

Minutes Accounts Receivable Core Committee (ARCC)



Meeting Date: November 15, 2022
2:00 pm-3:00 pm

Location: Virtual meeting via Microsoft Teams

Attendees: Yesica Aldaco (DCBS); Heidi Baker (DHS); Sheila Banke (DOJ); Brad Batchelor (PUC); Erica Hilton-Baumann (OHCS); Jill Blackford (DOC); Melissa Boaz (DHS); Susan Cha (OCB); Kim Courtright (ODA); Alissa Davalos (DOR-OAA); Sarah Davis (ODC); Chloe Dixon (OST); Richard Dredge (DCBS); Saviour Essien (PERS); Svetlana Fadden (DHS); Mini Fernandez (DAS); Connie Flowers (ODE); Gerold Floyd (DAS-SWARM); Olga Fokina (OMB); Kimberly Hall (WRD); Shaumae Hall (DEQ); Jason Hamblen (DOR); Brenda Harris (DHS); Mesheal Heyman (REA); Jennifer Hodgdon (Lottery); Jacki Jiao (OHCS); Caty Karayel (REA); Laura Kardokus (Tax); Todd Koesel (OMD); Pam Lara (DSL); Becky Maison (OGEC); Alejandra Martinez (DAS); Katya Medvedeva (DAS); Katy Moreland (DAS); Monique Murphy (HECC); Sue Nunley (DOJ); Doris Olivan (DCBS); Matthew Powell (DPSST); Mackenzie G Purnell (BCE); Jill Reece (OYA); Lyubov Salov (DAS); Cindy Stockstill (OPRD); Julie Strauss (DHS); Paula Taylor (DPSST); Melissa Tominaga (PERS); Taylor Towers (DAS); Anna Unger (DOC); Susan Westin (SLO); Karla Willmschen (SOS); two guests by phone

ITEM	TIME STAMP	ACTION, DISCUSSION
Welcome and introductions	0:00:02	
FY22 LFO data summary	0:00:50	<p>Gerold shared the summary and analysis of the FY22 LFO and ARPM data. Overall FY 22 L&D collections increased by \$31.6 million, ending balances decreased by \$115.1 million compared to FY21. Adjustments (negative) were \$89.8 million more than FY21. Unassigned non-exempt accounts decreased \$498.9 million and accounts with no payments for more than 90 days decreased \$525.3 million.</p> <p>DOR collections increased \$7 million and both additions and the ending balance increased over \$300 million.</p> <p>PCF collections were flat compared to FY21 while the ending balance increased by \$56.3 million. This is data from agencies that are not subject to debt centralization in ORS 293.231.</p> <p>Exemptions overall were flat compared to FY21, although there were notable changes in DAS approved exemptions</p>

(increase of \$167.1 million), *please note* that in the meeting Gerold stated this was due to a change in reporting by DOR, however this was incorrect. The increase in DAS approved exemptions is associated with OED, which previously reported exemptions under the loss of federal funding category and in 2022 reported under the DAS approved exemptions (an exemption with OED has been in place since February 2017). The decrease of \$111.6 million in the loss of federal funds category is a result of this change by OED also.

The next several slides include charts showing the five-year history of key data elements. This provides pre-pandemic data to compare against pandemic and as we move into the post-pandemic reporting.

Please note that as the A/R Management Report for FY22 is drafted, if there is large fluctuations compared to FY21 that SWARM will be reaching out to the agencies that comprise the largest portions of the change. We need your assistance to provide an explanation of why the change occurred.

ARPM data analysis-

L&D collections as a % of total collections for FY22 was 5.2% (65 agencies that reported total A/R collections greater than \$0), however the target was 16.2%.

Days to assign-

37 agencies reported assignments AND had established targets. Agencies reported that 53.3% of the assignments occurred within 90 days.

Days to collect-

59 agencies reported accounts PIF AND had established targets. 76.7% of accounts were PIF within 90 days.

