating the department’s performance measures attended training and informational sessions sponsored by the Progress Board. Other agency managers have also attended training classes on performance measurement and have brought the knowledge gained at those classes back to the agency. In addition, managers have reviewed training and information posted on the Progress Board’s Web site.</p> |
| <p>4 COMMUNICATING RESULTS How does the agency communicate performance results to each of the following audiences and for what purpose?</p> | <ul style="list-style-type: none"> • Staff reviews the measures on the department’s internal Web site to monitor progress and evaluate performance in key department areas. Agency managers review the updated performance measures annually. Based upon their review, processes may be changed or problems/trends identified which are then addressed. • Elected Officials review the performance measures and evaluate the department’s effectiveness as part of the department’s budget process. The measures are also included in the Agency Business Plan provided to the legislature and other elected officials: • Stakeholders review the measures on the department’s external Web site and may ask questions or make suggestions. • Citizens review the measures on the department’s external Web site and may ask questions or make suggestions. |

| KPM #1 | DOLLARS COLLECTED PER REVENUE AGENT PER MONTH (PERSONAL INCOME TAX) | Measure since: 2000 |
|-----------------------|--|------------------------|
| Goal | Tax Administration: Provide excellent service, helping taxpayers meet their commitments with education, assistance and compliance. | |
| Oregon Context | This goal has no direct link to an Oregon Benchmark; it links directly to the department's mission. | |
| Data Source | Agent Production Reports ACTF007, PTAC Performance Measures, Cost Allocation System (CAS); based on productivity per position. | |
| Owner | Randy Evers, Personal Tax and Compliance Division Administrator | |

1. OUR STRATEGY

Our strategy is to maintain a workforce of skilled employees who are provided with essential collection tools and technology. We evaluate the effectiveness of collection staff in collecting delinquent tax debt; analyze the type and age of delinquent debt; and evaluate the use of additional collection tools.

2. ABOUT THE TARGETS

The target measures the productivity of collection staff, based on the dollars collected per position. The higher the level achieved, the greater the productivity.

3. HOW WE ARE DOING

In 2005 the target for dollars collected was \$74,993. We collected \$86,159 in 2005, significantly exceeding our target.

4. HOW WE COMPARE

It is difficult to compare Oregon's performance with other states, given the widely diverse tax structures of different states.

5. FACTORS AFFECTING RESULTS

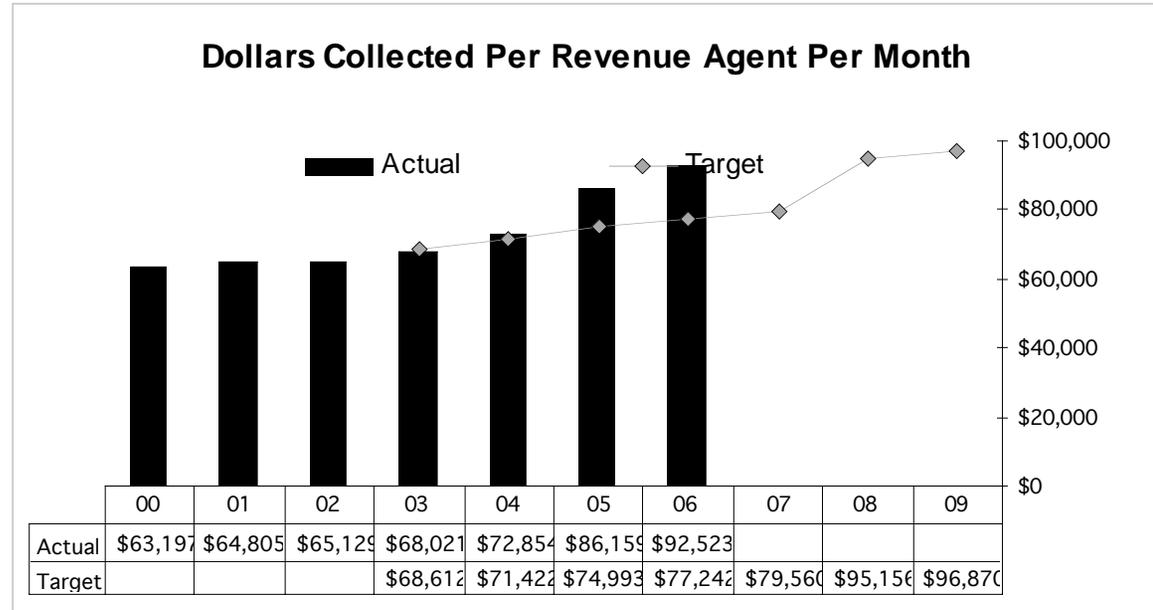
The department exceeded its target for the year, aided by increased use of automated tools such as system offset and by increased use of payment plans.

6. WHAT NEEDS TO BE DONE

With ongoing turnover of staff due to promotion and retirement, recruiting and training new staff is a constant challenge. We need to continue to evaluate how to streamline our technical training.

