

**TO: Ways & Means Joint Subcommittee on General Government**  
**FROM: Josette Green, Executive Vice President of Government Services,**  
**Professional Credit Service, 541-214-8948**  
**RE: HB 5002 DAS Budget – Employee Cuts**  
**DATE: February 16, 2017**

I represent Professional Credit Service in Springfield, Oregon. We are a debt collection company that has contracted our services to the state since 1996. In this time we have worked very closely with the state to collect on what is now \$3.2 billion in delinquent debt.

In 2010 the Statewide Accounts Receivable Management (SWARM) leadership was eliminated. The lack of central leadership led to an increase in delinquent debt and contributed to a lack of sustained focus on improvement.

A Secretary of State Audit on delinquent debt collection completed in September 2015 aptly titled the report “Oregon Needs Stronger Leadership, Sustained Focus to Improve Delinquent Debt Collection.” The executive summary stated:

*“Liquidated and delinquent receivables owed to the state of Oregon have almost doubled since 2008, to nearly \$3.2 billion, while collection rates on the debt have dropped. The state’s debt collection system needs more leadership, sustained focus and accountability to improve performance over time.”*

This report intersected with the 2015 legislative session and SB 55 was created authorizing 2 positions to lead the state delinquent collection effort. The two people have been in these positions slightly less than a year. The shift in progress in increasing state revenue has been nothing less than amazing.

Dramatic Improvements are now occurring.

- Accounts Receivable Core Committee has been re-established within the Statewide Accounting and Reporting Section. The ARCC is gathering agencies, public employees and private companies to collaborate and lead to more collections in the state through better processes, advanced communication, use of data, training and system security.
- Meetings are held individually with each state agency to assess their collection efforts and coach the agency to align with state statutes and decrease their delinquency. In my capacity I now see improvements in the behavior of these agencies that increases state revenue. State agencies were floundering without this central leadership.
- Implementation is beginning on SOS recommendations. Some have been recommended for as long as 18 years and appeared over and over in SOS audits..
- Most importantly – this new leadership drafted a plan to centralize state collection efforts which allows the implementation of long needed SOS recommendations, resolves many issues and incorporates many, many improvements. Without a doubt state revenue will increase. This plan is now in the form of SB 89. (I urge you to support it.)

This new central leadership has only just begun. Already as a collection agency we are experiencing positive actions that lead to more state revenue. Accounts are sent to us sooner

from state agencies which ensure greater collectability. More state agencies are contacting us to take action on their debt instead of leaving the delinquent accounts set with no action. To eliminate these two positions now throws away any return on investment. The ROI on these positions is huge in revenue recovery to the state. These two positions are vital to forward progress and leadership. Don't stop their efforts now.

I urge you to retain the two positions listed as #19 of budget cuts and labeled as "eliminate workload related to delinquent debt collection (Senate Bill 55, Chapter 766, 2015 laws). The increase in the recovery of state revenue led by the efforts of these two positions will prove this is the right decision.