Write-offs as a % of available A/R-

29 agencies reported write-offs AND had established targets. Actual write-offs were 0.5% of available A/R, while the target was 7.7%

		SWARM plans on spending more time following up with agencies where targets appear to be out of sync with the actual data.
FY23 Q1 ARPM data analysis	0:31:10	L&D collections as a % of total collections was 6.2% for Q1 FY23, the % is an increase compared to the 5.7% in Q1 FY22 however the total A/R collected was down \$407.4 million compared to Q1 FY22 and the L&D collections were down \$15.9 million. A/R 90 days past due is less than FY22 and the % of A/R 90 days past due is 66% of the total A/R outstanding.
DOR-OAA Update-	0:35:30	The GenTax system recently had a version update which resulted in some changes to the look and feel. Nikki sent out an update to the user guide (will also be sent out with the ARCC minutes) and included some screen shots of those changes. Operationally, the big change is user management is no longer controlled by the client agency. User additions/deletions need to be sent to oa.technicalhelp@dor.oregon.gov and DOR-OAA will make those changes for the agencies.
Post pandemic A/R challenges for agencies	0:39:50	<p>Doris (DCBS) mentioned that they hired a lien/garnishment specialist and have seen a high volume of foreclosures that impact liens and are struggling to find sources of garnishment (banks, state lands, third parties). This has resulted in a decrease of in the collections from these sources, which is typically generate the largest monies for the agency.</p> <p>Kim (WRD) said that invoices to other state agencies became more of a challenge once the pandemic started, continues to be slow in paying, staff changes could be a part of the issue. Gerold mentioned that he will discuss with Rob on how best DAS can remind agencies of their obligation to pay the undisputed portion of invoices in accordance with OAM 35.70.10 and how to gain agency leadership support.</p> <p>Karla (SOS) also mentioned that the invoicing to state agencies has been a</p>

		challenge with the staff turnover at the other agency results in the invoice not always getting to the correct person/department to approve the payment. She also mentioned that they need the ability to send invoices via email vs printing only.
Roundtable	0:51:20	<p>Heidi (DHS) asked if Gerold was aware of any new requirements for the LFO or APRM reporting. Gerold shared that he is not aware of any new LFO fields and there is no planned changes for the ARPM reporting since the recent formatting change to the template will continue to be used for FY23.</p> <p>Anna (DOC) asked if there was any expected changes to A/R resulting from payroll moving to Workday and A/R requests increasing. Gerold replied that based on his understanding of the transition that there could be a slight increase in staff that are overpaid during the transition period due to incorrect recording of time that might result in overpayments, but hopefully that will be a small percentage of overall staff payroll. There is always a chance for errors with any new system implementation.</p>
Adjournment	0:58:00	The meeting was adjourned at 2:59 pm

Next meeting:

Tuesday, January 17, 2023 (upcoming meeting dates are available at: [State of Oregon: Accounting and reporting - Statewide Accounts Receivable Management](#), please add these to your calendar if you would like to attend)

2:00pm – 3:30pm via Teams ([meeting link](#))

LFO and ARPM Data Analysis

Fiscal Year 2022

LFO Data Analysis

	2021		2022		Change in # of Accounts	Change in \$ of Accounts
	# of Accounts	\$ of Accounts	# of Accounts	\$ of Accounts		
Section II						
Liquidated and Delinquent Accounts						
Beginning Balance	2,083,521	\$3,544,274,877	2,104,460	\$3,441,432,945	20,939	-\$102,841,932
Additions	390,302	\$981,605,321	431,558	\$1,004,882,057	41,256	\$23,276,736
Collections	0	\$434,224,521	0	\$465,821,543	0	\$31,597,022
Accounts Closed:	317,024		403,531		86,507	
Write-Off's:	25,953	\$76,629,277	35,505	\$69,536,118	9,552	-\$7,093,159
Adjustments:	0	-\$377,793,519	0	-\$467,623,805	0	-\$89,830,286
Reversals:	26,386	\$195,799,936	21,040	\$116,988,198	-5,346	-\$78,811,738
Ending Balance	2,104,460	\$3,441,432,945	2,075,942	\$3,326,345,338	-28,518	-\$115,087,607
Unassigned Accounts/Doubtful Accounts						
Total Unassigned, Non-exempt Accounts	824,998	\$1,243,990,011	426,620	\$745,046,060	-398,378	-\$498,943,951
Unassigned, Non-exempt Accounts with no Payment in over 90 Days	618,387	\$734,688,425	146,550	\$209,379,337	-471,837	-\$525,309,088
Doubtful Accounts	1,340,123	\$1,901,236,178	1,268,567	\$1,977,594,999	-71,556	\$76,358,821