7. ABOUT THE DATA

The reporting cycle is Oregon fiscal year. The department's internal auditor reviewed the measure and reported that the data appears to be reliable.



| KPM #2 | PERCENT OF PROPERTY TAX COLLECTED | Measure since: 2000 |
|-----------------------|--|---------------------|
| Goal | Tax Administration: Partner with local governments to promote a healthy and consistent property tax system. | |
| Oregon Context | This goal has no direct link to Oregon benchmark; it links directly to the department's mission. | |
| Data source | Oregon Property Tax Statistics (various years); Property Tax certified, Property Tax Collection, and Total Uncollected report. | |
| Owner | Karen Gregory, Property Tax Division Administrator | |

1. OUR STRATEGY

Our strategy is to provide training of county collection staff, and develop and maintain support materials to help counties collect identified property taxes.

2. ABOUT THE TARGETS

The target measures the degree to which counties are able to timely collect identified property taxes. The higher the percentage of taxes collected, the better.

3. HOW WE ARE DOING

The 2005 target was 93.4%. Our actual performance for 2005 was 94.5%, slightly more than a percentage point above the target. This continues the ongoing strength in this measure.

4. HOW WE COMPARE

Comparable data is not available.

5. FACTORS AFFECTING RESULTS

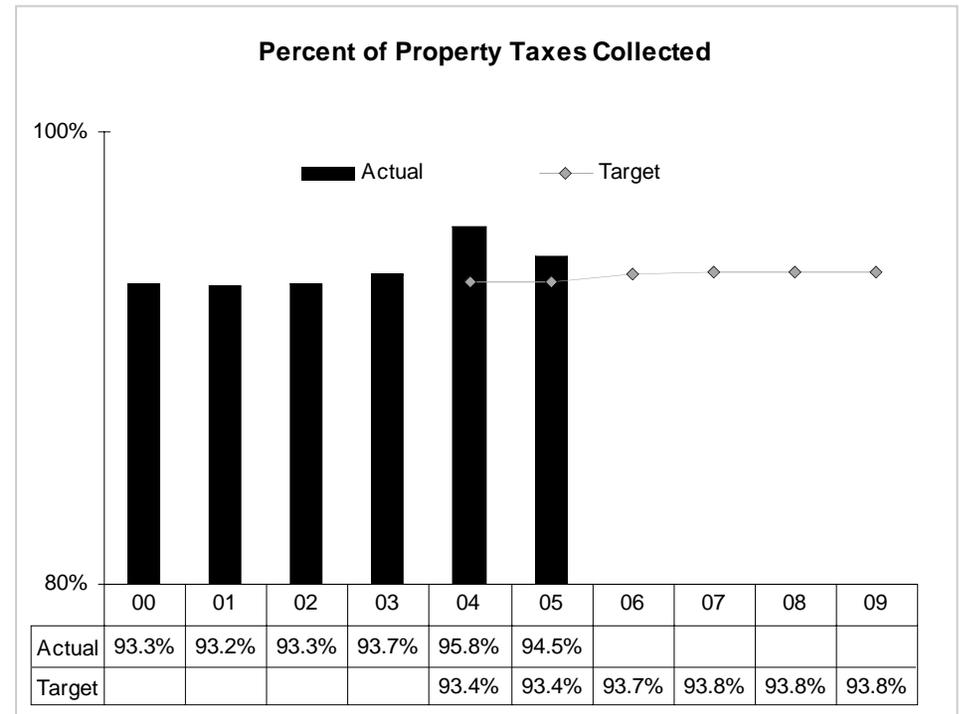
Data reveals we are collecting a high percentage of the total property taxes that are due and are managing our accounts receivable well. Additional research has shown that, by the end of the third year following the initial billing, the counties have received about 99.7 percent of the taxes due for that year. The statistics show a high degree of effectiveness in maintaining timely collection activities for the property tax year.

6. WHAT NEEDS TO BE DONE

Continue partnerships with county collection offices.

7. ABOUT THE DATA

The reporting cycle is the Oregon fiscal year. The data is self-reported by each of the 36 counties



| KPM #3 | PERCENT OF ASSESSOR'S MAPS MIGRATED TO GIS FORMAT | Measure since: 2004 |
|-----------------------|--|---------------------|
| Goal | Operational Excellence: Adopt best business practices, taking advantage of technology to improve our system and processes. | |
| Oregon Context | This goal has no direct link to Oregon benchmark; it links directly to the department's mission | |
| Data source | Oregon Map Project (ORMAP). | |
| Owner | Karen Gregory, Property Tax Division Administrator | |

1. OUR STRATEGY

Our strategy is to partner with counties to migrate digitized property tax maps into GIS format, providing employees and business partners with easy access to accurate property tax map information.

2. ABOUT THE TARGETS

The long-term target is to have a totally digital statewide property tax map by the year 2010. This will require transforming all the county's assessors' maps into a GIS format by that date. The higher the percentage, the better the performance.

3. HOW WE ARE DOING

The project is on target at this early stage, with actual results at 38% for 2005, compared to the target of 40%. There are major jumps in performance expected in 2006 and 2007.

4. HOW WE COMPARE

This measure is difficult to evaluate across jurisdictions because of differing technology and terminology. Jurisdictions in many states are in the process of converting their tax lot base to GIS. Few, however, are doing it from the statewide level.

