

DAS

DEPARTMENT OF
ADMINISTRATIVE
SERVICES

CHIEF FINANCIAL
OFFICE

STATEWIDE WRITE-OFF, ABATED, AND CANCELED CERTIFICATION REPORT

FISCAL YEAR ENDING
JUNE 30, 2020





Oregon

Kate Brown, Governor

Department of Administrative Services

Chief Financial Office

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December 30, 2020

To the members of the Oregon Legislative Assembly,

As required by ORS 293.234, enclosed is the report of liquidated and delinquent debt that were written off by a state agency under ORS 293.240, abated by a state agency, or canceled by the Department of Revenue under ORS 305.155.

It should be noted that in previous years, the following report was included as an exhibit within the Statewide Accounts Receivable Management Report ("ARMR"), however with the passage of HB 4034 in the 2nd Special Session of 2020 the due date of the ARMR was changed to February 1. As a result the following information is being presented as a standalone report.

The following table references liquidated and delinquent account activity reported by state agencies for the fiscal year ending June 30, 2020.

Sincerely,

George Naughton
Chief Financial Officer

REPORT OF LIQUIDATED AND DELINQUENT ACCOUNTS WRITTEN OFF, ABATED, OR CANCELED

[ORS 293.234](#) requires DAS to annually report to the Legislative Assembly the amounts of liquidated and delinquent debt that in the previous fiscal year were: written off under [ORS 293.240](#); canceled by DOR under [ORS 305.155](#); or abated by a state agency.

For reference purposes, the following terms used in this report are defined as follows:

Written Off – Accounts receivable that are determined to be uncollectible by management and have been removed from the agency's accounting records. If an agency has made all reasonable efforts to collect the money owed to it and has determined that the money and any interest and penalties on the money are uncollectible, the agency may write-off the debt on its accounts. Before determining that money is uncollectible, a state agency must adopt criteria for determining when money is uncollectible. The criteria must include the right of offset and must be approved by the Attorney General.

Abated – An amount waived, settled, or determined not to be owed.

Canceled – As defined in [ORS 293.234](#), the value of canceled accounts certified to DAS is limited to DOR tax debts. Other agencies with debt cancellation authority reported the value of canceled accounts as abated.

The fiscal year 2020 total amount of written off, abated and canceled debts certified by state agencies represents less than a 1% increase over the amount reported for fiscal year 2019. The agencies with the largest combined write-offs, abated and canceled debt for 2020 were Oregon Judicial Department (OJD), Department of Revenue (DOR) and Oregon Employment Department (OED):

- OJD's combined report for 2020 represented 43% of the total reported by all agencies, plus it reported a 46% increase from its combined fiscal year 2019 amounts. In August 2019, OJD entered into a cooperative agreement with the Department of Corrections and identified debtors that were incarcerated and collections were made from the inmate trust accounts. As a result, OJD vacated, or waived, approximately \$26 million in collection fees that had previously been assessed on those accounts and, if applicable, the accounts were recalled from DOR and private collection firms.
- DOR's combined report for 2020 was 33% of the total reported by all agencies and it reported a 22% decrease in combined amounts from the prior fiscal year. In fiscal year 2019 DOR implemented programming to automate the identification of accounts that met the criteria for write-off, resulting in a one-time increase of write-off activity. Fiscal year 2020, represents a return to expected volumes of write-off activities with this new automation, which will continue to identify accounts that meet the conditions for write-off during each fiscal year going forward.
- OED's combined report for 2020 was 17% of the total reported by all agencies and it reported a 44% increase from its combined fiscal year 2019 amounts. OED abatements

increased primarily for two reasons; non-claimant fault overpayments that expired per statute, and the removal of estimated taxes and penalties related to an employer representative that does payroll for several large employers. The removal occurred because amended reports were filed containing the actual payroll data.

Two other agencies reported notable changes, even though their balances were not as sizable as the agencies previously noted:

- The Department of Justice reported \$4.4 million accounts written off in fiscal year 2020, an \$8 million decrease from the amount reported in fiscal year 2019. In the prior year, one large account of \$6.3 million was written off due to an expired judgment.
- In fiscal year 2019, the Department of Energy reported one account written off for \$4.6 million. This was due to a business closing and liquidating assets that had received a loan from the Small Scale Energy Loan Program. The Department of Energy did not write off any accounts in fiscal year 2020.

