

# Key performance measures

---

## I. Executive summary

## II. Key measure analysis

1. Dollars collected per revenue agent per month (personal income tax).
2. Percent of property taxes collected.
3. Percent of assessors' maps digitized in a GIS format.
4. *Replaced with key performance measure 13: effective taxpayer assistance.*
5. Personal income tax nonfiler assessments issued per employee per month.
6. Personal income tax and corporation tax cases closed per revenue agent per month.
7. Delinquent returns filed after compliance contact per filing enforcement employee per month.
8. Average days to process personal income tax refund.
9. Percent of personal income tax returns filed electronically.
10. Employee work environment.
11. Employee training per year.
12. Customer service.
13. Effective taxpayer assistance.

## III. Using performance data

## **Executive summary**

### ***Scope of report***

The agency's key performance measures (KPMs) are intended to represent our major business outcomes in the income tax and property tax programs.

These measures address the agency's major functions that include collecting revenue, auditing returns, and assisting taxpayers.

### ***The Oregon context***

The Department of Revenue is a key strategic and operational partner in providing healthy tax systems and long-term revenue stability for the state of Oregon. Our mission of making revenue systems work to fund public services includes strong work values around operational excellence and fiscal responsibility. The experience and skills required to support our mission significantly contributes to the governor and the legislature providing the best possible 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 a safe and positive work environment. We currently have 12 department performance measures that tell us how well we are doing in these areas. Our organizational strategic vision is designed to move and motivate the department for many years. To continue making this vision a reality, we are committed to innovating, streamlining, and using the most appropriate tools and technology available to us.

The agency continually collects, analyzes, and communicates information from and to stakeholders to build healthy relationships, better understand stakeholder needs, and drive continuous improvement in our operations.

### ***Performance summary***

The department has identified 12 key measures of performance linked to its mission and vision. Significant successes during the past year include: a significant increase in the number of personal income tax non-filer assessments issued per employee per month. Success in this arena is due to changes implemented to increase leads due to data matching with the IRS and continuing to focus on enforcement to increase voluntary compliance. We continue to see growth in the number of personal income tax returns filed electronically. More and more taxpayers are filing electronic returns, improving speed and efficiency of processing and reducing costs (KPM #9). And, the number of days to process a return continues to trend downward and exceed the targets (KPM #8).

The department also had some challenges in meeting some performance measures, including: the dollars collected per revenue agent per month (KPM #1) and the corresponding measure personal income tax and corporation tax cases closed per revenue agent per month (KPM #6). In both of these measures, the targets were not met. Upon closer review it is clear that these two measures are a subset of the total number of revenue agents and don't represent the work of all the staff in these areas. The percent of assessors maps digitized in GIS format (KPM #3), has made some progress, but has struggled to meet goals. The number of delinquent returns filed after compliance contact per filing enforcement employees per month (KPM #7) still is under target, but did make some gains in FY 2012. New strategies around training and contacting

taxpayers sooner are in place, but have not been in place long enough to produce desired results. Due to budget constraints, the ability to provide employees with 20 hours of training per year has suffered. We believe FY 2013 will bear out different results as we have put a high emphasis on getting employees training opportunities.

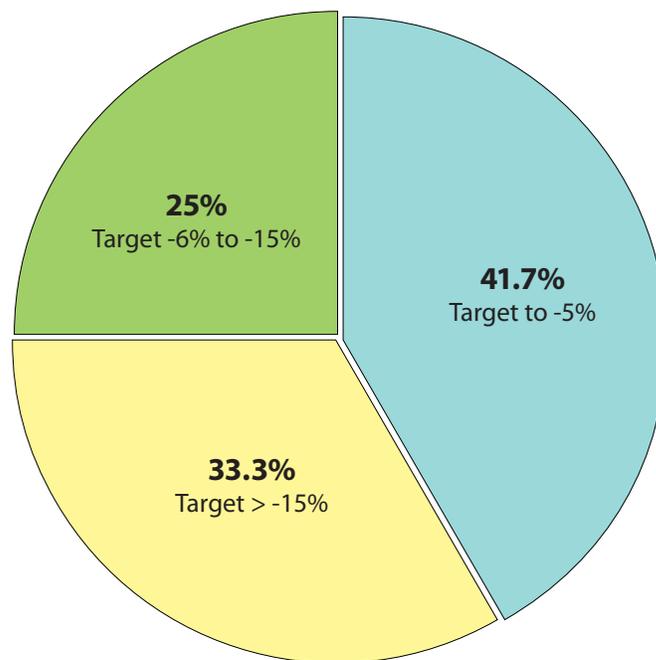
### **Challenges**

As we look to the future, slow economic growth and tight budget resources will continue for some time. We will be challenged to find new ways and innovative ways of delivering services, collecting tax revenues, providing employees with the tools and resources they need, and without making some investment in our core IT systems. In addition, as the agency has reviewed its KPMs and strategic plan, we have found that some of the measures we currently have are not the best measures to track our performance over time. As we have had significant turnover in agency leadership in the last 18 months, there is a recognition that some measures need to be re-tooled to provide better data and management resources to the organization. The agency believes that KPM #1, KPM #5, KPM #6, KPM #7, and KPM #10 need to be reworked.

### **Resources and efficiency**

The agency’s legislatively approved budget for the 2011–13 biennium is \$181,373,337, which represents a slight decrease from the previous biennium. The department made progress on its key measures, including its efficiency measures, over the last year.