5. FACTORS AFFECTING RESULTS

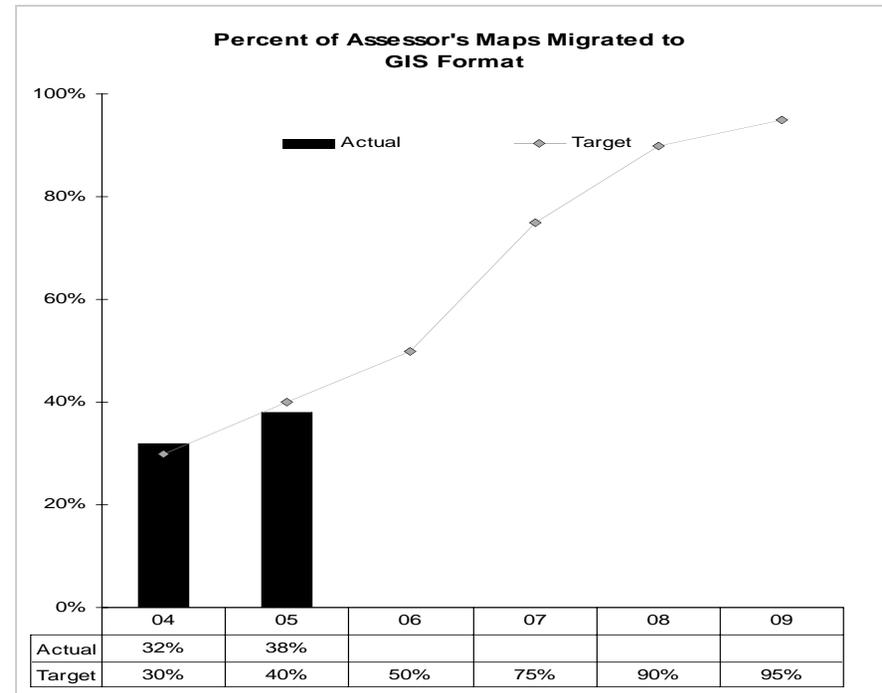
Funding challenges and a scarcity of skilled staff at both the state and local level may make it difficult to meet future targets.

6. WHAT NEEDS TO BE DONE

The department needs to continue to partner with counties to manage and fund remapping efforts aimed at improving access to assessor map information.

7. ABOUT THE DATA

The reporting cycle is Oregon fiscal year. The department's internal auditor evaluated this measure and noted that 60% of data is not under the department's control, making it difficult to assess data integrity.



| KPM #4 | TAXPAYER ASSISTANCE CONTACTS | Measure since: 2000 |
|-----------------------|---|------------------------|
| Goal | Tax Administration: Provide excellent service, helping taxpayers meet their commitments with education, assistance, and compliance. | |
| Oregon Context | This goal has no direct link to an Oregon Benchmark; it links directly to the department's mission. | |
| Data source | Web site hits and Tax Services calls | |
| Owner | Randy Evers, Personal Tax and Compliance Division Administrator | |

1. OUR STRATEGY

Our strategy is to continue to use the Internet and telephone effectively to educate the public and to assist taxpayers in meeting their filing responsibilities.

2. ABOUT THE TARGETS

The targets project a continued growth in the use of the Internet and telephone to help provide customer service and promote long-term tax compliance. The higher the target, the more contacts we have with taxpayers.

3. HOW WE ARE DOING

Taxpayers are becoming more comfortable using the Internet as a way of getting tax information and forms. We have made significant progress in answering the needs of taxpayers through a variety of methods.

4. HOW WE COMPARE

Comparable data is not available.

5. FACTORS AFFECTING RESULTS

The department has provided more information such as "Where's My Refund?" on the Web site so that taxpayers have easier access to commonly asked questions.

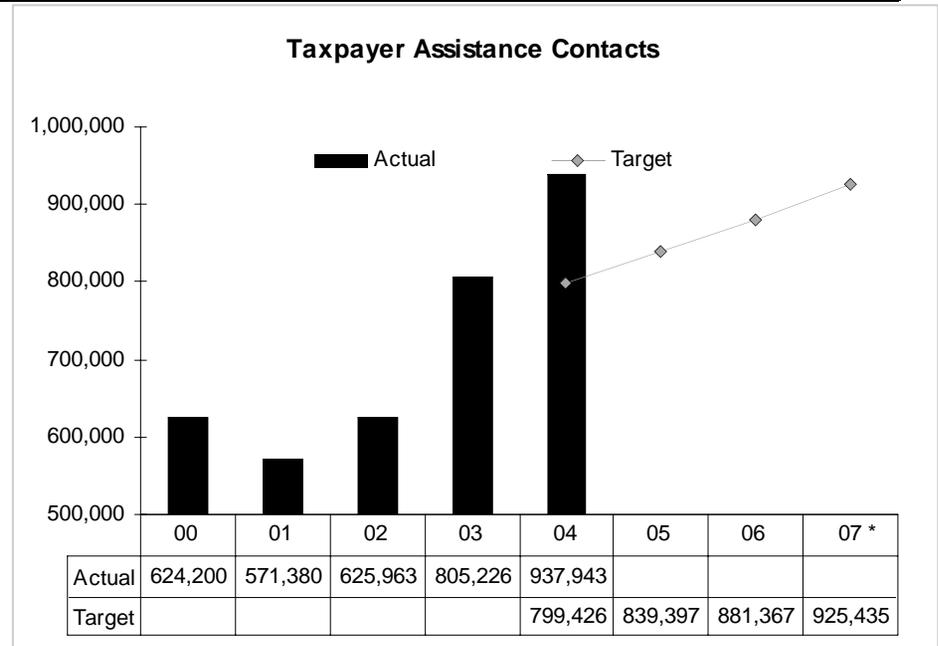
6. WHAT NEEDS TO BE DONE

The department is continuing to evaluate how to provide more information through the Web, as well as planning to update the department's Interactive Voice Response System.

