

# Stakeholder Relations



Presentation to  
Western States Association of Tax Administrators

# Stakeholders

- Ninety legislative members.
  - 60 representatives.
  - 30 senators.
- Biennial budget cycle.
- Stakeholders:
  - Oregon State Bar Association.
  - Oregon Society of Certified Public Accountants.
  - League Oregon Cities.
  - Association of Oregon Counties.

# Inherited issues

- Modernization—project vs. service mode of operation.
- Vacancies.
- Crosshairs with budget chair.
- Low scores on customer service Key Performance Measure.
- Political landscape.

# 2017 Legislative Session



***"It's nothing really serious. I just wandered a little too close to the harsh light of intense public scrutiny."***

CartoonStock.com

# Headlines

- Oregon is sitting on \$3.3 billion in bad debt from unpaid taxes, fines and fees—KGW, May 20, 2017.
- Oregon Governor, lawmakers seek clean-up of the Revenue Department—Statesman Journal, May 21, 2017.
- Oregon Department of Revenue will undergo top-to-bottom review—Statesman Journal, June 28, 2017.

# Budget notes

- A budget note is a formal directive to a state agency expressing legislative intent for a particular budget issue.
- Budget notes direct an agency to make follow-up progress reports on budget-related items to either the Emergency Board, an interim policy committee, or the next Legislature.
- A budget note can receive a high level of public and legislative scrutiny.
- A budget note corresponds to a topic directly related to budget execution and is discussed during the subcommittee review process.

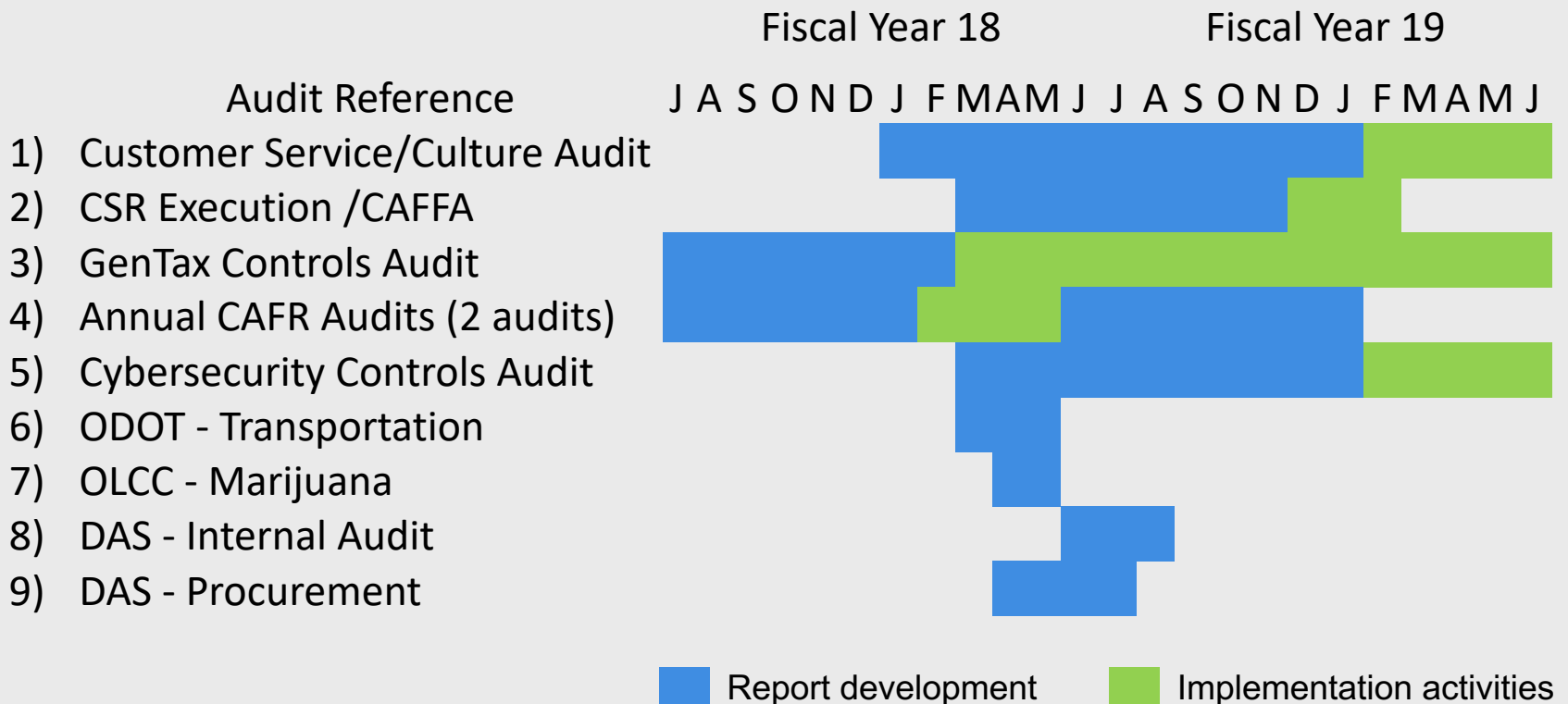
# Budget notes and audits

- Comprehensive external audit.
- Outcome-Based Management assessment.
- Review of personnel practices and legislatively authorized positions.
- Collections Division feasibility study.
- Tax season readiness report (2018 tax season).