### **Performance summary**



**Exception:** Cannot calculate status (zero entered for either actual or target).

## Key performance measure 1:

### Dollars collected per revenue agent per month (personal income tax)

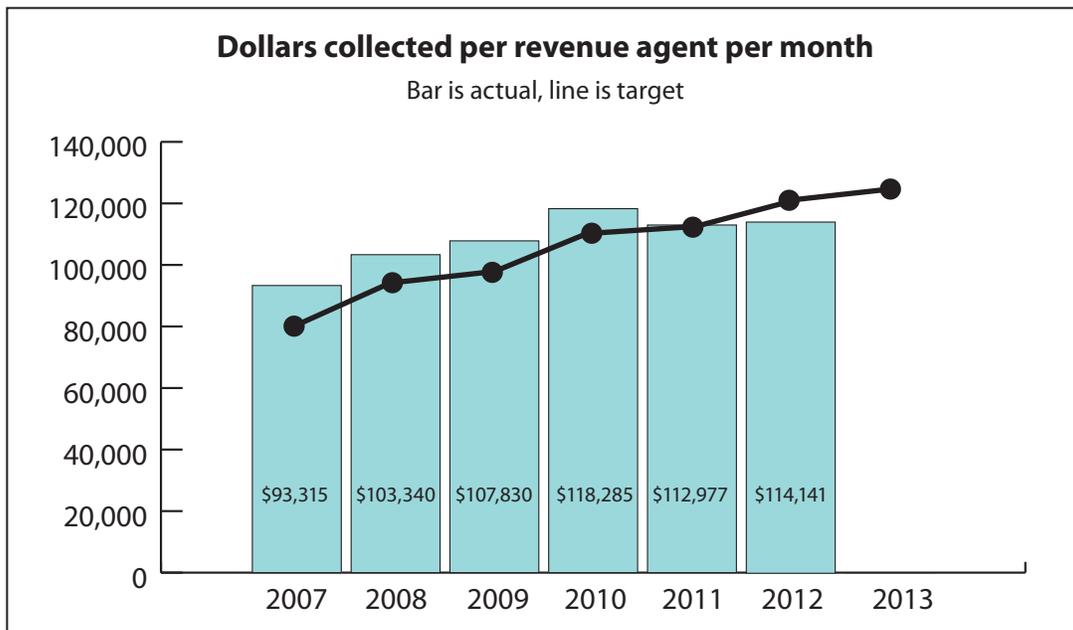
Measure since: 2000

**Goal:** Tax administration—Provide excellent service, helping taxpayers meet their commitments with education, assistance, and compliance.

**Oregon context:** This goal 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:** Joann Martin, 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:** Actuals for 2011 of \$112,977, exceeding the target (\$111,700). Actuals for 2012 were \$114,141 and our target was \$121,000.
4. **How we compare:** It is difficult to compare Oregon's performance with other states, given the widely diverse tax structures of different states. The department is currently working with a group of states to develop a way to compare results from state to state and develop and share best practice information state to state.
5. **Factors affecting results:** Conceptually, this measure is personal income tax revenue attributed to the collections efforts of a specified group of revenue agents divided by the number of agents in this group. The mechanics of this measure are simple, but the data for this measure is not as straightforward as the measure suggests. Our ability to break down data collection activity attributable to each agent and the fact that this measure only focuses on a subset of revenue agent activity highlights shortcomings in the reliability of this measure of performance. Although a

slowing economy has been identified in previous reporting, collection measurements continue to show that the department is a strong resource for resolving state debt fairly, efficiently, and effectively. The most recent increase in collections may in part be attributed to the implementation of a new sustainable work model that allows incoming calls to be handled by agents specialized in customer service to resolve accounts on the phone. Other agents are now focused primarily on work queues and resolving accounts through outbound calls, issuing letters, warrants, and garnishments to meet a 90-day resolution goal. This and other management practices to prioritize work queues have resulted in an overall increase in productivity. We are one year into these changes and have not fully realized the increases expected in productivity.

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's fiscal year. The department's internal auditor reviewed the measure and reported that the calculations appear to be accurate, documented, and repeatable.

## Key performance measure 2

### Percent of property taxes collected

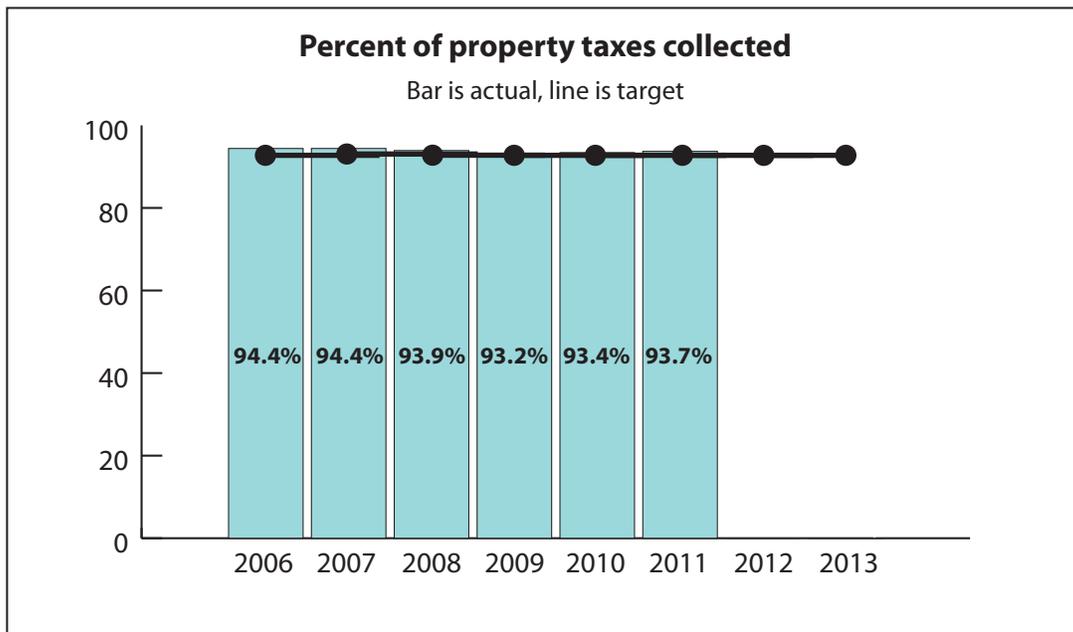
**Measure since:** 2000

**Goal:** Tax administration—Partner with local governments to promote a healthy and consistent property tax system.

**Oregon context:** This goal 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:** Mark Kinslow, 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, as most units of local government rely heavily on property taxes to fund local services.
3. **How we are doing:** The 2011 target was 93.8 percent. Actual measured performance was slightly below the target at 93.7 percent, which does not represent a statistically significant change from the previous reporting year.
4. **How we compare:** Comparable data is not available.
5. **Factors affecting results:** Data reveals the counties are collecting a high percentage of the total property taxes that are due and are managing their 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 collections offices.
7. **About the data:** The reporting cycle is the Oregon fiscal year. The data is self-reported by each of the 36 counties and uses the same methodology as is used for the *Health of the Property Tax System* publication.