7. ABOUT THE DATA

The reporting cycle is the Oregon fiscal year. The department's Web site is now being administered by DAS' e-gov program, and it appears Web site "hits" are being counted differently than in previous years. There may be a lack of continuity in data in future years.

*Evaluating benchmark data and 2008-09 targets, based on DAS e-gov program data tracking.



| KPM #5 | PERSONAL INCOME TAX ASSESSMENTS ISSUED PER EMPLOYEE PER MONTH | Measure since: 2000 |
|-----------------------|--|------------------------|
| Goal | Tax Administration: Provide excellent service, helping taxpayers meet their commitments with education, assistance and compliance. | |
| Oregon Context | This goal links to the department's mission and Oregon benchmark. | |
| Data source | Cost Allocation System (CAS) and Filing Enforcement Monthly Reports, based on productivity per position. | |
| Owner | Randy Evers, Personal Tax and Compliance Division Administrator | |

1. OUR STRATEGY

Our strategy is to develop filing enforcement tools, techniques and data sources that will improve the accuracy of our information and help the department assist taxpayers in filing.

2. ABOUT THE TARGETS

The department is moving to emphasize voluntary filing of tax returns by taxpayers (KPM#7). As that effort increases, we will not be sending as many assessments of tax due to taxpayers. As a result, we are projecting that the number of assessments per employee will decline over time.

3. HOW WE ARE DOING

The 2005 performance resulted in more assessments issued per employee than our 2005 target. As we complete the change in focus, we anticipate that the number of assessments will drop in favor of more voluntarily filed returns.

4. HOW WE COMPARE

Comparable data is not available.

5. FACTORS AFFECTING RESULTS

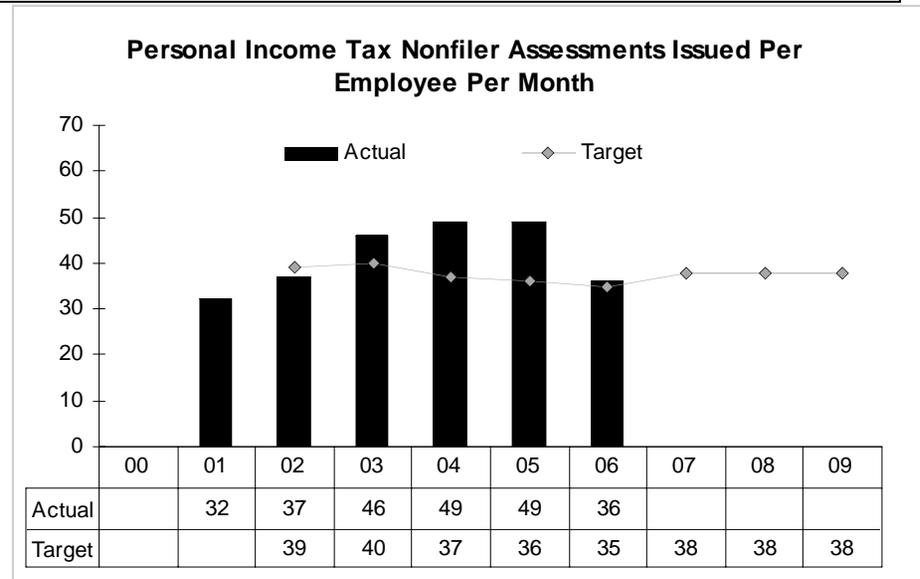
We are continuing to refine the tools and skills needed to encourage and assist taxpayers to file their returns voluntarily.

6. WHAT NEEDS TO BE DONE

The department has just developed an automated application that will help staff provide more accurate and complete information to assist taxpayers in completing their returns and will help us shift the focus to voluntarily filed returns.

7. ABOUT THE DATA

The reporting cycle is Oregon fiscal year. The department's internal auditor reviewed the measure and stated that the data appears to be reliable and consistent, although it does not include field office staff.



| KPM #6 | PERSONAL INCOME TAX AND CORPORATION TAX CASES CLOSED PER REVENUE AGENT PER MONTH | Measure since: 2000 |
|-----------------------|---|---------------------|
| Goal | Tax Administration: Provide excellent service, helping taxpayers meet their commitments with education, assistance, and compliance. | |
| Oregon Context | This goal has no direct link to Oregon benchmark; it links directly to the department's mission. | |
| Data source | Data from Agent Production Reports ACTF007 and FTE from Cost Allocation System (CAS), based on productivity per position. | |
| Owner | Randy Evers, Personal Tax and Compliance Division Administrator | |

1. OUR STRATEGY

Our strategy is to provide collection staff with tools and training to resolve collection cases quickly. The measure evaluates the effectiveness of staff in working with taxpayers to close cases.

2. ABOUT THE TARGETS

The target reflects steady growth in cases closed per revenue agent. A higher number is better.

3. HOW WE ARE DOING

In 2005, the number of cases closed per agent was 148, compared to the target of 153. We are continuing to increase productivity, although the targets are aggressive.

