

Oregon Department of Revenue

Annual Agency Information Technology Strategic Plan Progress Report

Information Technology Services Division

June 2025

Executive Summary

The Oregon Department of Revenue's Information Technology (IT) Strategic Plan focuses on three of the agency's four strategic priorities:

- Making it simpler for customers to work with us.
- Training our workforce for the future.
- Enhancing data access and use.

By focusing on innovation, empowering the agency, IT service delivery, and investing in IT staff, the department has made significant progress supporting these priorities and advancing the agency's mission to collect the revenue that Oregon counts on.

The Information Technology Services Division (ITSD) has prioritized its work to focus on customer service, including projects to modernize the agency's contact center, provide insight to taxpayers on the processing of personal income tax refunds, improve correspondence, and coordinate online tax filing with the Internal Revenue Service (IRS) to create a clear and simple process for filling personal income taxes. The department launched Doug, a chatbot, and Direct File Oregon, in Revenue Online, its online customer service portal, providing new ways of working with the department.

ITSD has also supported training the department's workforce by offering online self-service training and support tools so that agency staff can get the services from ITSD that they need to be productive and can increase their own technical abilities to use the department's core IT system, GenTax, as well as other data and analytics tools. ITSD continues to improve its services to the agency by focusing on IT service fundamentals and has deployed new IT service management tools, asset management tools, and has transformed the service desk to provide helpful and timely support to agency staff.

ITSD has work remaining when it comes to data access and use as the department faces a significant challenge in this area. Its overall data and analytics practice has not kept up with the department's modernization efforts and it faces significant investment in data infrastructure for the department. Funding for this effort is a challenge, so ITSD has adopted an incremental approach, working with the agency staff to form a data strategy and deliver increasingly sophisticated capabilities over time.

ITSD is proud of its staff's accomplishments over the last biennium and its progress has made a significant impact for the agency and for Oregonians.

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Strategic Objectives

The IT Strategic Plan is structured around the four primary focus areas of innovation, empowering the agency, IT service delivery, and investing in IT staff.

Innovation

Priority 1: Support the agency's strategic projects by developing innovative systems and services to move the agency forward in its goal to provide a clear and easy experience for our customers.

Goal 1.1: Support the Customer Service Center of Excellence.

During fiscal year (FY) 2025 ITSD worked with the Customer Service Center of Excellence on two primary projects. The first is the "Where's My Refund?" application. The number one question asked of the department's customer service agents by far is where's my refund and ITSD launched an application in Revenue Online that steps customers through what information the department can reasonably provide about their refund. Now, 95 percent of taxpayers can see the status and know the amount and the date of delivery for their refund. The remaining 5 percent of taxpayers can see that their return is under review and what the next steps are. The second project is the contact center modernization. This project has been stalled as ITSD worked through service and pricing issues with the current statewide vendor. This resulted in a waiver from State Chief Information Officer (CIO) Terrence Woods to be able to procure the department's own solution independently and ITSD has relaunched a project to procure and deploy a modern contact center with an estimated 3-year timeline.

Goal 1.2 – Improve the correspondence coming out of GenTax.

The agency identified 402 individual letters within the GenTax system and is rewriting those letters by program areas to use plain language and to be accessible. The project team will deliver these letters to ITSD starting July 2025 to incorporate into the production environment. As of May 2025, ITSD has 108 letters ready for deployment and expects to finish deployment as of December 2025.

Goal 1.3 – One Payment.

Significant functional changes are required to complete this goal and the initial work to implement the Managed Payments module in GenTax will launch July 2025 with a completion date of December 2025. Once Managed Payments is complete, ITSD will launch the "One Stop Shop" project to create a unified customer experience for payments. The scope and timeline of this project is still to be determined.

Goal 1.4 – Implement electronic filing of personal income tax returns on Revenue Online.

Direct File Oregon went live for the 2024 tax filing season. It was modified to be linked to the federal IRS Direct File for the 2025 tax filing season. Over 10,000 Oregon taxpayers were able to file their taxes either in whole or in part through this system electronically at no charge. The department will continue to develop the usability of this system. If IRS Direct File does not continue in 2026 it could see limited adoption.