## Key performance measure 3

### Percent of assessors' maps digitized in a GIS format

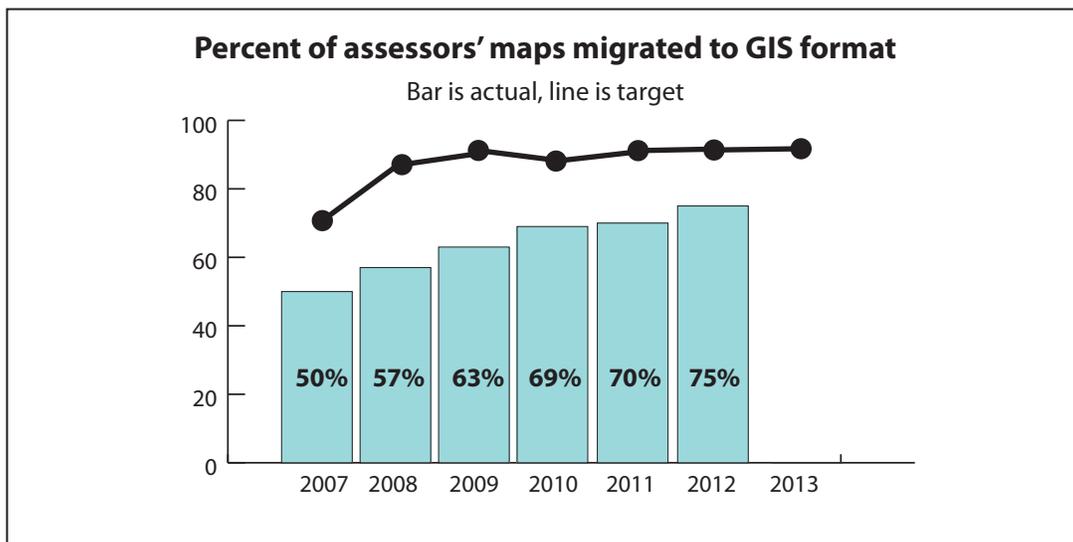
**Measure since:** 2004

**Goal:** Operational excellence—Adopt best business practices, taking advantage of technology to improve our system and processes.

**Oregon context:** This goal links directly to the department's mission.

**Data source:** Oregon Map Project (ORMAP).

**Owner:** Mark Kinslow, 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 ORMAMP advisory committee (as provided under ORS 306.135) has established a target of 70 percent for the 2011 reporting year. This target is being met. The agency will be coming forward in the next update cycle to formally request that KPM targets for this measure are changed to be consistent with those of the state-wide advisory committee. The long-term target is to have a totally digital statewide property tax map by the year 2016. This will require transforming all the county assessor maps into a GIS format by that date. The higher the percentage, the better the performance.
3. **How we are doing:** As of June 2012, we have completed 75 percent of the tax maps and 83 percent of the tax lots. We are meeting the ORMAMP advisory committee targets.
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 data to GIS-enabled format. 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 present ongoing challenges, but advisory committee targets are being met.
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's fiscal year. The department internal auditor reviewed this measure for fiscal years 2006 and 2007. The results of that audit were adopted into how this measure is currently being managed and reported.

## Key performance measure 5

### Personal income tax nonfiler assessments issued per employee per month

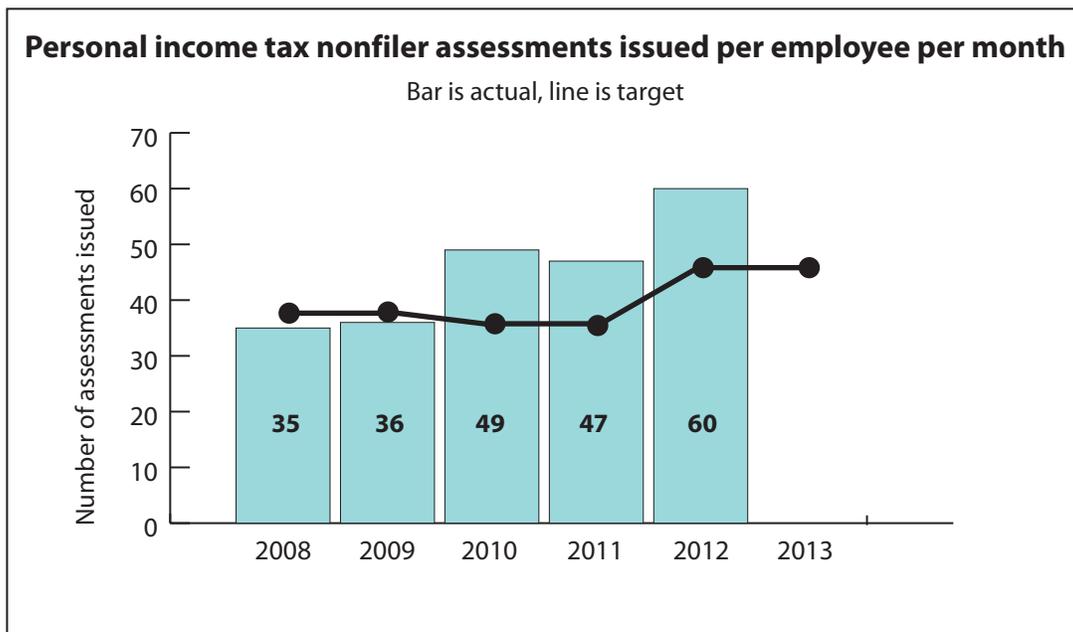
Measure since: 2000

**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.

**Data source:** Cost allocation system (CAS) and filing enforcement monthly reports, based on productivity per position.

**Owner:** Joann Martin, 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 continuing to emphasize voluntary filing of tax returns by taxpayers (KPM #7). As that effort increases, we should not be sending as many assessments of tax due to taxpayers. As a result, we are projecting the number of assessments per employee should peak, and then decline over time.
3. **How we are doing:** We exceeded the 2012 target. We changed our filing enforcement strategy and processes in late 2010. These process changes allow staff to work cases more efficiently, resulting in more assessments being done. This may seem contradictory. Improved enforcement is an integral part of our larger strategy of voluntary compliance. This is similar to increasing police patrols as school begins, as an integral strategy of achieving declining accident rates in school zones.
4. **How we compare:** Comparable data is not available. We exceeded the target.
5. **Factors affecting results:** We are continuing to refine the tools and skills needed to encourage and assist taxpayers to file their returns voluntarily. During 2012 fiscal year, we implemented process changes that allowed filing enforcement staff to be more efficient. We also utilized data analytics to find filing enforcement leads from the data received from the IRS.
6. **What needs to be done:** The department has defined strategies to increase voluntary compliance. We believe the strategies we have currently adopted will not allow us to meet a decreasing target for

this KPM in the future. When this KPM was developed, the strategy was geared towards obtaining voluntarily filed delinquent returns rather than issuing assessments. With the current economic conditions in Oregon, we believe that we will be unable to meet the target of decreasing assessments per employee per month until we are able to redefine strategies that offer more education and assistance to nonfilers rather than an approach that emphasizes increased production levels. By focusing on production levels rather than assistance and education in filing enforcement, it will increase the number of assessments per employee per month. We will redefine filing enforcement strategies once Oregon's economy recovers. It will take some time for the strategic changes the department is making to produce the desired outcomes. We need to continue what we are doing, while refining and constantly improving our practices, based on data.