The certified amounts reported by state agencies for fiscal year 2020 are listed below in alphabetical order by branch of government.

| Agency Name | Written off | Abated | Canceled |
|---|--------------------------------------|---------------|-----------------|
| Executive Branch Agencies | | | |
| Accountancy, Board of | \$ 20,687 | \$ - | \$ - |
| Administrative Services, Dept. of | 1,640 | - | - |
| Advocacy Commissions Office, Oregon | - | - | - |
| Agriculture, Dept. of | 1,655 | - | - |
| Albacore Commission, Oregon | - | - | - |
| Alfalfa Seed Commission, Oregon | <i>Did not report</i> | | |
| Appraiser Certification and Licensure Board | - | - | - |
| Architect Examiners, State Board of | - | - | - |
| Aviation, Dept. of | - | - | - |
| Beef Council, Oregon | - | - | - |
| Blind, Commission for the | - | - | - |
| Blueberry Commission, Oregon | - | - | - |
| Oregon Business Development Department | 41,673 | - | - |
| Chiropractic Examiners, Board of | - | - | - |
| Clover Commission, Oregon | - | - | - |
| Columbia River Gorge Commission | - | - | - |
| Construction Contractors Board | 279,521 | 316,359 | - |
| Consumer and Business Services, Dept. of | 488,554 | 152,975 | - |
| Corrections, Dept. of | 45,964 | - | - |
| Criminal Justice Commission, Oregon | - | - | - |
| Dairy Products Commission, Oregon | 15,274 | - | - |
| Dentistry, Oregon Board of | - | - | - |
| District Attorneys and their Deputies | - | - | - |
| Dungeness Crab Commission, Oregon | - | - | - |
| Education, Dept. of | - | - | - |
| Employment Dept. | 2,628,046 | 34,338,947 | - |
| Employment Relations Board | - | - | - |
| Energy, Dept. of | - | - | - |
| Environmental Quality, Dept. of | 1,013 | 115,315 | - |
| Exam. For Engin. & Land Survey, Board of | Not subject to reporting requirement | | |
| Facilities Authority, Oregon | - | - | - |
| Film and Video Office, Oregon | - | - | - |
| Fine Fescue Commission | - | - | - |
| Fish and Wildlife, Oregon Dept. of | 763 | 168 | - |
| Forest Resources Institute, Oregon | - | - | - |
| Forestry, Oregon Dept. of | 77,085 | - | - |
| Geologist Examiners, State Board of | - | - | - |

| <u>Agency Name</u> | <u>Written off</u> | <u>Abated</u> | <u>Canceled</u> |
|--|-----------------------|---------------|-----------------|
| Executive Branch Agencies (continued) | | | |
| Geology and Mineral Industries, Dept. of | - | - | - |
| Government Ethics Commission, Oregon | - | - | - |
| Hazelnut Commission, Oregon | - | - | - |
| Health Authority, Oregon | 166,904 | 2,578,693 | - |
| Higher Education Coordinating Commission | 203,222 | - | - |
| Hop Commission, Oregon | - | - | - |
| Housing and Community Services Dept. | - | - | - |
| Human Services, Dept. of | 660,070 | 1,461,864 | - |
| Justice, Dept. of | 4,429,872 | - | - |
| Labor and Industries, Bureau of | 162,659 | - | - |
| Land Conservation and Development, Dept. | - | - | - |
| Land Use Board of Appeals | - | - | - |
| Lands, Dept, of State | - | - | - |
| Landscape Architects Board, State | - | - | - |
| Landscape Contractors Board, State | 141,112 | 800 | - |
| Library, Oregon State | - | - | - |
| Licensed Social Workers, Board of | - | - | - |
| Liquor Control Commission, Oregon | 377 | - | - |
| Long Term Care Ombudsman, Office of | - | - | - |
| Lottery Commission, Oregon | 69,381 | 4,892 | - |
| Marine Board, Oregon State | 4,765 | - | - |
| Massage Therapists, Board of | - | - | - |
| Medical Board, Oregon | - | - | - |
| Medical Imaging, Board of | - | - | - |
| Mental Health Regulatory Agency | - | - | - |
| Military Dept., Oregon | - | - | - |
| Mint Commission, Oregon | - | - | - |
| Mortuary and Cemetery Board | - | - | - |
| Nursing, Oregon State Board of | - | - | - |
| Occupational Therapy Licensing Board | - | - | - |
| Office of the Governor | - | - | - |
| Optometry, Oregon Board of | - | - | - |
| Oregon Naturopathic Medicine, Board of | - | 47,500 | - |
| Oregon Youth Authority | - | - | - |
| Parks & Recreation Dept., Oregon | 108 | - | - |
| Parole and Post-Prison Supervision, Board of | <i>Did not report</i> | | |
| Patient Safety Commission, Oregon | - | 2,533 | - |
| Pharmacy, Board of | - | 318 | - |
| Physical Therapists Licensing Board | - | - | - |