Goal 1.5 – Expand data management capabilities.

The policy option package for additional data environment work was not adopted into the Governor's Recommended Budget. ITSD continues to work with the department's data governance structure,

Microsoft PowerBI capabilities, and smaller prototypes for data models as it can within its limited budget. Without dedicated funding, progress on this goal will be slow and limited.

Priority 2: Explore emerging technology for use at the agency to transform delivery of its mission.

Empower the Agency

Priority 3: Create training roadmaps for specific technology products to increase the technology skills of agency employees.

Goal 3.1 – Build technology knowledge acquisition roadmaps.

This consists of SQL and Power BI activities.

Goal 3.2 – Provide additional training opportunities for GenTax and other technology products.

ITSD deployed a self-study option in GenTax so agency employees can get just in time training on the platform.

Priority 4: Invest in self-service technology to allow agency employees to manage their IT needs better.

Goal 4.1 – Develop self-service capabilities in the ITSM tool for employees to manage their tickets.

ITSD developed and released this capability.

Goal 4.2– Develop self-service capabilities for managers to view and manage the IT equipment of their teams.

ITSD did not attain this goal. Limitations in the IT Service Management (ITSM) tool means that ITSD will need to find another asset inventory tool to accomplish this.

IT Service Delivery

Priority 5: Mature IT services in all areas to optimize delivery.

Goal 5.1– Focus on foundations.

ITSD has improved the service desk functions and provides timely tier 1 responses, with a focus on customer service. ITSD recently completed a Windows 11 rollout and its scheduled annual fleet segment refresh. All staff have modern equipment and access to Microsoft 365 for basic productivity.

Goal 5.2 – Complete the process for documentation for IT operations.

Initial progress has been modest on this topic; however, a renewed focus will be put on this with the roll out of a replacement ITSM platform in the next biennium.

Goal 5.3 – Complete the modernization effort.

ITSD has one major component left for the modernization effort with Electronic Valuation Information System (ELVIS) industrial, currently scheduled for completion by December 2026. ITSD has two significant minor components left with Legal Opinions Library (LegOps) and request for computer access (RCA) with current projects underway to leverage modern Microsoft productivity tools to address these needs without a significant software development effort.

Goal 5.4 – Improve cyber security footprint.

The agency has completed its IRS security audit with its best findings to date. The Corrective Action Plan (CAP) is being worked through and reported quarterly. ITSD also completed the Cyber Security Services (CSS) review of Center for Internet Security (CIS) controls (subset) in 2025 and ended up with 84 percent compliance, the highest rate of the agencies so far. ITSD also successfully migrated from RSA tokens to Yubi Keys for multi-factor authentication (MFA).

Invest in IT Staff

Priority 6: Create and maintain a culture that attracts IT talent.

Goal 6.1 – Streamline IT onboarding.

ITSD have worked with Human Resources (HR) to streamline general onboarding; however, staff turnover rates remain very low, so dedicated IT onboarding has not been prioritized. ITSD continues to evaluate.

Goal 6.2 – Identify IT capacity limitations.

As part of the agency's fiscal impact process this legislative session, ITSD has reviewed and revised its estimation of staffing requirements to include service desk personnel as overall staffing levels for the agency increase following a Gartner recommended standard ratio of 1:70, and IT supervisory and management positions to try and bring the span of control down to a ration of 1:11 as per Chief Human Resources Office (CHRO) recommendations, especially for programming staff. ITSD also continues to look at overall resource management to ensure that it has project expectations in alignment with capacity.

Goal 6.3 – Succession management.

As part of the overall agency wide succession management plan, ITSD has identified key personnel that represent a risk to operations and is formulating succession plans around those positions including backup duties and developmental opportunities for junior staff.

Priority 7: Develop IT skills to support the agency now and into the future

Goal 7.1 – Create Opportunities for IT staff to grow and develop.

One key initiative to develop and engage staff is the organization of a DOR hackathon. IT section managers are planning an event in late summer or early fall of 2025.