7. **About the data:** The reporting cycle is Oregon fiscal year.

## Key performance measure 6

### Personal income tax and corporation tax cases closed per revenue agent per month

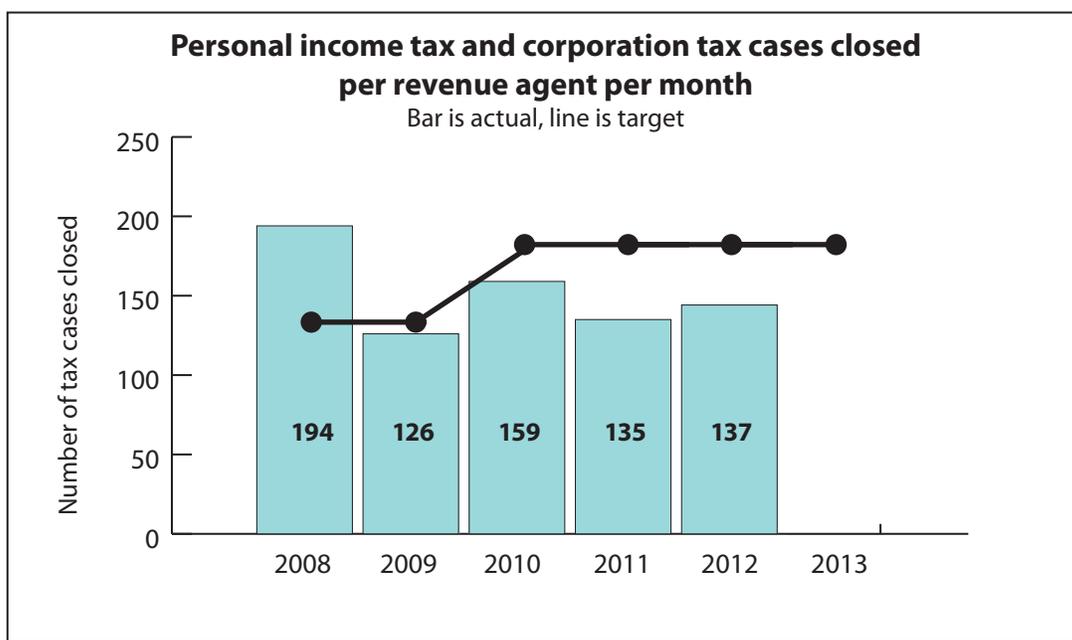
**Measure since:** 2000

**Goal:** Tax administration—Provide excellent service, helping taxpayers meet their commitments with education, assistance, and compliance.

**Oregon context:** This goal 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:** Joann Martin, 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:** For 2011, the number of cases closed per agent was 135 (80 percent of target). For 2012, the number of cases closed is 137 (81% of target).
4. **How we compare:** Comparable data is not available.
5. **Factors affecting results:** The department made changes to the staffing model to more effectively balance incoming calls from taxpayers and using a more effective call-queue management process. This change was implemented in January 2012 and our results have shown a slight increase in cases closed per month. Our ability to breakdown data of collection activity attributable to each agent and the fact that this measure only focuses on a subset of revenue activity highlights shortcomings in the reliability of this measure of performance.
6. **What needs to be done:** We need to continue to evaluate the effectiveness of process changes implemented in 2012 which should lead to a continued growth of cases closed per revenue agent.
7. **About the data:** The reporting cycle is the Oregon fiscal year.

## Key performance measure 7

### Delinquent returns filed after compliance contact per filing enforcement employee per month

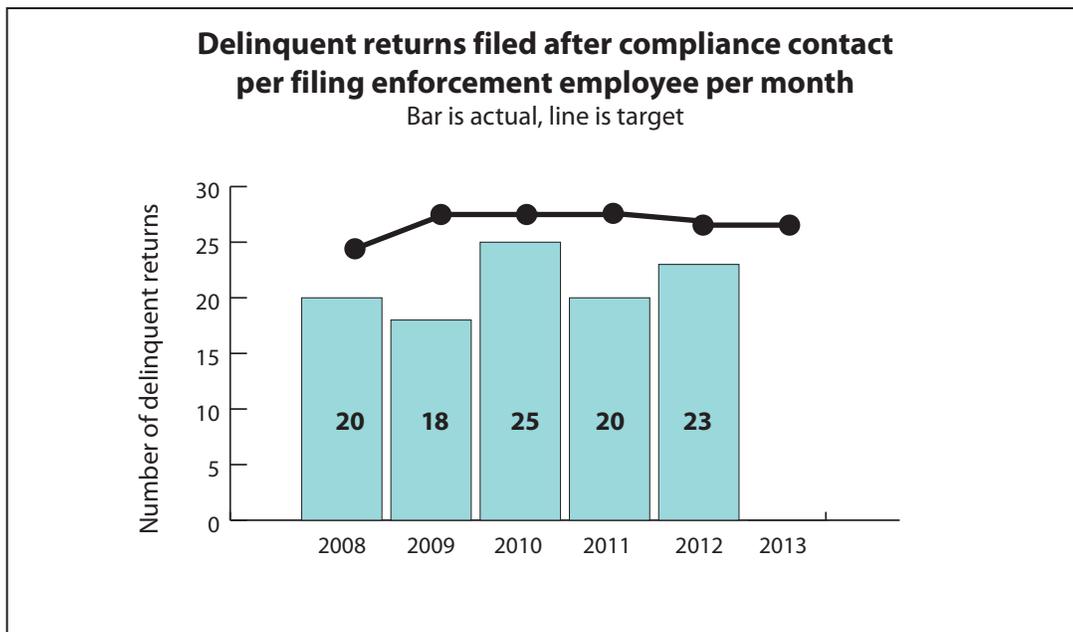
**Measure since:** 2001

**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.

**Data source:** Cost allocation system (CAS) and filing enforcement monthly reports, based on productivity per position.

**Owner:** Joann Martin, 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 a key long-term strategic objective. As that effort increases to produce positive results, we will probably produce fewer assessments of tax due (as measured in KPM #5). We will continue, through various means, to encourage taxpayers to file after compliance contact with the department. Higher is better.
3. **How we are doing:** We came close to meeting our target and we increased the number of filed returns per employee per month over the previous fiscal year. This strategy has not been in place long enough to produce the desired outcomes. We will continue to monitor, analyze, and refine our activities in this area.
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. During 2012 fiscal year, we implemented process changes that allowed filing enforcement staff to be more efficient. We also utilized data analytics to find filing enforcement leads from the data received from the IRS.

