

**TO: Ways & Means Joint Subcommittee on General Government**  
**FROM: Cindy Robert – 503-260-3431**  
**RE: HB 5002 DAS Budget –**  
Elimination of workload related to delinquent debt collection  
**DATE: February 16, 2017**

A Secretary of State Audit done September 2015 did not just conclude - but was actually titled "Oregon Needs Stronger Leadership, Sustained Focus to Improve Delinquent Debt Collection."

Because the liquidated and delinquent receivables owed to the state of Oregon doubled since 2008 growing to nearly \$3.2 billion, that title deserved the legislature's attention.

That audit further stated that it found Oregon's highly decentralized approach to collections contributed to a lack of sustained focus on improvement. It was the sixth collections-related audit since 1997 and significant improvements identified in those audits had not been implemented, some dating back 18 years. It said "Oregon has not implemented productive collection tools used by other states, has not resolved lingering legal issues that hinder collections, and has allowed inadequate performance measurement to persist."

Things have changed.

The problems that were noted within that audit were earlier in the year the reason behind passage of SB 55, which created two new positions in DAS that in turn resulted in the Accounts Receivable Core Committee being established within the Statewide Accounting and Reporting Section. The ARCC is comprised of accounts receivable representatives who meet on the third Wednesday of each month to discuss current collection practices and assist SWARM in developing strategies to improve statewide accounts receivable management. The ARCC also serves as a forum for state agency accounts receivable professionals to collaborate with peers from other state agencies and to discuss successful collection strategies, lessons learned and best practices.

The ARCC is gathering agencies, public employees and private companies to make a change that will lead to more collections in the state through better processes, advanced communication, use of data, training and system security.

As someone who has been working for a private commercial collection firm in the Northwest for almost a decade, I assure you that I have seen fits and starts, ups and downs and ifs and buts. The frustration that comes with watching a state budget flounder while representing a company with expertise that could help yet has been constrained by perceived public vs. private barriers and turf wars is immense.

But the Statewide Accounting and Reporting Section has urged, cajoled, nagged and even inspired those in the collections world (both public agencies and private companies) to work collectively and fervently toward improvements that have the potential to vastly improve the State's bottom line.

To me, that is a good return on investment....I urge you to continue your funding of the positions related to delinquent tax collection (SB 55, Chapter 766, 2015 laws).