Tracking Progress

The IT Strategic Plan envisioned tracking progress on a set of progress indicators and metrics associated with the goals noted above. Upon review, progress would best be measured by tracking metrics associated with the seven individual priorities identified within each of the focus areas. Achieving measurable progress on ITSD's priorities is a clear indication of success in achieving its strategic objectives.

Innovation

Priority 1: Support the agency's strategic projects by developing innovative systems and services to move the agency forward in its goal to provide a clear and easy experience for our customers.

Success is measured by completion of governance approved projects that are in line with the Agency priorities and strategic plan. ITSD has completed five large, governed projects.

Priority 2: Explore emerging technology for use at the agency to transform delivery of its mission.

Success is measured by engagement with new technologies and the identification of potential to transform delivery of Agency Mission.

Artificial Intelligence (AI)

Assessments of Grammarly, Fairfax, and Microsoft AI tools were done in the last year. Security, policy, and cost concerns remain barriers to adoption. However, AI technology would greatly enhance productivity for the agency communications team, offers significant potential for dramatically increasing the accuracy of the department's scanning of paper documents into GenTax for processing, and could address organization and retrieval needs for reference material currently met by one of the two remaining legacy applications.

Contact Center

Assessments of modern tools that shift the department's public customer service interface from a telephone only call center to an omni-channel contact center have resulted in a procurement effort and the formation of a formal three-year project for adoption. The expectation is that the new system will allow the department to track and meet clear measurable goals to increase customer service as articulated in the agency strategic plan.

Empower the Agency

Priority 3: Create training roadmaps for specific technology products to increase the technology skills of agency employees.

Success is measured in the adoption of specific technology products as a reflection of skill development. The department has adopted Microsoft PowerBI, Microsoft SQL (MS SQL) for data insights, success will be measured in number staff connecting directly to create insights. The department also offers online GenTax trainings and success will be measured in the number of staff completing training modules.

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|--|-----|
| a) Number of staff connecting directly to MS SQL | 45 |
| b) Number of staff taking GenTax trainings | 180 |

Priority 4: Invest in self-service technology to allow agency employees to manage their IT needs better.

Success is measured in the adoption of self-service IT tickets and the decrease in IT ticket volume. As this is the first year of measurement it will serve as the baseline.

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|---------------------------------------|-------------|
| a) Percentage of self-service tickets | 5.7 percent |
| b) Volume of tickets opened overall | 11,518 |

IT Service Delivery

Priority 5: Mature IT services in all areas to optimize delivery.

Success is measured in the IT Service Management Maturity Score using Gartner's current assessment tool. ITSD has retroactively assessed the state of the organization as it was in 2021 and then again in the current year 2025 for comparison. ITSD's target is 3 (Service Optimized)

- | | |
|--|--|
| a) 2021 – IT Section Assessed at a 1 (Asset Optimized) | |
| b) 2025 – IT Section Assessed at a 2 (Process Optimized) | |

To reach the target of 3 (Service Optimized), ITSD must develop a problem management practice, mature its configuration management practice, shift its mindset from answering questions to solving business problems with program areas, and more deeply engage across silos to work collaboratively within the section and with Enterprise Information Services (EIS).

Invest in IT Staff

Priority 6: Create and maintain a culture that attracts IT talent.

Success is measured in the ability to attract and maintain IT staff. Median tenure indicates Division is retaining staff longer than the state of Oregon as a whole and the size of IT applicant pools indicates a strong ability to attract talent.

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|--|----------|
| a) IT staff median Tenure vs. State as a whole | +3 years |
| b) Average size of IT applicant pools | 9.8 |

Priority 7: Develop IT skills to support the agency now and into the future

Success is measured first by identifying skills needed now and into the future and identifying the number of IT staff currently proficient.

- | | |
|------------------------------------|----|
| a) Project Management Professional | 3 |
| b) Amazon Web Services | 0 |
| c) GenTax | 33 |
| d) PowerPlatform | 0 |
| e) PowerBI | 0 |
| f) SQL Server | 5 |

Initiatives

ITSD initiatives in each focus area either achieve specific strategic goals or support priorities in general. Work plans are developed and redefined in conjunction with the IT governance process and the annual IT operational plan.