6. **What needs to be done:** The department has defined strategies to increase voluntary compliance. We believe the strategies we have adopted will help us meet the target in the future. By increasing production levels in filing enforcement, we believe we will locate, and bring into compliance, nonfilers previously undetected by the department. Increasing production will increase the number of filed returns per employee per month. The department has recently introduced new strategies, which will require some time to have the desired impact. We will continue to monitor, analyze, and make necessary adjustments and improvements.
7. **About the data:** The reporting cycle is the Oregon fiscal year.

## Key performance measure 8

### Average days to process personal income tax refund

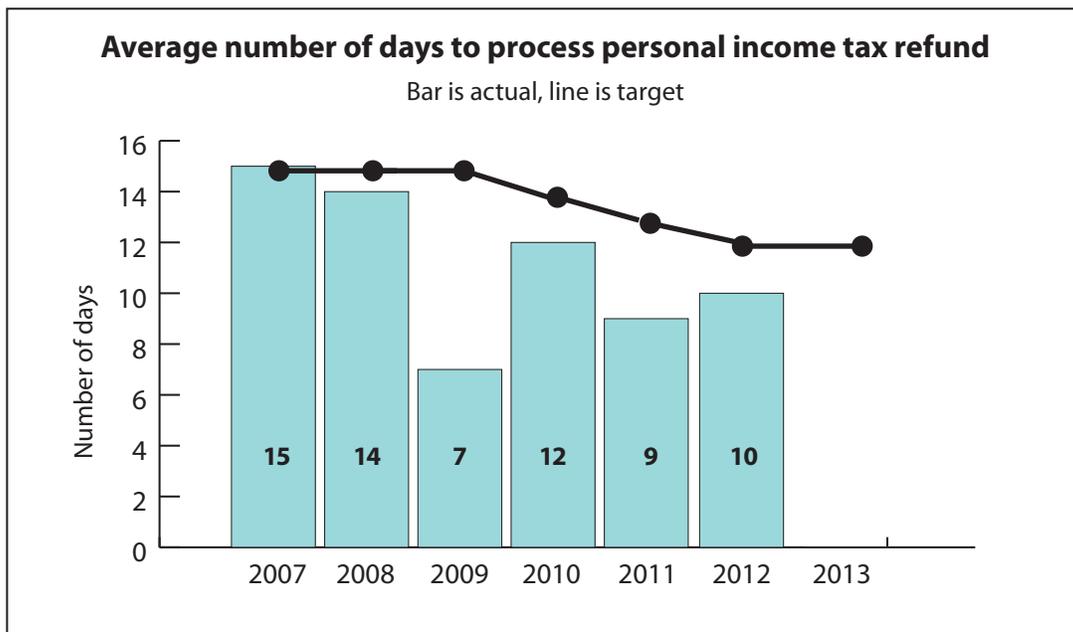
**Measure since:** 1999

**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 links directly to the department's mission.

**Data source:** Personal income tax return processing system.

**Owner:** Larry Warren, Administrative Services Division administrator



1. **Our strategy:** Our strategy is to generate personal income tax refunds in a timely manner, through the efficient use of people, processes, and systems.
2. **About the targets:** The targets are based on generating refunds within a 12-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 2012, the target was 12 days; actual performance for 2012 was 10 days.
4. **How we compare:** Oregon's targets and usual performance are comparable with other states.
5. **Factors affecting results:** Taxpayers utilization of electronic filed returns. Processing delays by the IRS and/or the timeliness of Congress enacting legislation has an effect on our ability to processing timely.
6. **What needs to be done:** Continued process improvement and education on the benefits of filing electronically.
7. **About the data:** The reporting cycle is calendar year, in which returns for the preceding tax year are processed (example: 2011 returns processed in 2012). Note: The data does not include amended returns.

## Key performance measure 9

### Percent of personal income tax returns filed electronically

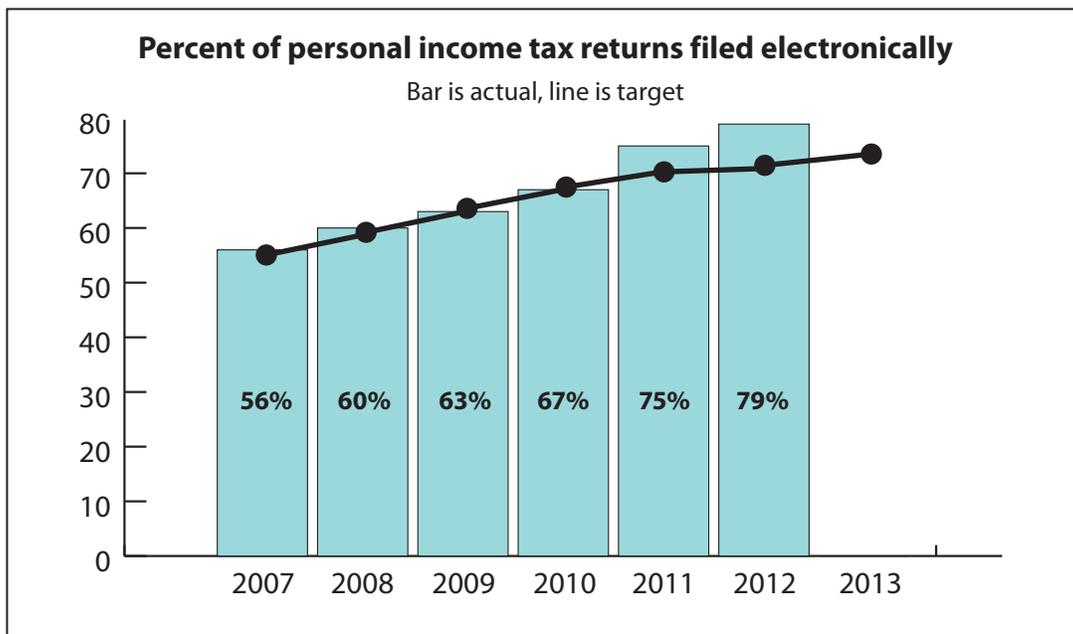
**Measure since:** 2002

**Goal:** Operational excellence—Adopt best business practices, taking advantage of technology to improve our system and processes.

**Oregon context:** This goal links directly to the department’s mission.

**Data source:** Personal income tax return processing system statistics for electronically filed returns.

**Owner:** Joann Martin, 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:** Data for this measure is reported by calendar year. We have seen a significant increase in e-filing for this reporting period (78.6 percent) bettering both the previous year, and the legislatively approved target (71 percent).
4. **How we compare:** Oregon’s rate of electronic filing is comparable with other states. The average percentage of electronically filed returns during 2012 in states without an e-file mandate is 75 percent. In states with an e-file mandate, the average percentage is 79 percent.
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. In 2011, the Oregon legislature passed HB 2071 authorizing the department to tie to the federal e-file mandate. The mandate requires tax practitioners that expect to prepare ten or more returns to file all of their returns electronically. The department also implemented a direct filing website in 2011. This allows taxpayers to e-file their Oregon return at no cost.
6. **What needs to be done:** The department needs to continue emphasizing and marketing the benefits of electronic filing.