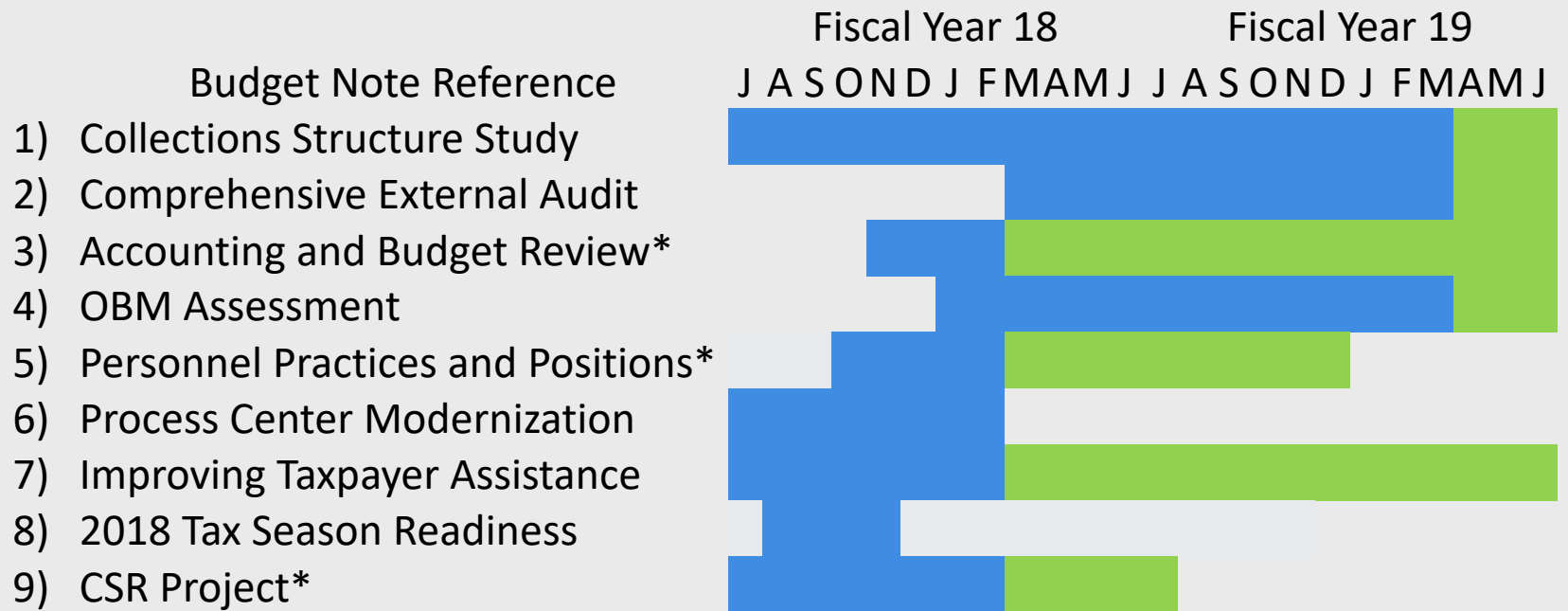
# Budget notes and audits

- Report on Core System Replacement project and any associated audits (joint).
- Comprehensive review of the Department of Revenue's accounting practices and Statewide Financial Management Application structure.
- Identify deficiencies in the current delivery of effective taxpayer assistance and develop a plan for addressing deficiencies and increasing agency performance.

# 2017-19 audit activity



# 2017-19 budget note activity



Report development



Implementation activities

\* Providing update

We hustled.  
We worked hard and  
gave it all we had.

—Brian Divelbliss

# Approach to rebuilding credibility

- New Executive Team—socialized new members with legislative members.
- Strategic Framework—shaped 2019 budget presentation.
- Met with legislators in their districts—off peak times.
- Created opportunities for communication/presentation.

Success is how high you  
bounce  
when you hit bottom.

—George S. Patton

# Growth

- Accountability mindset.
- Increased formalization of processes.
- More proactivity.

# Questions?

If you have additional questions after today,  
please contact:

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