

## BOARD OF TAX PRACTITIONERS

### EXAM & EDUCATION COMMITTEE MEETING

July 13, 2006  
Morrow Crane Building  
1<sup>st</sup> Floor Conference Room  
Salem, Oregon

**MISSION:** Protecting the Consumer by insuring Oregon Tax Practitioners are competent and ethical in their professional activities.

Pursuant to notice made by press release to newspapers of general and local circulation throughout the state, persons on the interested party list and members of the Tax Board; a meeting was held at the Morrow Crane Building, Salem, Oregon.

#### **COMMITTEE MEMBERS**

Donna Gilmour (Chair)  
Marilyn Johnston  
Wendy Jones

#### **GUESTS**

Michael Addington, Self  
Sue Church, Self  
Robert Elliott, Self  
Merry VanAtta, Self  
Linda Thomas, Self  
Judith Wilkins, OATC  
Susan Parks, OAIA  
Laurel Crenshaw, Self

#### **STAFF**

Ronald A Bersin, Executive Director  
Duane M Hunter, Senior Compliance Specialist  
Monica J Leisten, Exam & Education Coordinator

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*Tape 1 - Side 1*

**Roll Call:**

Gilmour called the meeting to order at 2:01 p.m.

Roll called. Committee members present: Gilmour, Johnston and Jones.

**Review of Minutes**

*Review of Exam & Education Committee Meeting Minutes – May 11, 2006*

The Committee reviewed the meeting minutes from May 11, 2006. Gilmour suggested the Committee recommend to the Board on July 14, 2006, to accept the Exam & Education Committee meeting minutes as amended.

**Exam Update**

*Examination Statistics*

Leisten updated the Committee on the examination statistics as follows:

- 2004 Tax Law Examination Statistics for: Consultant, Preparer and Consultant State only;
- 2003-2006 Examination Comparison Reports through May 2006.

Leisten reported the examination statistics from January 1, 2006 through May 31, 2006, as follows:

- Examination Results – Pass/Fail Rate Report
- Examination Sign-up Report.

Examination Statistics are located on the Board website at:

<http://www.oregon.gov/OTPB/Examinations.shtml>

*Proctoring Site - Outreach Visits*

Leisten visited several colleges and universities as part of the Agency's outreach to the examination proctoring sites. During May 2006, she visited Lane Community College, University of Oregon and Chemeketa Community College. During June 2006, she visited Portland Community College, Clackamas Community College and Heald College. She is planning to schedule additional outreach visits to Clatsop Community College and Tillamook Bay Community College.

Leisten will provide a written report giving the results of the outreach visits at the September 13, 2006, board meeting.

*Proctoring Site - Outreach Visits*

Leisten said the December 9, 2006, Board Administered Examination will be located at Winema Place, Salem, Oregon in the gymnasium. In the past, examination candidates used the gymnasium and two additional rooms. However, Northwest Innovations no longer leases the two additional rooms. Leisten said the gymnasium should be sufficient for all of the examination candidates, as there was plenty of space for additional seating in the gymnasium during the December 2005, Board Administered Examination.

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## **Continuing Education**

### *Status Update*

Leisten reported:

- The September 2006, list for approved continuing education correspondence courses will include Bisk Education.
- TaxSmart has sold their continuing education correspondence courses to Client Whys, Inc.
- There is one pending correspondence course for review.
- Johnston will report at the July 14, 2006, board meeting regarding the review of CCH, Inc. online correspondence courses.

### *Work Session Education*

Continuing education correspondence courses reviewed include:

- Positive Systems, Inc., dba PassOnline,
- Surgent McCoy,
- CCH, Inc – book reviews,
- Thompson Professional and Registration, Inc., dba Gear-Up, Inc.,
- L & M Production,
- Thomas Tax Seminars,
- Western CPE,
- Pacific Northwest Tax Service, and
- Professional Education Service, LP.