7. **About the data:** The reporting cycle is the Oregon calendar year. Data for this measure is taken from the ITX run report from Suspense and includes suspended returns. Data is limited to personal income tax (PIT) returns. The department internal auditor has previously reviewed the measure and reported that the calculations appear to be accurate, documented, and repeatable.

## Key performance measure 10

### Employee work environment

(based upon a scale of 1–6)

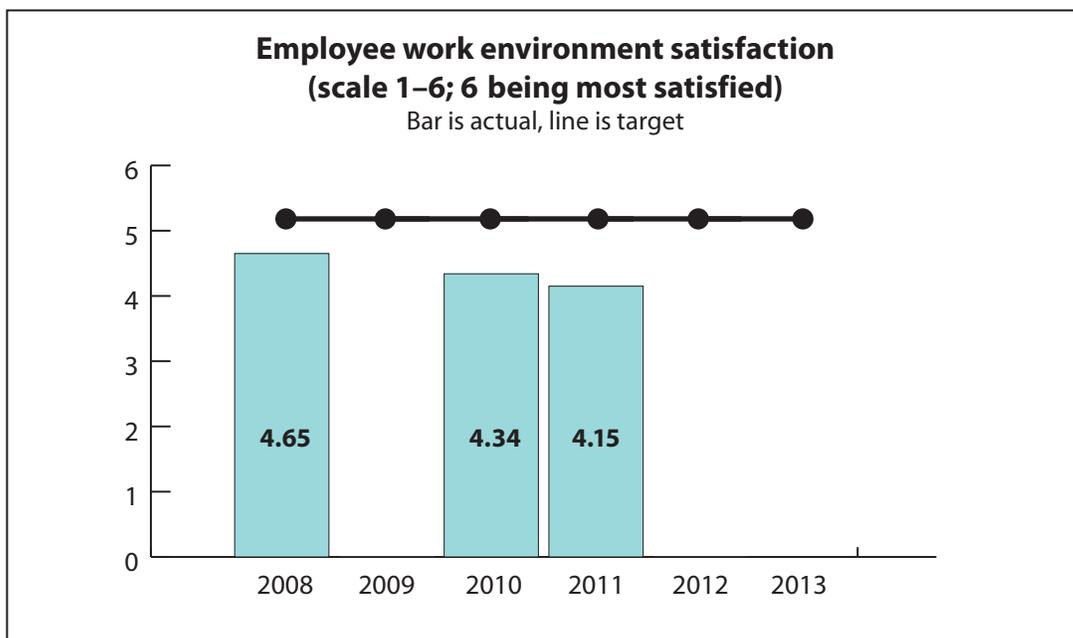
**Measure since:** 2002

**Goal:** Work environment—Provide a positive, productive, and welcoming work environment.

**Oregon context:** This goal links directly to the department’s mission.

**Data source:** Employee survey conducted by the agency’s Workforce Environment Council. All employees have access to an electronically-generated survey via posting on the agency’s webpage. Survey results were collected electronically, analyzed, and reported by the department’s metrics manager.

**Owner:** Kimberly Dettwyler, 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 target is an average of all quantitative elements of the survey of 5.25, reflecting a rating above satisfied. Higher rating is better.
3. **How we are doing:** The agency did not deploy the survey to staff in FY 2012 for two reasons. The employee who held the survey software license and did the analysis was laid off mid-year 2012. In addition, in late spring 2012, the agency’s leadership team started discussing a different measurement tool for employee work environment/engagement. The agency did not conduct the employee work environment survey in FY 2012 and is planning for a new survey tool in FY 2013.
4. **How we compare:** Comparable data is not available.
5. **Factors affecting results:** As previously indicated, no survey was conducted in 2012 to compare with previous year results. In addition, due to a significant hiring freeze between July 2011 and June 2012, many employees verbalized concerns about vacant positions effecting workload and morale. In addition, austere budget measures were in place and little training and new tool deployment (such as computer lifecycle replacements) were implemented. Since July 2012, we have held over 60 recruitments and hired over 110 positions.

6. **What needs to be done:** The department is recommending that this KPM be eliminated and a new one developed to replace it that is comparable and sustainable. The department recommends that a KPM titled “employee engagement” be used to replace this KPM. The first survey will be completed in March 2013 to create the baseline and the agency plans to survey staff every six months to determine progress.
7. **About the data:** The reporting cycle is Oregon fiscal year. Data in previous years was collected through an agency-wide electronic survey. All employees had the opportunity respond anonymously. The survey was distributed and results tabulated by the Strategic Planning Division survey specialist who is no longer with the organization. In addition to layoff in 2012, the position is recommended for elimination in the 2013–15 Governor’s Balanced Budget.

## Key performance measure 11

### Employee training per year

(percent receiving 20 hours per year)