4. HOW WE COMPARE

Comparable data is not available.

5. FACTORS AFFECTING RESULTS

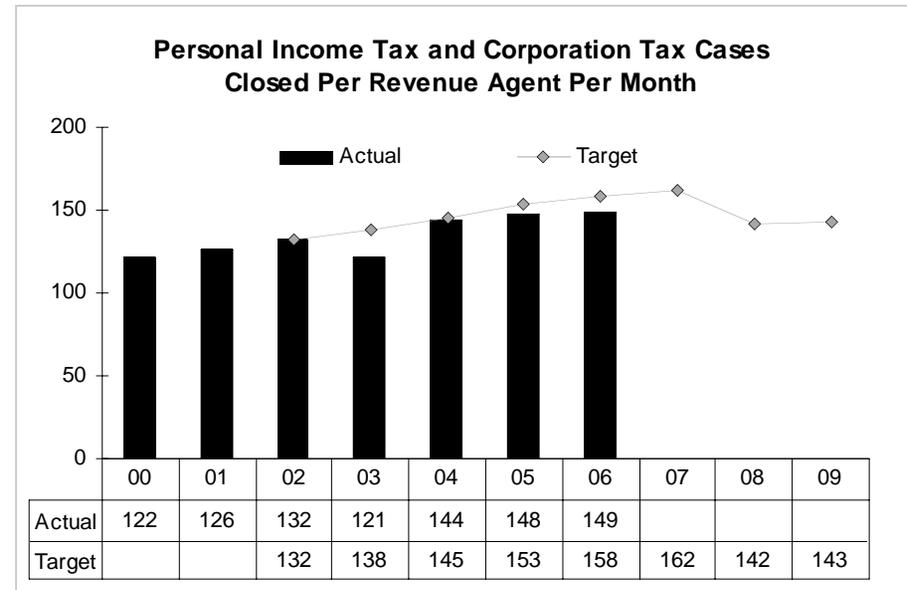
We are continuing to analyze the type and age of delinquent debts and work to ensure that agents are focusing their efforts effectively.

6. WHAT NEEDS TO BE DONE

The department is evaluating new collection tools and performing an in-depth analysis of unpaid tax debt to ensure we are maximizing effectiveness of our staff.

7. ABOUT THE DATA

The reporting cycle is the Oregon fiscal year. The department's internal auditor reviewed this measure and noted that the data appears to be reliable and consistent. She commented that although the measure includes personal income tax and corporation tax, the vast majority of the cases closed each month are personal income tax.



| | | |
|-----------------------|--|----------------------------|
| KPM #7 | DELINQUENT RETURNS FILED AFTER COMPLIANCE CONTACT PER FILING ENFORCEMENT EMPLOYEE PER MONTH | Measure since: 2001 |
| Goal | Tax Administration: Provide excellent service, helping taxpayers meet their commitments with education, assistance and compliance. | |
| Oregon Context | This goal links to the department's mission and Oregon benchmark 33. | |
| Data source | Cost Allocation System (CAS) and Filing Enforcement Monthly Reports, based on productivity per position | |
| Owner | Randy Evers, Personal Tax and Compliance Division Administrator | |

1. OUR STRATEGY

Our strategy is to identify non-filing taxpayers and encourage them to file their own returns. If taxpayers voluntarily comply by filing their own returns, we believe there is a higher likelihood of their future tax compliance.

2. ABOUT THE TARGETS

The department is emphasizing voluntary filing of tax returns by taxpayers. As that effort increases, we will produce fewer assessments of tax due (as measured in KPM#5) and will encourage taxpayers to file after compliance contact with the department. Higher is better.

3. HOW WE ARE DOING

The 2005 target was 26; actual performance for 2005 was 24. In recent years, filing enforcement has increased due to improved filing enforcement applications. The targets were adjusted to reflect that change.

4. HOW WE COMPARE

Comparable data is not available.

5. FACTORS AFFECTING RESULTS

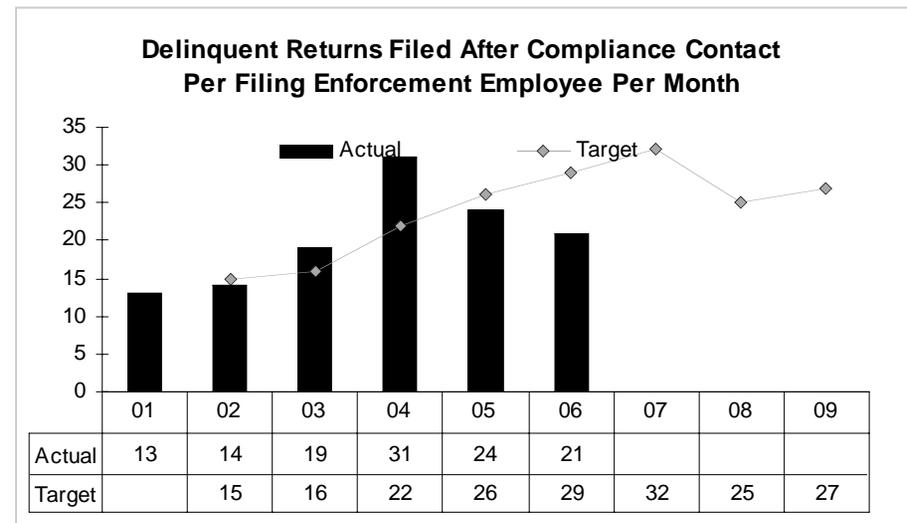
The department has provided training for employees, emphasizing the need to contact taxpayers quickly and work toward voluntary compliance.

