



KATE BROWN  
Governor

June 5, 2017

The Honorable James Manning, Co-Chair  
Joint Committee on Ways and Means  
Subcommittee on General Government  
900 Court St. NE S-205  
Salem, OR 97301

The Honorable Greg Smith, Co-Chair  
Joint Committee on Ways and Means  
Subcommittee on General Government  
900 Court St. NE, H-482  
Salem, OR, 97301

Dear Co-Chairs Manning and Smith and Members of the Joint Committee on Ways and Means,  
Subcommittee on General Government,

I write to share my support for SB 254, legislation relating to the collection of debts by state agencies.

As of June 30, 2016, there was \$3.3 billion in uncollected state debt. Of that amount, about \$600-\$800 million is owed to the general fund. The Secretary of State issued an audit report in September, 2015, indicating that the State's collection agency, the Department of Revenue, lacks some of the tools it needs to be able to collect nearly a billion dollars it is responsible to collect.

As Governor, I am committed to collecting this debt effectively. In April, 2017, I signed Executive Order 17-09, titled, "Promoting Fiscal Responsibility by Recover Monies Owed to the State." This EO outlines actions that state agencies will employ to better facilitate debt collection. I am also seeking legislative approval of SB 89, a bill that streamlines the state's debt collection process and centralizes it at the Department of Revenue.

In addition, I strongly support SB 254, as it is another important tool for the state as we focus on uncollected debt. Specifically, SB 254 requires financial institutions doing business in this state to work with the Department of Revenue to create a data exchange system to match debtor accounts for collection purposes. It also allows the Department of Justice's Division of Child Support to share employer reports of new hires with the Department of Revenue. These two tools are used by many other states.

SB 254, along with SB 89 and ongoing efforts from the executive branch will move the state forward in the effort to improve debt collection.

Sincerely,

Governor Kate Brown

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