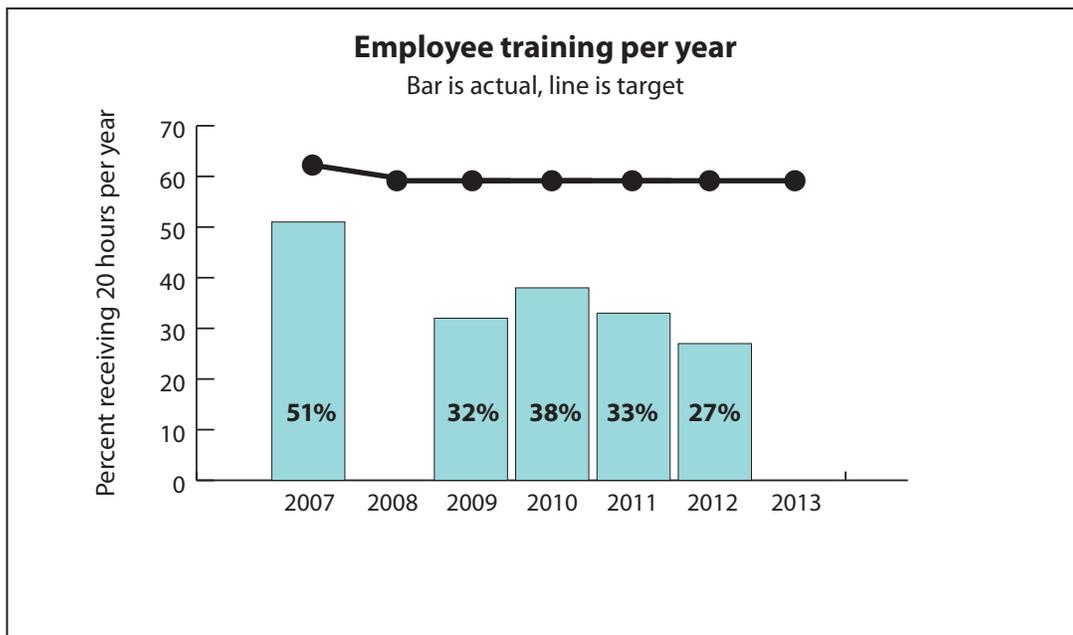
**Measure since:** 2000

**Goal:** Work environment—Provide positive, productive, and welcoming work environment.

**Oregon context:** This goal links to the department’s mission.

**Data source:** Agency cost allocation system (CAS) for the period before 2011. iLearn Oregon for 2012 and ongoing.

**Owner:** Kimberly Dettwyler, Human Resources manager



1. **Our strategy:** To identify key staff and management skills, knowledge, and abilities and use a variety of formal and informal training and development activities to meet those needs within the available resources.
2. **About the targets:** Measures percentage of Revenue employees who received at least 20 hours of skills training in 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 department averaged 29.2 hours of training per employee for this fiscal year. Because of specific training needs and limited resources, the department focused on providing critical job skills training for a limited number of employees. Additionally, under-reporting of training on timesheets has been, and continues to be, a perennial issue. The department has migrated to reporting and tracking of training in iLearn Oregon and we are seeing a more accurate reporting of training from iLearn’s records than we were seeing using timesheet data.
4. **How we compare:** It would be useful for DAS to provide agencies with a system-wide mean for hours of training per employee, for use as a benchmark.
5. **Factors affecting results:** Ongoing budget challenges and critical job skills training needs have made it difficult to provide the 20 hours minimum for each of our employees.

6. **What needs to be done:** The department needs to place a high priority on training and development, and continue to seek creative, low-cost ways to deliver the training. Additionally, we are providing more development opportunities to our employees through participation in specific projects, process improvement teams, Leadership Revenue, and work out-of-class assignments.
7. **About the data:** The reporting cycle is Oregon fiscal year. Data comes from iLearn Oregon. Comparison of the reported hours on both timesheet records and iLearn Oregon records has shown that the iLearn system provides a truer representation of the training attended by employees. Managers are responsible for insuring the accuracy of reporting training with limited review for accuracy by Payroll or Human Resources.

## Key performance measure 12

### 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)

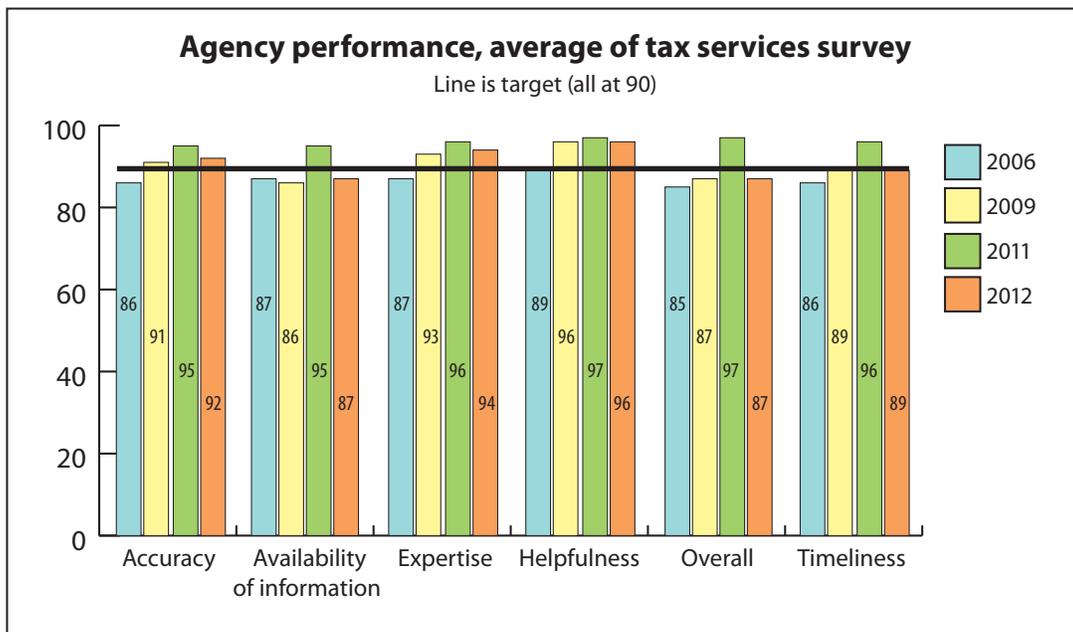
**Measure since:** 2006

**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:** Joann Martin, Personal Tax and Compliance Division administrator



1. **Our strategy:** Our strategy is to provide the best possible 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:** We have set the targets for all components at 90 percent. Higher percentage is better.
3. **How we are doing:** Since the 2009 APPR, Oregon has seen significant declines in our economy, and we continue to see macro-level economic forecasts suggesting our economy will remain flat or perhaps even decline, at least for a time. In spite of this, customer service ratings have remained relatively positive, remaining within a 5 percent variation from the previous report. Because we are who we are, this speaks highly for the department’s ability to maintain positive service levels through chaotic and trying times.
4. **How we compare:** It would be helpful if DAS could provide an overall mean from all state agencies for each of the customer service elements which we could use as a benchmark in comparing our results.
5. **Factors affecting results:** To maintain customer service levels through all of the changes and challenges the state and the department has faced over the past few years should be considered a compliment to the commitment and professionalism of our employees who serve the people of the

state of Oregon. The department had 8 fewer representatives to handle calls due to the hiring freeze. The freeze was lifted in July 2012.

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, through increasing availability of self-help options and direct customer service.
7. **About the data:** The data for this report was collected in December 2012, using a representative sample of taxpayers who had just completed some type of transaction with the department. Results were entered into Survey Monkey and tabulated electronically. The error rate is presumed to within 5 percent.