Gilmour said a tax consultant took an online course regarding depreciation and completed the course in less than two (2) hours. The Board approved the correspondence course for six (6) hours of continuing education. She questioned whether the Board is looking at the length of time it actually takes an individual to take a correspondence course; in comparison to the number of continuing education hours received for the course.

Johnston responded it might be the tax consultant is a good test taker. She stated the continuing education correspondence course sponsors have professional test takers. These professional test takers review correspondence courses to determine the number of credit hours each course should be worth. Johnston said it is not up to the Board to determine how long it takes each practitioner to take a course. It is the responsibility of the Board to review course content and determine if the number of continuing education hours is sufficient for the content.

## **Review of Instructor Pass Rate Statistics**

### *Instructor Pass Rate*

Gilmour requested staff pull instructor pass rates from 2002 up through 2006. After compiling the instructor pass rate for each individual instructor over the past five (5) years, she questioned five of the instructors whose pass rate was 33%-50%. Gilmour provided an example of one instructor's pass rates over the span of five (5) years. The instructor in question had two (2) complaints from students. She stated, in the past if the Committee determined there were questions regarding an instructor's pass rate; staff would send a letter to the sponsor providing the course(s) and request feedback about the instructor.

Johnston suggested the letter point out that there have been complaints received on that specific instructor, rather than focus on the instructor's pass rate. Johnston said the pass rate might not be the instructor's fault, but that of the students taking the course and their willingness to learn.

Bersin suggested, instead of singling out an individual instructor, staff develop a letter directed to all sponsors. The letter would inform the sponsors that the Board is reviewing instructor pass rates, discuss the Board's concern regarding pass rates, and include a copy of pass rate statistics. The letter could also inform sponsors of additional information about upcoming events, such as the 2006 Instructor Workshop available to all instructors.

Gilmour commented how impressed she was with the H & R Block instructors who assisted the Board in the Work Session on July 11 & 12, 2006. Her concern is that H & R Block does not retain the same instructors for more than one or two years. Bersin interjected that several instructors with H & R Block do continue to instruct each year. Bersin stated it is difficult to project how long an instructor would continue to instruct since many factors may effect their decision.

Bersin said pass rate statistics are the most accurate when examinees take the examination the first time during December and January. Pass rate statistics after January include retake examinations that might reduce pass rate statistics.

Jones agreed with Bersin's idea of staff sending out a general letter to all sponsors. She stated it is a positive way to approach sponsors and instructors, rather than sending a letter to single out or reprimand an individual or group. The Committee concurred that staff send a letter to all examination sponsors. The letter is to notify sponsors and inform them that the Board is reviewing instructor pass rates, discuss the Board's concern regarding the pass rates, include a copy of pass rate statistics and inform them of the 2006 Instructor Workshop.

### **Examination Outline**

Leisten referenced the examination outline she developed after the brainstorming session held during the May 12, 2006, committee meeting. The Committee reviewed and discussed the examination outline.

The items discussed and changes implemented to improve the examinations are as follows:

- Continue the annual preparer Item Writing Committee.
- Provide instructors access to the examination during the 2006 Instructor Workshop.
- Include answers to the most frequently missed questions in the General Information Booklet (GIB).
- Develop an Item Writing Committee for the consultant examination.
- Insert additional information on the reference guide provided to examination candidates, i.e. Child Care Credits, Working Family Credits and Maximum FICA amounts.
- Create a sample consultant examination for candidates to use as study material.
- Establish a list of volunteers/mentors to assist candidates in their studies to prepare for examinations.

Leisten will provide an updated outline from the Committee discussion at the September 12, 2006, committee meeting.

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### **Item Writing Committee Update**

Leisten reported that the Item Writing Committee held a meeting on June 5 & 6, 2006, to review the preparer examination. Leisten said there were four groups with five persons in each group. Each group was established by a criteria to include; one instructor, one consultant with over five years experience, one consultant with under five years experience, one preparer with over three years experience and one preparer with under three years experience. Leisten said the Item Writing Committee for the consultant examination would be similar, but she would adjust the criteria when selecting individuals for the consultant Item Writing Committee.