Innovation

Customer Service Center of Excellence

Completed

- Doug, the chatbot. The Chatbot is live now and supports 3,000+ interactions.
- Direct File linking DOR with IRS. For the 2024 tax season, customers were able to launch Direct File Oregon from IRS Direct File with over 3,000 customers doing so.

In Progress

- Contact Center Platform Modernization. This project is tentatively scheduled for completion in 2028. Challenges encountered here include narrow procurement paths and rapid technological change with AI enabled capabilities.

- **Where's My Refund.** This project is underway with improvements being made for processing tax refunds and self-service online status reporting for when customers can expect to receive their refund.

Correspondence and Letters

In Progress

- **Letters Project.** This project involves rewriting all letters automatically sent to customers to improve accessibility, clarity, and customer satisfaction while also improving the automatic tracking and completing of tasks associated with the letters. Projected completion in 2027.

One Stop Shopping for Payments

In Progress

- **Managed Payments.** This project will change the IT platform to handle payments in a streamlined manner. Projected completion December of 2025.

Not Started

- **One Stop Shop Project.** This project will create a single place for customers to make payments. It is contingent upon completing the managed payments project and is not yet scheduled.

Personal Income Tax Revenue Online

Completed

- **Oregon Direct File.** This project allows certain Oregon taxpayers to file their personal income tax return online and at no charge through the Revenue Online portal.

Data Management

Not Started

- **Data Pilot.** This project will demonstrate how to create actionable data sets for wide use throughout the agency based on appropriate security controls and data definitions. Funding for this project has not yet been identified.

Empower the Agency

Training Initiatives

Completed

- **Quick Modules Sandbox.** This project enables agency staff to increase proficiency with the software used to read paper forms, vouchers, and payments into a digital format in a text environment.
- **GenTax Self-Study Module.** This project enables agency staff to increase proficiency with the department's primary tax program management platform through self-study modules available in the platform.
- **Self-service ITSM Portal.** This project enables agency staff to create and track support tickets with the IT service desk directly without having to first call into a live staff member.

Not Started

- PowerBI Bootcamp. This project will train agency staff on the use of PowerBI to interact with agency data. It is contingent upon completion of the data pilot so that the department has agency data to operate on.

IT Service Delivery

IT Service Management Rollout

Completed

- IT Service Management Tool. This project enables the IT staff to track and process all service requests from agency staff and ensure that the IT tools they rely on to do their jobs are working well and meeting their needs. The system is in place; however, it does not fully meet agency expectations.
- Asset Management. This project enables IT staff to track and manage all IT assets for the agency and ensure that all agency staff have the appropriate technology to do their jobs. The system is in place; however, it does not fully meet agency expectations.

In Progress

- IT Operations Desk Manual. This project will document current processes and procedures in a Desk Reference Manual for IT staff to ensure consistency of operations. Project is projected to be completed by the end of 2026.

Not Started

IT Service Management Tool Reassessment. This project will evaluate the performance of the current ITSM tool and recommend appropriate corrective action.

Other Modernization Efforts

Completed

- ELVIS Central Assessment (CA). This project enables the Property Tax Division to manage the central assessment of properties that span more than one tax jurisdiction. It replaced manual processes and legacy IT systems previously used.

In Progress

- ELVIS Industrial. This project enables the Property Tax Division to manage the appraisal of complex industrial properties so that local tax jurisdictions can appropriately assess these properties. It will replace manual processes and legacy IT systems currently used. Project is projected to be completed by the end of 2026.
- Request for Computer Access. This project will enable the agency to appropriately manage agency staff access to computer systems. Project is anticipated to be completed by the end of 2026.

Not Started

- Legal Opinions Library. This project will enable agency staff to reference legal opinions that pertain to agency operations and Tax administration quickly and accurately. It replaces a legacy IT system currently in use.

Cyber Security Initiatives

Completed

- IRS Audit. This project ensures that the agency is following IRS cyber security standards and ensures that Oregon taxpayers' information is kept safe.
- Cyber Security Services Review. This project ensures that the agency is following the state of Oregon cyber security standards and has the appropriate controls in place for all IT systems and practices.