## Key performance measure 13

### Effective taxpayer assistance

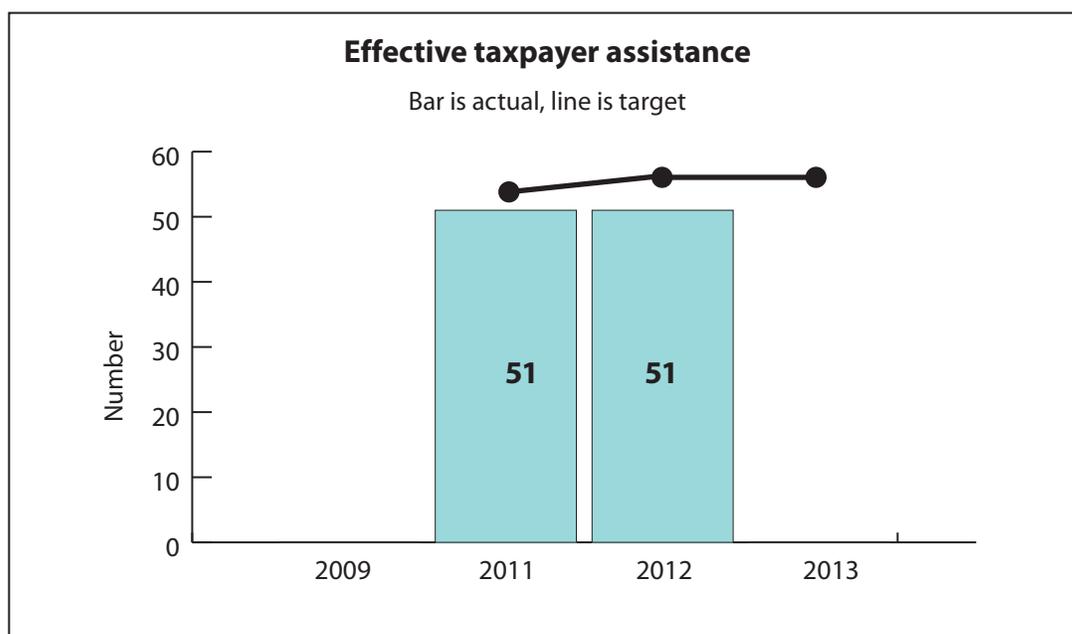
(We provide effective taxpayer assistance services through a combination of direct assistance and self-service options)

**Goal:** Effective taxpayer assistance—Provide services in an effective and timely manner for taxpayers to meet their commitments.

**Oregon context:** This goal links directly to the department’s mission.

**Data source:** Department of Revenue automated systems, Interactive Voice Response (IVR) system, telephone survey, and website survey.

**Owner:** JoAnn Martin, Personal Tax and Compliance Division Administrator.



1. **Our strategy:** Our strategy is to provide web-based, self-service options for common and simple tasks taxpayers want to perform with us (examples include making payments or finding the status of a refund). Personalized one-on-one service is provided to reach taxpayers that don’t have access to internet services or prefer individualized help.

This strategy helps us contain and reduce costs while providing service to the most taxpayers possible. We are using customer surveys as “checks” within the structure of the composite measure to ensure we’re providing the right balance of service options.

2. **About the targets:** The department is using a complex performance outcome measure that “rolls up” individual results from three specific component operational measures: call wait times, IVR/ internet self-service, and customer service surveys.

We are measuring the combination of phone wait times, successful use of the internet for self-help, and direct customer service levels. Individually, these are significant operational measures; in aggregate they form a more complete picture of the desired outcome than a single-element measure could. Together, the three components of the measure tell us the degree to which we are providing efficient, effective taxpayer services.

Each portion of the measure is weighted differently (call wait times = 40 percent, percentage of successful “Where’s My Refund?” inquiries = 50 percent, and customer service ratings = 10 percent). Since the data forms are different, targets and actuals are “normalized” into a common expression, a scale of 1–100, with a higher aggregate score being better.

3. **How we are doing:** Call wait-times—those with less than five minutes wait time = 44.6 percent of total calls. Of the 230,207 calls, 14,055 (6.1 percent of all calls) required a Spanish-speaking interpreter. The department has only 2–3 interpreters available which significantly increases the wait time. Statistics are not kept on taxpayers requiring assistance with languages other than Spanish.

Wait-times were increased by a number of specific events like changes to the senior deferral program, and notification to taxpayers on a change to collection fees. We also experienced a high vacancy rate (eight full-time phone representatives), a hiring freeze delayed filling vacant positions until November 2012, and an associated training lag before new hires were able to perform like the representatives they replaced. These factors increased both call volumes and call times, resulting in higher than optimal wait times.

Percentage of successful “Where’s My Refund?” inquiries = 49 percent. As with wait-time statistics, IVR look-ups were adversely impacted by specific events. For instance, taxpayers look up their refund status before waiting the recommended time we communicate it will take to process their return.

Percentage of customer service ratings of good or excellent = 96 percent. In spite of the significant changes in both the internal and external environment and the multiple, specific events noted above, Department of Revenue employees have continued to deliver consistently high degrees of customer service.

4. **How we compare:** Due to the unique nature of this measure, comparable data is not available.
5. **Factors affecting results:** The primary factors impacting this measure are largely within the general category of “specific event” causes of variation (those types of variation which are statistically outside normal process control limits).
6. **What needs to be done:** The department will continue its ongoing process re-engineering and improvement efforts. We need to continue to monitor the specific events we know to cause high demand for taxpayer services and respond accordingly.
7. **About the data:** Reporting cycle is the Oregon fiscal year. Website information is taken from oregon.gov and IVR data gathered by the department. IVR data includes results showing the number of callers that hang up after listening to information on the IVR. It also includes results showing the number of times the response to an inquiry to the “Where’s my refund?” application is something other than “not found.” Wait time data is gathered from the phone system. Customer service data is taken from the standard customer service KPM survey process.

## Using performance data

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

### ***Inclusivity***

**Staff:** Staff are increasingly involved in reviewing our agency mission, vision, and values, which are supported by these key performance measures. There is increasing participation and input on review and requests for modifying and/or changing measures.

**Elected officials:** Elected officials review the performance measures as part of the legislative process.

**Stakeholders:** Stakeholders are consulted regarding the measures as appropriate.

**Citizens:** Citizens review the performance measures on the department's website and submit questions and comments.

### ***Managing for results***

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. The agency uses additional internal measures and division and agency level dashboards to track internal indicators to assist in using output data to more effectively manage to identified outcomes.

### ***Staff training***

Various agency managers have previously, and continue to, attend targeted training classes, with topics related to public sector 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 Department of Administration's website. The department has begun offering internal training on process performance metrics and the tools of quality.

### ***Communicating results***

**Staff:** Staff have the capability to review key performance measures on the department's internal website. Managers are engaged in multiple levels of review of each updated annual performance progress report. Based upon their reviews, work processes may be changed or problems/trends identified, which are then addressed.

**Elected officials:** 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:** Stakeholders review the measures on the department's external website and may ask questions or make suggestions.

**Citizens:** Citizens review the measures on the department's external website and may ask questions or make suggestions.