

House Bill 4163

Sponsored by JOINT COMMITTEE ON WAYS AND MEANS

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

- Changes date of Legislative Fiscal Office report on liquidated and delinquent accounts.
- Eliminates requirement that Joint Committee on Ways and Means include maximum supervisory ratios in budget notes and reports.
- Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to state financial administration; amending ORS 291.227, 293.229 and 293.252; and declaring
3 an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 293.229 is amended to read:

6 293.229. (1) Not later than October 1 of each fiscal year, each state agency shall submit a report
7 to the Legislative Fiscal Office that describes the status of that agency's liquidated and delinquent
8 accounts and efforts made by that agency to collect liquidated and delinquent accounts during the
9 previous fiscal year. The report required under this subsection shall be in a form prescribed by the
10 Legislative Fiscal Office and shall include but not be limited to:

- 11 (a) Beginning balance and total number of all liquidated and delinquent accounts;
- 12 (b) New liquidated and delinquent accounts added during the last preceding fiscal year;
- 13 (c) Total collections of liquidated and delinquent accounts;
- 14 (d) Total amount and total number of liquidated and delinquent accounts that have been written
15 off;
- 16 (e) Total number and ending balance of all liquidated and delinquent accounts;
- 17 (f) Total amount of liquidated and delinquent accounts assigned to the Department of Revenue
18 and the total amount collected by the department under ORS 293.250;
- 19 (g) Total amount of liquidated and delinquent accounts assigned to private collection agencies
20 and the total amount collected by private collection agencies under ORS 293.231;
- 21 (h) Total number and total amount of all liquidated and delinquent accounts exempted under
22 ORS 293.233;
- 23 (i) Total number and ending balance of all liquidated and delinquent accounts that have been
24 placed in suspended collection status under ORS 305.155; and
- 25 (j) A statement indicating whether the agency has liquidated and delinquent accounts that are
26 not exempt under ORS 293.233, or are otherwise prohibited or exempted by law from assignment, for
27 which no payment has been received for more than 90 days and that have not been assigned to the
28 Department of Revenue under ORS 293.231.

29 (2) If a state agency reports under subsection (1) of this section that the total ending balance
30 of its liquidated and delinquent accounts is \$50 million or greater, the state agency shall, not later

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 than three months after it submits the report under subsection (1) of this section, submit an addi-
 2 tional report to the committees or interim committees of the Legislative Assembly related to ways
 3 and means that:

4 (a) Describes major categories of liquidated and delinquent accounts held by the state agency;

5 (b) Describes circumstances under which the state agency writes off or adjusts liquidated and
 6 delinquent amounts or removes an account from liquidated and delinquent status;

7 (c) Describes actions undertaken by the state agency to reduce the amount of liquidated and
 8 delinquent debt owed to it at the end of each fiscal year; and

9 (d) Sets forth a plan for future actions that will reduce the amount of liquidated and delinquent
 10 debt owed to the state agency at the end of each fiscal year and describes any additional resources
 11 that are necessary to carry out the plan.

12 (3) The Legislative Fiscal Office shall produce an annual report not later than *[December 31]*
 13 **February 1** of each fiscal year on the status of liquidated and delinquent accounts of state agencies
 14 and the judicial branch of state government. The report shall be based on the reports submitted by
 15 state agencies as required in this section and on reports submitted by the judicial branch of state
 16 government under ORS 1.195.

17 (4) The report required under subsection (3) of this section shall:

18 (a) List those state agencies, including the judicial branch of state government, that have liqui-
 19 dated and delinquent accounts that are not exempt under ORS 1.198, 1.199 or 293.233, or are other-
 20 wise prohibited or exempted by law from assignment, for which no payment has been received for
 21 more than 90 days and that have not been assigned to a private collection agency or to the De-
 22 partment of Revenue under ORS 1.197 or assigned to the Department of Revenue under 293.231;

23 (b) List separately information about the liquidated and delinquent accounts of the Secretary
 24 of State, the State Treasurer, other state agencies in the executive branch of state government and
 25 the judicial branch of state government; and

26 (c) Include any other information the Legislative Fiscal Office determines is necessary to de-
 27 scribe the status of liquidated and delinquent accounts across offices and branches of state govern-
 28 ment.

