

Written Testimony by Josette Green, Executive Vice President of Government Services, Professional Credit Service

Senate Committee on General Government and Accountability

Support of Senate Bill 89

March 8, 2017

To Chair Riley, Vice Chair DeBoer and Senators Hass, Prozanski and Thatcher:

I appreciate the opportunity to write you about SB 89 and the benefits it provides in increasing revenue for the State of Oregon and why we support it. Professional Credit Service is a third-party debt collection company with operations located in Springfield, Oregon and has provided debt collection services to the State since 1996. We currently work with 20 plus state agencies.

SB 89 centralizes collection activity across all executive branch agencies and places delinquent debts older than 90 days with Department of Revenue for collection management. From our experience, this offers significant process improvements that will increase revenue for the state and provide better service to its citizens. Listed below are specific improvements derived from this bill:

- In the collection industry, the dollars collected increases when there is a shorter timeframe between when the debt is determined delinquent and when collection efforts begin. Waiting to begin collection activities on debt costs the state money. Currently, the average age of the debt Professional receives from Oregon state agencies is 3 ½ years, making delinquent accounts difficult to collect. SB 89 offers more focused management and process improvements that would ensure we would receive the debt as young as 3 months and no older than 1 ½ years. This alone will enable us to collect at a far higher rate, thereby increasing the dollars we remit to the state.
- Individual Oregon citizens would have all of their delinquent debts placed only with one collection agency. This provides better service to the citizens as they would deal with only one collection agency for communication and payment for all debts owed to the state of Oregon. Currently, if a citizen has multiple delinquent debts, he/she could be dealing with many collection agencies as well as DOR.
- Multiple Secretary of State Audits (including the latest in Sept. 2015) have emphasized the benefits of implementing various offset programs (lottery, vendors, etc.) to pay delinquent debts. SB 89 finally offers the centralization of accounts needed to put these various offset programs in place. New sources of revenue are added to the state coffers as a result.



- The centralization and responsibility created in SB 89 calls on the Other Agency Accounts of DOR to be the collection experts for the state. As such they have the opportunity to assess the performance of the collection agencies and ensure the state is working with collection agencies that are providing the highest level of collection and service to the state and its citizens. This focused management offers the opportunity for increased dollars.
- Centralizing collections frees state agencies to focus solely on their individual agency’s mission rather than divert resources into debt collection efforts. This too is a win for the state and its citizens. Effective debt collection is a skill, and a centralized collection effort in DOR would employ skilled collection professionals for higher debt collection performance let alone partner with experience collection agencies.

I have worked with the Department of Administrative Services since the early inception of this bill and Professional Credit Service has been very excited by the win-win that it creates for the state, the citizens and the vendors. In a deficit budget year, this is just the type of bill needed to help solve the budget crisis.

Thank you for your time and interest in our testimony. We apologize our schedule didn’t work to testify in person. However if I can provide data, information or insight, please contact me at the information below. Professional Credit Service urges a yes vote on SB 89.

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