### **Publication 521 & Publication 946**

Gilmour said the Item Writing Committee's consensus was to add Publication 521 (Moving Expenses) and Publication 946 (Depreciation) to the source document list for the preparer examination. Gilmour held discussions with several instructors who suggested the Agency include Quickfinder as a source document rather than Publication 17 and all other Publications.

### **Audit Process**

Leisten stated the Audit Process is developed. The Agency will randomly audit ten percent of the continuing education sponsors each year. She referenced documents developed to use in the Audit Process. The documents reference included a letter that the Agency will send to sponsors to inform them about the Audit Process, an audit form for the sponsor to complete and return with supporting documents to the Agency and a sample of response letters to send to sponsors depending on the outcome of the audit.

### **Associations Update**

Leisten sent an email with an attached memo to all associations. The email requested that the associations include the memo in their newsletters to inform licensees to contact the Agency with a current email address. One association contacted Leisten to inform her that they included the memo as an article in their newsletter.

Leisten sent an email to the associations that asked them to provide the Agency with 2007 association convention meeting dates and locations. This would allow the Agency and board members to plan their 2007 meetings and events around the association conventions.

### **2006 Instructor Workshop**

Leisten reviewed the draft agenda for the 2006 Instructor Workshop. Leisten will contact Joy Wilen to confirm the topic she plans to discuss during her presentation. The Committee requested the workshop agenda include a brainstorming session for the preparer examination. This would give the instructors the opportunity to give their thoughts and ideas about the preparer examination. Johnston will lead the preparer examination brainstorming session. The Committee discussed and reviewed the formalities of the agenda. Leisten will update the agenda to reflect changes discussed. Once Leisten finalizes the agenda she will distribute the 2006 Instructor Workshop agenda to instructors and post the agenda on the Agency website.

2006 Instructor Workshop - Information is located on the Board website at:  
[http://www.oregon.gov/OTPB/docs/Instructors\\_Workshop/IW\\_Information.pdf](http://www.oregon.gov/OTPB/docs/Instructors_Workshop/IW_Information.pdf)

## **Other Business**

### *Continuing Education Hours – Waiver Clarification*

Gilmour requested clarification regarding the Board's inability to grant an extension of time for continuing education hours. Bersin provided clarification that the Board only has the authority, per Oregon Administrative Rule 800-020-0030, Licenses - Renewals, to offer an extension of time to June 15<sup>th</sup> for consultant renewals and October 15<sup>th</sup> for preparer renewals. Bersin added that licensees could however request a waiver of continuing education hours, which they are unable to complete due to extenuating circumstances per Oregon Revised Statute 673.655; Continuing Education Requirement; Waiver.

## **Public Comment**

### *Instructor Pass Rates – Merry VanAtta*

VanAtta commented that sponsors be allowed to monitor their own instructors, and that the Board refrain from admonishing the instructors regarding their pass rate.

### *Sample Examination – Sue Church*

Church commented that a group from Grants Pass requested to review one of the Agency's past examinations. She suggested if the Board approves questions for a sample examination, to post the examination on the Agency website for anyone to review.

### *CPE Certificates - Laurel Crenshaw*

Laurel Crenshaw commented that continuing education sponsors provide correct information on their certificates, in the event they are one of the sponsors audited.

### *Examination Outline – Laurel Crenshaw*

Laurel Crenshaw commented that November is not a good time for some of the organizations to participate in the mentor group, referenced in the examination outline, and include October as an optional month.

### *Examination Outline – Laurel Crenshaw*

Laurel Crenshaw commented how Hunter attends the Oregon Department of Revenue (DOR) meeting held the fourth Friday of every month. She commented there is so much to learn at the DOR meetings and suggested that the Agency send other staff to the meetings as well.

## **Adjournment**

Gilmour adjourned the committee meeting at 3:50 p.m.