29 (5) Notwithstanding ORS 293.227, as used in this section, “state agency” has the meaning given
 30 that term in ORS 293.226, except that it:

31 (a) Does not include the judicial department as defined in ORS 174.113 or the legislative de-
 32 partment as defined in ORS 174.114; and

33 (b) Includes public universities listed in ORS 352.002 and Oregon Health and Science University,
 34 notwithstanding ORS 352.138 and 353.100.

35 **SECTION 2.** ORS 293.252 is amended to read:

36 293.252. (1) The Oregon Department of Administrative Services shall monitor state agency debt
 37 collection functions described by law and assist state agencies in efforts to improve the collection
 38 of delinquent debts owed to state agencies. The department’s duties under this subsection include,
 39 but are not limited to:

40 (a) Providing training to state agencies regarding processing and managing accounts receivable
 41 in compliance with applicable law and state policies.

42 (b) Providing technical assistance to state agencies in resolving challenges in processing and
 43 managing accounts receivable and developing financial administrative systems to improve the han-
 44 dling of liquidated and delinquent accounts.

45 (c) Developing performance standards for state debt collection, including but not limited to

1 standards defining what constitutes liquidated and delinquent accounts and when debt may be
 2 written off pursuant to ORS 293.240.

3 (d) Working with state agencies to improve the quality and value of data that each state agency
 4 submits to the Legislative Fiscal Office for purposes of ORS 293.229.

5 (e) Submitting an annual management report to the Legislative Assembly not later than [*De-*
 6 *cember 31*] **February 1** of each fiscal year, in conjunction with the report of the Legislative Fiscal
 7 Office produced under ORS 293.229, that identifies important issues and significant trends in state
 8 agency debt collection practices and describes and evaluates efforts by state agencies to improve
 9 the collection of delinquent debt.

10 (2) The department shall adopt policies:

11 (a) Providing guidance for the collection of liquidated and delinquent accounts owing to state
 12 agencies.

13 (b) Setting procedures for state agencies to account for and manage information regarding the
 14 agency's liquidated and delinquent accounts.

15 (c) After consultation with the Attorney General, setting criteria for effective and efficient as-
 16 signment of liquidated and delinquent accounts to the Department of Revenue or private collection
 17 agencies, and setting performance measurements to be used in the application of the criteria.

18 (d) For the allocation, form and amount of charges or fees added to liquidated and delinquent
 19 accounts under ORS 293.231, 293.250 and 697.105.

20 (e) Setting exemptions or adjustments for state agencies that are prohibited by law from adding
 21 or collecting fees under ORS 293.231, 293.250 or 697.105 and for agencies for which the addition or
 22 collection of the fees is not feasible given the agency resources available for collection of accounts
 23 receivable.

24 (f) For the improvement of communications regarding liquidated and delinquent accounts among
 25 state agencies and between private collection agencies and the Department of Revenue.

26 (g) Describing conditions under which a state agency may request and collect Social Security
 27 numbers in accordance with state and federal law when it is reasonably foreseeable that a person
 28 may owe the state agency a liquidated and delinquent amount as a result of a transaction or activ-
 29 ity.

30 (h) After consultation with the Attorney General, setting criteria under which state agencies,
 31 the Department of Revenue and private collection agencies may propose and accept offers of com-
 32 promise as provided in ORS 293.240.

33 (3) As used in this section, "state agency" has the meaning given that term in ORS 293.226,
 34 except that it does not include the judicial department as defined in ORS 174.113, the Secretary of
 35 State or the State Treasurer.

36 **SECTION 3.** ORS 291.227 is amended to read:

37 291.227. (1)(a) As part of the development of the legislatively adopted budget, each state agency
 38 that employs more than 100 employees shall report to the Joint Committee on Ways and Means the
 39 state agency's maximum supervisory ratio for the biennium.

40 (b) Before submitting the report to the committee, a state agency shall provide a copy of the
 41 report to all labor organizations that represent employees of the state agency.