In Progress

- Internal Review of Security Controls. This project ensures that the agency continues to improve its cyber security practices and is on-going.

Invest in IT staff

Onboarding Simplification

Completed

- Onboarding Streamline. DOR underwent a large onboarding redesign that covered all staff, not just IT. As a result, feedback from new IT staff was positive and the need for specific IT onboarding is not apparent.
- Succession Management. An agency-wide succession plan was developed and submitted to the Governor's Office that included the IT section. Key personnel were identified and coverage strategies identified.

Skill Development

Not Started

- IT capacity limitations. As part of the end of session review of the fiscal impact study process for DOR, IT capacity limitations will be reviewed, and future guidelines will be formally established.
- DOR Hackathon. The inaugural DOR Hackathon is in the planning stages now and is tentatively scheduled for early September.
- Skill Gap Targeting. With the identification of key skills needed for future capabilities to advance the agency strategic plan, targeted training will be developed and progress on closing the gap will be reported annually.

Resource Allocation

Total resources provided in the 2023-25 Legislatively Approved Budget (LAB) for the Information Technology Services Division included \$64,223,348 and a total of 228 positions. There is no set amount within those resources targeted to advance the strategic plan. In addition to the LAB, \$14M in bond funds were allocated for the ELVIS projects.

DOR maintains an IT Governance Committee that sets priorities on agency wide projects in support of the agency strategic plan and resources are balanced between legislative mandates, basic operational needs, and project needs based on the availability of resources, prioritization, and deadlines.

Project specific funds for Cloud Strategies and Data Management were included in the Agency Request Budget (ARB) for 2025-27 that were not approved.

Risks and Mitigations Strategies

The three primary risks impacting the achievement of strategic objectives are:

- **Funding for Data Management.** The mitigation strategy for this risk is to increase the agency's timeline for achieving results for the data management capabilities required for the agency. A Data Governance Framework is being developed, and work is being done to complete a formal data strategy; however, a data capability roadmap that is dependent on IT resources will need to span several biennia unless dedicated resources are allocated.
- **Addressing the Skills Gap.** The mitigation strategy for this risk is to target individuals for just in time training as part of prioritized projects and tasks.
- **GenTax Upgrade.** ITSD will be migrating to the current version of GenTax in calendar year 2026 to ensure that the agency remains current and is able to position itself to be cloud ready. This work will limit ITSD progress on GenTax enhancements that are part of the strategic objectives. The mitigation strategy for this risk is to prioritize non GenTax dependent projects during 2026.

Next Steps

Next steps are to continue progress on the initiatives and maintain the momentum created in the first two years of the strategic plan. As noted earlier, more appropriate metrics have been identified to track progress, and ITSD will continue to evaluate its ability to achieve the priorities. In addition to continuing project work around strategic and operational priorities, ITSD will also begin work on a technical architecture framework to ensure that it is focusing on the right technologies to meet agency objectives.

Conclusion

The first two years of the IT Strategic Plan have realized significant results in support of the agency strategic plan. The IT Strategic Plan focuses on three of the agency's four strategic priorities:

- Making it simpler for customers to work with us.
- Training our workforce for the future.
- Enhancing data access and use.

ITSD has made it simpler for customers to work with the department by offering a chatbot for online interactions and offering new online options to file personal income tax returns at no charge. The division continues this work by facilitating the improvement of agency correspondence and decreasing dependency on paper letters and forms. ITSD looks forward to transforming the contact center experience and helping the agency create a fully digital experience for customers to be able to simply and directly address issues and ensure that the department collects the revenue that Oregon counts on.

ITSD efforts to support the training of the agency workforce has provided modest results so far as the division works to increase its own workforce capabilities and deploy infrastructure to address the future needs of the agency continue. The agency is nearing the end of its modernization efforts and ITSD will be focusing on future capabilities in the second biennium of the strategic plan.

Finally, ITSD has significant work in front of it to provide the data management capabilities required to provide actionable and secure data to the agency and Oregonians. Funding constraints remain a barrier here, but the division will take a slow and deliberate approach, bringing incremental improvements and change to match the capabilities and just in time needs of the agency's program areas.