6. WHAT NEEDS TO BE DONE

The department has just developed an automated application that will help staff provide more accurate and complete information to assist taxpayers in completing their returns and help with the focus on voluntarily filed returns.

7. ABOUT THE DATA

The reporting cycle is Oregon fiscal year. The department's internal auditor evaluated the measure and noted that the data appears to be reliable and consistent.



| KPM #8 | AVERAGE DAYS TO PROCESS PERSONAL INCOME TAX REFUND | Measure since: 1999 |
|-----------------------|---|---------------------|
| Goal | We adopt best business practices to make tax systems work better. And take full advantage of opportunities presented by new technology. | |
| Oregon Context | This Goal has no direct link to Oregon benchmark; it links directly to the department's mission. | |
| Data source | Personal income tax return processing system. | |
| Owner | Don O'Meara, Administrative Services Division Administrator, and Randy Evers Personal Tax and Compliance Division Administrator | |

1. OUR STRATEGY

Our strategy is to generate Personal Income Tax refunds in a timely manner, through the efficient use of staff and systems.

2. ABOUT THE TARGETS

The targets are based on generating refunds within a 15-day period in the future. This target is aggressive and demands careful planning. Lower is better for this measure.

3. HOW WE ARE DOING

In 2005, the target was 15 days; actual performance for 2005 was 21. The department will not meet the targets in 2005 and 2006 due to the implementation of a new processing system in 2005-06.

4. HOW WE COMPARE

Oregon's targets and usual performance are comparable with other states.

5. FACTORS AFFECTING RESULTS

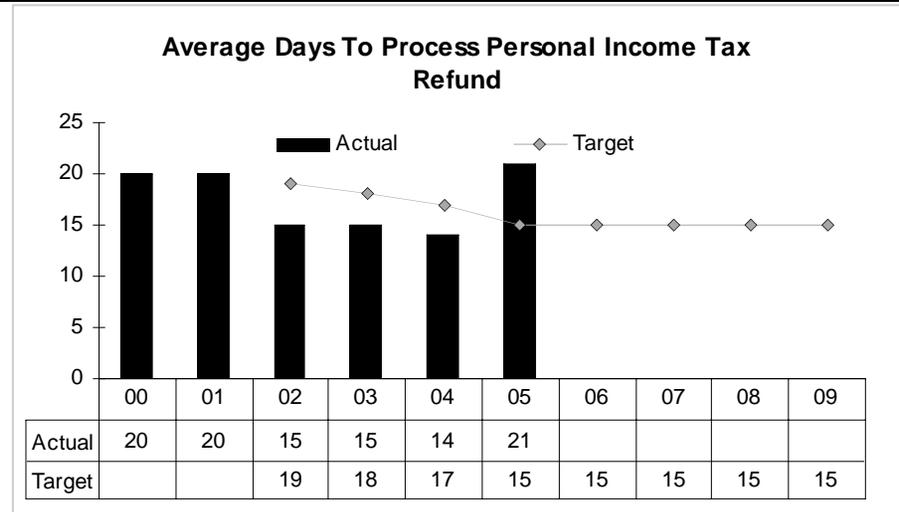
The department has been implementing a new processing system with reduced resources. These challenges have slowed the processing season in 2005 and 2006.

6. WHAT NEEDS TO BE DONE

With the successful implementation of the new processing system, the department is working to return to the 15-day target.

7. ABOUT THE DATA

The reporting cycle is Oregon calendar year for the previous year tax returns (Example for the 2005 calendar year DOR processed 2004 Tax Returns). The department's internal auditor evaluated the measure and noted that she could not verify the data until the new system was fully operational. She mentioned a more accurate title is "average days to process a refund".



| KPM #9 | PERCENT OF PERSONAL INCOME TAX RETURNS FILED ELECTRONICALLY | Measure since: 2002 |
|-----------------------|--|------------------------|
| Goal | Operational Excellence: Adopt best business practices, taking advantage of technology to improve our system and processes. | |
| Oregon Context | This goal has no direct link to an Oregon benchmark; it links directly to the department's mission. | |
| Data source | Personal income tax return processing system statistics for electronically filed returns. | |
| Owner | Don O'Meara, Administrative Services Division Administrator, and Randy Evers, Personal Tax and Compliance Administrator | |

1. OUR STRATEGY

Our strategy is to improve customer service and efficiency by increasing the percent of personal income tax returns filing electronically. Electronically filed returns are faster and less expensive to process.

2. ABOUT THE TARGETS

The targets were recently revised upward to reflect the strong growth in e-filing at the state and federal level. Higher is better.

3. HOW WE ARE DOING

The 2005 target was 35%; actual 2005 performance was 45%.

4. HOW WE COMPARE

Oregon's rate of electronic filing is comparable with other states.