42 (2) A state agency must determine its maximum supervisory ratio by starting from a baseline
 43 ratio of one to 11 and adjusting the ratio based on some or all of the following factors:

44 (a) Safety of the public or of state agency employees;

45 (b) Geographic location of the agency's employees;

- 1 (c) Complexity of the agency’s duties;
 2 (d) Industry best practices and standards;
 3 (e) Size and hours of operation of the agency;
 4 (f) Unique personnel needs of the agency, including the agency’s use of volunteers or seasonal
 5 or temporary employees, or the exercise of supervisory authority by agency supervisory employees
 6 over personnel who are not agency employees; and
 7 (g) Financial scope and responsibility of the agency.
- 8 (3) The Joint Committee on Ways and Means shall review the maximum supervisory ratios re-
 9 ported by state agencies. *[The committee shall include the maximum supervisory ratio in a budget*
 10 *report or budget note for each state agency that reported a maximum supervisory ratio.]*
- 11 (4) Subject to subsection (5) of this section, a state agency whose actual supervisory ratio is
 12 greater than its maximum supervisory ratio may not fill a supervisory position.
- 13 (5)(a) The Oregon Department of Administrative Services may exempt a state agency from the
 14 limitations of subsection (4) of this section if the department determines that an additional supervi-
 15 sory position is reasonably necessary to the state agency. The department must make the determi-
 16 nation with reference to some or all of the factors set forth in subsection (2) of this section.
- 17 (b) At least five business days before granting an exemption under this subsection, the depart-
 18 ment shall notify all labor organizations that represent employees of the state agency of its intent
 19 to grant the exemption.
- 20 (6)(a) The department shall, once per quarter, produce reports on the actual supervisory ratio
 21 of each state agency. The reports must include data on job families within each state agency to the
 22 extent such data is reasonably available.
- 23 (b) The department shall make the reports publicly available on the Internet and shall notify
 24 all labor organizations that represent state employees when the reports are available.
- 25 (7) The department may adopt rules for the administration of this section, including rules gov-
 26 erning how temporary, seasonal or part-time employees are accounted for in the calculation of a
 27 supervisory ratio.
- 28 (8) As used in this section:
- 29 (a) “Job families” means groups of occupations based upon work performed, skills, education,
 30 training and credentials.
- 31 (b) “Legislatively adopted budget” has the meaning given that term in ORS 291.002.
- 32 (c)(A) “State agency” means all state officers, boards, commissions, departments, institutions,
 33 branches, agencies, divisions and other entities, without regard to the designation given to those
 34 entities, that are within the executive branch of government as described in Article III, section 1,
 35 of the Oregon Constitution.
- 36 (B) “State agency” does not include:
- 37 (i) The legislative department as defined in ORS 174.114;
 38 (ii) The judicial department as defined in ORS 174.113;
 39 (iii) The Public Defense Services Commission;
 40 (iv) The Secretary of State and the State Treasurer;
 41 (v) Semi-independent state agencies listed in ORS 182.454;
 42 (vi) The Oregon Tourism Commission;
 43 (vii) The Oregon Film and Video Office;
 44 (viii) Public universities listed in ORS 352.002;
 45 (ix) The Oregon Health and Science University;

- 1 (x) The Travel Information Council;
- 2 (xi) Oregon Corrections Enterprises;
- 3 (xii) The Oregon State Lottery Commission;
- 4 (xiii) The State Accident Insurance Fund Corporation;
- 5 (xiv) The Oregon Utility Notification Center;
- 6 (xv) Oregon Community Power;
- 7 (xvi) The Citizens' Utility Board;
- 8 (xvii) A special government body as defined in ORS 174.117;
- 9 (xviii) Any other public corporation created under a statute of this state and specifically desig-
- 10 nated as a public corporation; and
- 11 (xix) Any other semi-independent state agency denominated by statute as a semi-independent
- 12 state agency.
- 13 (d) "Supervisory employee" has the meaning given that term in ORS 243.650.
- 14 (e) "Supervisory ratio" means the ratio of employees who are supervisory employees to em-
- 15 ployees who are not supervisory employees.

16 **SECTION 4. This 2020 Act being necessary for the immediate preservation of the public**
17 **peace, health and safety, an emergency is declared to exist, and this 2020 Act takes effect**
18 **on its passage.**

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