LFO Data Analysis

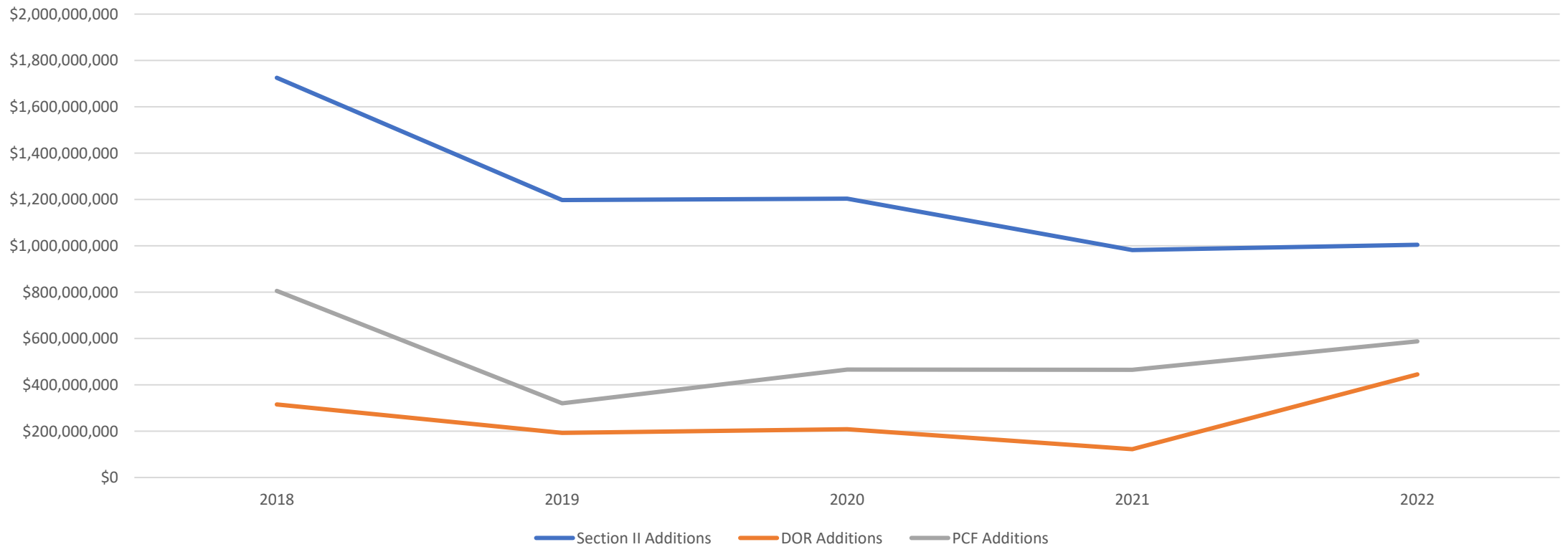
	2021		2022		Change in \$ of	
	# of Accounts	\$ of Accounts	# of Accounts	\$ of Accounts	Change in # of Accounts	Accounts
Section III a.						
Dept. of Revenue Collection						
Beginning Balance	242,849	\$382,221,325	184,909	\$332,867,622	-57,940	-\$49,353,703
Additions	73,520	\$122,827,229	446,386	\$444,954,010	372,866	\$322,126,781
Collections	0	\$31,887,946	0	\$38,915,007	0	\$7,027,061
Accounts Satisfied	39,849		46,130		6,281	
Returned to Originating Agency	91,611	\$140,292,986	52,202	\$94,992,314	-39,409	-\$45,300,672
Ending Balance	184,909	\$332,867,622	532,963	\$643,914,311	348,054	\$311,046,689
Section III b.						
Private Collection (ORS 293.231)						
Beginning Balance	715,381	\$849,103,492	692,893	\$682,100,562	-22,488	-\$167,002,930
Additions	467,880	\$465,223,891	536,937	\$588,126,411	69,057	\$122,902,520
Collections	0	\$18,888,474	0	\$19,187,074	0	\$298,600
Accounts Satisfied	-24,403	\$0	-19,281	\$0	5,122	\$0
Return to DOR	-21	-\$43	-47	-\$162,084	-26	-\$162,041
Returned to Originating Agency	-465,944	-\$613,338,304	-481,323	-\$512,463,818	-15,379	\$100,874,486
Ending Balance	692,893	\$682,100,562	729,179	\$738,413,997	36,286	\$56,313,435