5. FACTORS AFFECTING RESULTS

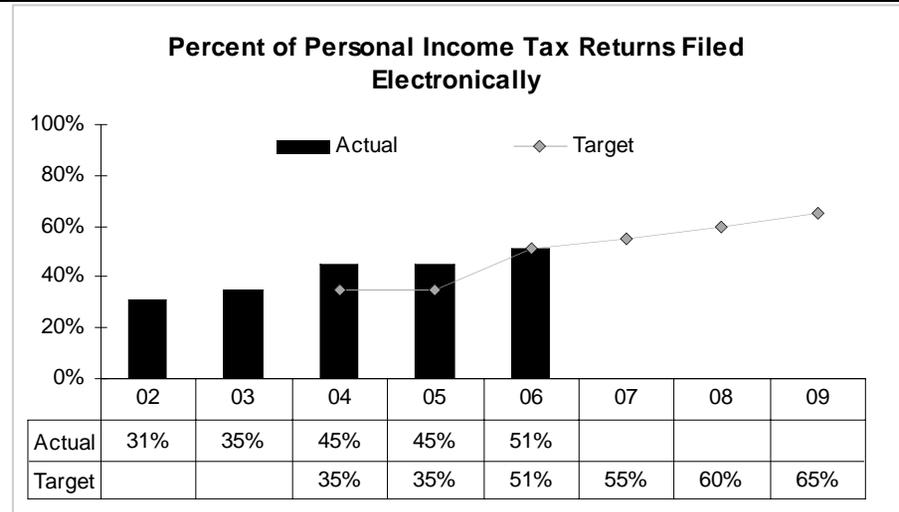
Since Oregon's electronic filing is tied with the federal return, we benefit as more taxpayers choose to file their federal tax returns electronically.

6. WHAT NEEDS TO BE DONE

The department needs to continue emphasizing and marketing the benefits of electronic filing. In addition, we will continue to work with software vendors to provide easy methods to add state electronic filing to federal electronic filing of returns.

7. ABOUT THE DATA

The reporting cycle is Oregon calendar year for the previous year tax returns. Example, for the 2005 calendar year DOR processed 2004 Tax Returns. The department's internal auditor reviewed the measure and stated that data appears to be reliable and consistent.



| KPM #10 | EMPLOYEE WORK ENVIRONMENT (BASED ON A SCALE OF 1-6) | Measure since: 2002 |
|-----------------------|--|---------------------|
| Goal | Work Environment: Provide a positive, productive, and welcoming work environment. | |
| Oregon Context | This goal has no direct link to Oregon benchmark; it links directly to the department's mission. | |
| Data source | Employee survey conducted by the agency's Workforce Environment Council. | |
| Owner | Sandy McLernan, Human Resources Section Manager | |

1. OUR STRATEGY

Our strategy is to provide employees with the physical environment, support and resources needed to do their jobs well.

2. ABOUT THE TARGETS

Employees rate their work environment on a scale of 1-6, with 1=very dissatisfied to 6=very satisfied. The targets are 5.25, reflecting a rating above "satisfied". Higher rating is better.

3. HOW WE ARE DOING

The 2005 target was 5.25; actual 2005 performance was 4.60. The results showed that people are generally satisfied with their work environment.

4. HOW WE COMPARE

Comparable data is not available.

5. FACTORS AFFECTING RESULTS

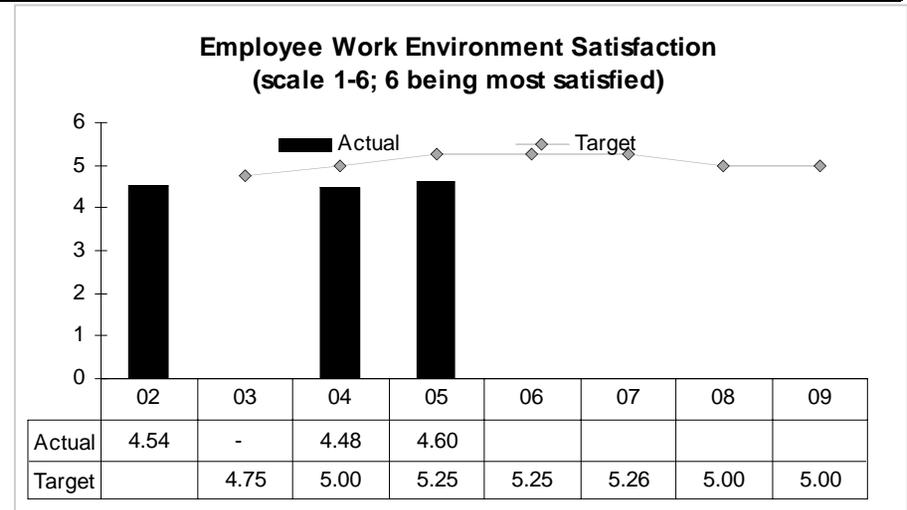
We provide training and developmental opportunities, job rotation programs, and flexible work schedules to support employees. Physical environment has been an issue, and we have recently installed ergonomic furniture on two floors within the Revenue Building.

6. WHAT NEEDS TO BE DONE

The department plans to complete installation of ergonomic furniture in the Processing Center and Portland Field Office.

