

D R A F T

SUMMARY

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

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

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

SECTION 1. ORS 293.229 is amended to read:

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

(a) Beginning balance and total number of all liquidated and delinquent accounts;

(b) New liquidated and delinquent accounts added during the last preceding fiscal year;

(c) Total collections of liquidated and delinquent accounts;

(d) Total amount and total number of liquidated and delinquent accounts that have been written off;

(e) Total number and ending balance of all liquidated and delinquent accounts;

(f) Total amount of liquidated and delinquent accounts assigned to the Department of Revenue and the total amount collected by the department under ORS 293.250;

(g) Total amount of liquidated and delinquent accounts assigned to private collection agencies and the total amount collected by private collection agencies under ORS 293.231;

(h) Total number and total amount of all liquidated and delinquent accounts exempted under ORS 293.233;

(i) Total number and ending balance of all liquidated and delinquent accounts that have been placed in suspended collection status under ORS 305.155; and

(j) A statement indicating whether the agency has liquidated and delinquent accounts that are not exempt under ORS 293.233, or are otherwise prohibited or exempted by law from assignment, for which no payment has been received for more than 90 days and that have not been assigned to the Department of Revenue under ORS 293.231.

(2) If a state agency reports under subsection (1) of this section that the total ending balance of its liquidated and delinquent accounts is \$50 million or greater, the state agency shall, not later than three months after it submits the report under subsection (1) of this section, submit an additional report to the committees or interim committees of the Legislative Assembly related to ways and means that:

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

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

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

year; and

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

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

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

(a) List those state agencies, including the judicial branch of state government, that have liquidated and delinquent accounts that are not exempt under ORS 1.198, 1.199 or 293.233, or are otherwise prohibited or exempted by law from assignment, for which no payment has been received for more than 90 days and that have not been assigned to a private collection agency or to the Department of Revenue under ORS 1.197 or assigned to the Department of Revenue under 293.231;

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

(c) Include any other information the Legislative Fiscal Office determines is necessary to describe the status of liquidated and delinquent accounts across offices and branches of state government.

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

(a) Does not include the judicial department as defined in ORS 174.113 or the legislative department as defined in ORS 174.114; and

(b) Includes public universities listed in ORS 352.002 and Oregon Health

and Science University, notwithstanding ORS 352.138 and 353.100.

SECTION 2. ORS 293.252 is amended to read:

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

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

(b) Providing technical assistance to state agencies in resolving challenges in processing and managing accounts receivable and developing financial administrative systems to improve the handling of liquidated and delinquent accounts.

(c) Developing performance standards for state debt collection, including but not limited to standards defining what constitutes liquidated and delinquent accounts and when debt may be written off pursuant to ORS 293.240.

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

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

(2) The department shall adopt policies:

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

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

(c) After consultation with the Attorney General, setting criteria for ef-

fective and efficient assignment of liquidated and delinquent accounts to the Department of Revenue or private collection agencies, and setting performance measurements to be used in the application of the criteria.

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

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

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

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

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

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

SECTION 3. ORS 291.227 is amended to read:

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

(b) Before submitting the report to the committee, a state agency shall provide a copy of the report to all labor organizations that represent em-

ployees of the state agency.

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

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

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

(c) Complexity of the agency's duties;

(d) Industry best practices and standards;

(e) Size and hours of operation of the agency;

(f) Unique personnel needs of the agency, including the agency's use of volunteers or seasonal or temporary employees, or the exercise of supervisory authority by agency supervisory employees over personnel who are not agency employees; and

(g) Financial scope and responsibility of the agency.

(3) The Joint Committee on Ways and Means shall review the maximum supervisory ratios reported by state agencies. *[The committee shall include the maximum supervisory ratio in a budget report or budget note for each state agency that reported a maximum supervisory ratio.]*

(4) Subject to subsection (5) of this section, a state agency whose actual supervisory ratio is greater than its maximum supervisory ratio may not fill a supervisory position.

(5)(a) The Oregon Department of Administrative Services may exempt a state agency from the limitations of subsection (4) of this section if the department determines that an additional supervisory position is reasonably necessary to the state agency. The department must make the determination with reference to some or all of the factors set forth in subsection (2) of this section.

(b) At least five business days before granting an exemption under this subsection, the department shall notify all labor organizations that represent employees of the state agency of its intent to grant the exemption.

(6)(a) The department shall, once per quarter, produce reports on the ac-

1 tual supervisory ratio of each state agency. The reports must include data
2 on job families within each state agency to the extent such data is reason-
3 ably available.

4 (b) The department shall make the reports publicly available on the
5 Internet and shall notify all labor organizations that represent state em-
6 ployees when the reports are available.

7 (7) The department may adopt rules for the administration of this section,
8 including rules governing how temporary, seasonal or part-time employees
9 are accounted for in the calculation of a supervisory ratio.

10 (8) As used in this section:

11 (a) "Job families" means groups of occupations based upon work per-
12 formed, skills, education, training and credentials.

13 (b) "Legislatively adopted budget" has the meaning given that term in
14 ORS 291.002.

15 (c)(A) "State agency" means all state officers, boards, commissions, de-
16 partments, institutions, branches, agencies, divisions and other entities,
17 without regard to the designation given to those entities, that are within the
18 executive branch of government as described in Article III, section 1, of the
19 Oregon Constitution.

20 (B) "State agency" does not include:

21 (i) The legislative department as defined in ORS 174.114;

22 (ii) The judicial department as defined in ORS 174.113;

23 (iii) The Public Defense Services Commission;

24 (iv) The Secretary of State and the State Treasurer;

25 (v) Semi-independent state agencies listed in ORS 182.454;

26 (vi) The Oregon Tourism Commission;

27 (vii) The Oregon Film and Video Office;

28 (viii) Public universities listed in ORS 352.002;

29 (ix) The Oregon Health and Science University;

30 (x) The Travel Information Council;

31 (xi) Oregon Corrections Enterprises;

1 (xii) The Oregon State Lottery Commission;

2 (xiii) The State Accident Insurance Fund Corporation;

3 (xiv) The Oregon Utility Notification Center;

4 (xv) Oregon Community Power;

5 (xvi) The Citizens' Utility Board;

6 (xvii) A special government body as defined in ORS 174.117;

7 (xviii) Any other public corporation created under a statute of this state
8 and specifically designated as a public corporation; and

9 (xix) Any other semi-independent state agency denominated by statute as
10 a semi-independent state agency.

11 (d) "Supervisory employee" has the meaning given that term in ORS
12 243.650.

13 (e) "Supervisory ratio" means the ratio of employees who are supervisory
14 employees to employees who are not supervisory employees.

15 **SECTION 4. This 2020 Act being necessary for the immediate pres-**
16 **ervation of the public peace, health and safety, an emergency is de-**
17 **clared to exist, and this 2020 Act takes effect on its passage.**