| <u>Agency Name</u> | <u>Written off</u> | <u>Abated</u> | <u>Canceled</u> |
|--|---------------------------|----------------------|------------------------|
| Executive Branch Agencies (continued) | | | |
| Police, Dept. of State | 54,350 | - | - |
| Potato Commission, Oregon | - | - | - |
| Processed Vegetable Commission, Oregon | - | - | - |
| Psychiatric Security Review Board | - | - | - |
| Public Employees Retirement System | 147,582 | 118,852 | - |
| Public Safety Standards and Training, Dept. of | 21,289 | 4,714 | - |
| Public Utility Commission | 3,912 | - | - |
| Racing Commission, Oregon | - | - | - |
| Raspberry & Blackberry Commission, Oregon | - | - | - |
| Real Estate Agency | - | - | - |
| Revenue, Dept. of | 42,484,330 | 9,896,160 | 20,595,249 |
| Ryegrass Growers Seed Commission, Oregon | - | - | - |
| Salmon Commission, Oregon | - | - | - |
| Secretary of State, Office of the | - | - | - |
| Sheep Commission, Oregon | - | - | - |
| Speech Lang. Path. and Audiology, Board of | - | - | - |
| Strawberry Commission, Oregon | - | - | - |
| Sweet Cherry Commission, Oregon | - | - | - |
| Tall Fescue Commission, Oregon | - | - | - |
| Tax Practitioners, Board of | 529,072 | - | - |
| Teacher Standards & Practices Commission | - | - | - |
| Tourism Commission, Oregon (Travel Oregon) | - | - | - |
| Transportation, Dept. of | 1,583,998 | 2,409,579 | - |
| Travel Information Council | - | - | - |
| Trawl Commission, Oregon | - | - | - |
| Treasurer, Office of the State | - | - | - |
| Veterans' Affairs, Dept. of | 57,930 | - | - |
| Veterinary Med. Examiners, Board of | - | - | - |
| Water Resources Dept. | 7,000 | - | - |
| Watershed Enhancement Board, Oregon | - | - | - |
| Wheat Commission, Oregon | - | - | - |
| Oregon Wine Board | - | - | - |
| Total Executive Branch Agencies¹ | 54,329,808 | 51,449,670 | 20,595,249 |
| | | | |
| Judicial Branch Agencies | | | |
| Judicial Dept., Oregon | 3,078,102 | 91,094,459 | - |
| Judicial Fitness and Disability, Commission on | - | - | - |

¹ The Department of Agriculture, Department of Human Services, Department of Revenue and Oregon Health Authority certification of amounts written off were higher than the amounts reported to LFO due to accounts written off that did not meet the definition of liquidated and delinquent, therefore not included in the LFO reporting.

| <u>Agency Name</u> | <u>Written off</u> | <u>Abated</u> | <u>Canceled</u> |
|---|--------------------------------------|----------------------|---------------------|
| Judicial Branch Agencies (continued) | | | |
| Public Defense Services Commission | - | - | - |
| Total Judicial Branch Agencies | 3,078,102 | 91,094,459 | - |
| | | | |
| Legislative Branch Agencies | | | |
| Legislative Administration Committee | - | - | - |
| Legislative Assembly | - | - | - |
| Legislative Commission on Indian Services | - | - | - |
| Legislative Counsel Committee | - | - | - |
| Legislative Fiscal Office | - | - | - |
| Legislative Policy and Research Office | - | - | - |
| Legislative Revenue Office | - | - | - |
| Total Legislative Branch Agencies | - | - | - |
| | | | |
| Special Government Entities | | | |
| Affordable Housing Assistance Corporation | Not subject to reporting requirement | | |
| Eastern Oregon University | Not subject to reporting requirement | | |
| Oregon Corrections Enterprises | 1,392 | 1,195 | - |
| Oregon Health & Science University | Not subject to reporting requirement | | |
| Oregon Institute of Technology | Not subject to reporting requirement | | |
| Oregon State University | Not subject to reporting requirement | | |
| Portland State University | Not subject to reporting requirement | | |
| SAIF Corporation | 486,115 | - | - |
| Southern Oregon University | Not subject to reporting requirement | | |
| State Fair Council | Not subject to reporting requirement | | |
| University of Oregon | Not subject to reporting requirement | | |
| Utility Notification Center, Oregon | 31 | - | - |
| Western Oregon University | Not subject to reporting requirement | | |
| Total Special Government Entities | 487,538 | 1,195 | - |
| Grand Total | \$57,895,448 | \$142,545,323 | \$20,595,249 |