7. ABOUT THE DATA

The reporting cycle is Oregon fiscal year. The department's internal auditor reviewed the measure and noted that the data appears to be reliable and consistent.



| KPM #11 | EMPLOYEES TRAINING PER YEAR (PERCENT RECEIVING 20 HOURS PER YEAR) | Measure since: 2000 |
|-----------------------|---|------------------------|
| Goal | Work Environment: Provide a positive, productive, and welcoming work environment. | |
| Oregon Context | This goal links to the department's mission and Oregon benchmark 29. | |
| Data source | Agency Cost Allocation System (CAS). | |
| Owner | Sandy McLernan, Human Resources Manager | |

1. OUR STRATEGY

This measure demonstrates the importance placed on employee development and the commitment of resources towards training.

2. ABOUT THE TARGETS

Oregon Benchmark 29: Labor Force Skills Training – measures percentage of Oregonians in the labor force who received at least 20 hours of skills training the past year. Our target is based on the percentage of employees who receive that training. Higher is better.

3. HOW WE ARE DOING

The 2005 target was 63%; actual performance for 2005 was 44%. The department is not meeting its training targets. We rebounded from the effects of layoff in 2003 but are still struggling to maintain our momentum.

4. HOW WE COMPARE

The 2003 Oregon Benchmark Report notes that there has been little progress on Oregon Benchmark 29.

5. FACTORS AFFECTING RESULTS

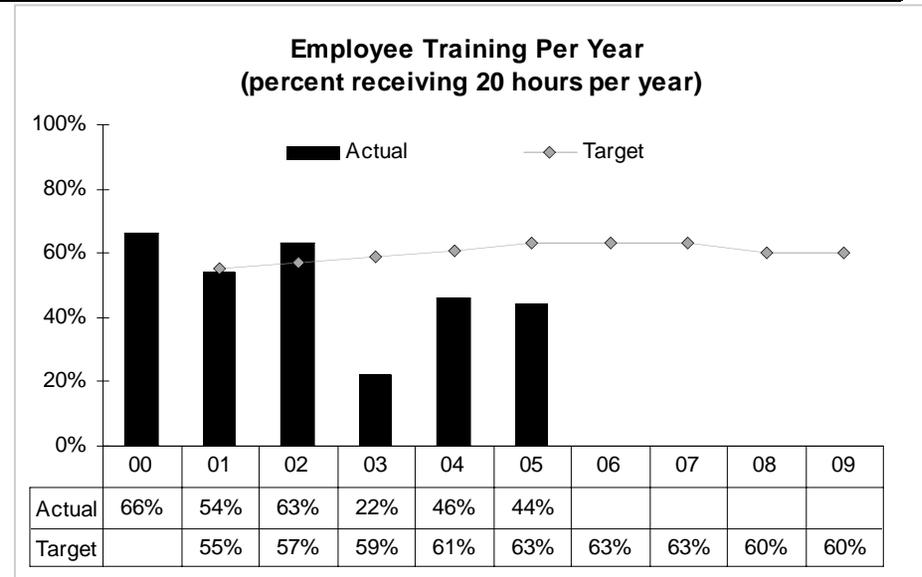
Due to budget shortfalls, the department cut back its training for staff in 2002-03. During 2003-04, we started to reinstate an active training program. Ongoing budget challenges, however, have made progress difficult.

6. WHAT NEEDS TO BE DONE

The department needs to continue to place a high priority on employee training and to look for creative, low-cost ways to deliver the training.

7. ABOUT THE DATA

The reporting cycle is Oregon fiscal year. The department's internal auditor evaluated the measure and notes that the data likely under-reports compliance with measure. Data comes from coding on timesheets. Managers are responsible for insuring the accuracy of reporting training with limited review for accuracy by payroll or Human Resources.



| | | |
|-----------------------|--|----------------------------|
| KPM #12 | CUSTOMER SERVICE: PERCENT OF CUSTOMERS RATING THEIR SATISFACTION WITH THE AGENCY'S CUSTOMER SERVICE AS "GOOD" OR "EXCELLENT". | Measure since: 2006 |
| Goal | Tax Administration: Provide excellent service to taxpayers in a timely manner. | |
| Oregon Context | This goal links to department's mission. | |
| Data source | Written surveys of walk-in customers at our field offices or main building; telephone surveys of randomly selected taxpayer calls. | |
| Owner | Randy Evers, Personal Tax and Compliance Division Administrator | |

1. OUR STRATEGY

Our strategy is to provide excellent customer service to taxpayers who visit our field offices or call our Tax Services Unit for assistance, as measured by surveys of our customers.

2. ABOUT THE TARGETS

With only the initial year of experience, we have set the targets for all components at 90%. Higher percentage is better.

3. HOW WE ARE DOING

Based on the initial survey results, it appears customers are generally satisfied with the service they receive when they visit our field offices or call Tax Services Unit."

4. HOW WE COMPARE

We will look at results from other state agencies for comparable data.

5. FACTORS AFFECTING RESULTS

With only one year of data, it is difficult to analyze factors that are affecting the results.

6. WHAT NEEDS TO BE DONE

The department will continue to emphasize the importance of customer service in all areas, including timeliness, accuracy, helpfulness, expertise and availability of information.

7. ABOUT THE DATA

The data was reported for the 2006 tax season. All taxpayers who visited field offices during that period were asked to complete a survey. In addition, the department did a random sampling of callers to our Tax Services Unit. The data included only those callers who agreed to complete a survey. The survey results have been adjusted to reflect the estimated number of non-respondents, and the next survey will capture this data.