LFO Data Analysis

	2021		2022		Change in # of Accounts	Change in \$ of Accounts
	# of Accounts	\$ of Accounts	# of Accounts	\$ of Accounts		
Section V						
Exempt Accounts						
Statutorily Prohibited or Exempt						
Exempt under ORS 293.231(9)						
Prohibited by Law - ORS 293.231(5)	132,615	\$80,819,006	73,418	\$77,213,552	-59,197	-\$3,605,454
consensual security interest	460	\$9,772,776	676	\$13,819,238	216	\$4,046,462
court ordered judgement	2,528	\$94,516,668	2,592	\$69,593,780	64	-\$24,922,888
litigation, bankruptcy, mediation, etc.	15,505	\$57,928,329	14,263	\$60,450,576	-1,242	\$2,522,247
student loan of a student attending school	0	\$0	0	\$0	0	\$0
state agency receivables	392	\$3,956,912	401	\$13,509,452	9	\$9,552,540
federal or local government receivables	982	\$10,412,723	1,310	\$10,426,465	328	\$13,742
hospitalized debtor	9,989	\$30,558,626	19,620	\$57,101,022	9,631	\$26,542,396
imprisoned debtor	54,791	\$175,063,391	51,139	\$183,485,414	-3,652	\$8,422,023
account less than \$100.00	10,220	\$3,301,022	8,729	\$2,733,198	-1,491	-\$567,824
loss of federal funds or federal program funds	57,511	\$139,271,540	9,425	\$27,598,643	-48,086	-\$111,672,897
owed by a closed estate	491	\$3,202,869	314	\$23,592,589	-177	\$20,389,720
suspension of collection under ORS 305.155	326	\$849,411	335	\$993,670	9	\$144,259
Statutory exemptions	285,810	\$609,653,273	182,222	\$540,517,599		
debtor hardship	24,801	\$92,112,261	22,901	\$53,273,310	-1,900	-\$38,838,951
non-consensual lien	25	\$443,922	23	\$423,938	-2	-\$19,984
secured by bond	637	\$7,756,317	67	\$1,708,275	-570	-\$6,048,042
payment on multiple accounts within 1 year	26,172	\$104,198,063	28,069	\$111,137,680	1,897	\$6,939,617
ORS Ch. 825, or 826 related to a motor carrier	44	\$626,547	37	\$80,243	-7	-\$546,304
wage garnishment or order prevents	10,880	\$39,188,524	8,953	\$33,065,171	-1,927	-\$6,123,353
spousal or child support	48,249	\$301,538,570	46,092	\$272,054,894	-2,157	-\$29,483,676
not income-producing and no assets	72	\$939,462	48	\$454,677	-24	-\$484,785
DAS approved exemptions (ORS 293.233(1))	4,811	\$25,259,424	99,982	\$192,362,233	95,171	\$167,102,809
Administrative exemptions	115,691	\$572,063,090	206,172	\$664,560,421		
Exemption Ending Balance	401,501	\$1,181,716,363	388,394	\$1,205,078,020	-13,107	\$23,361,657

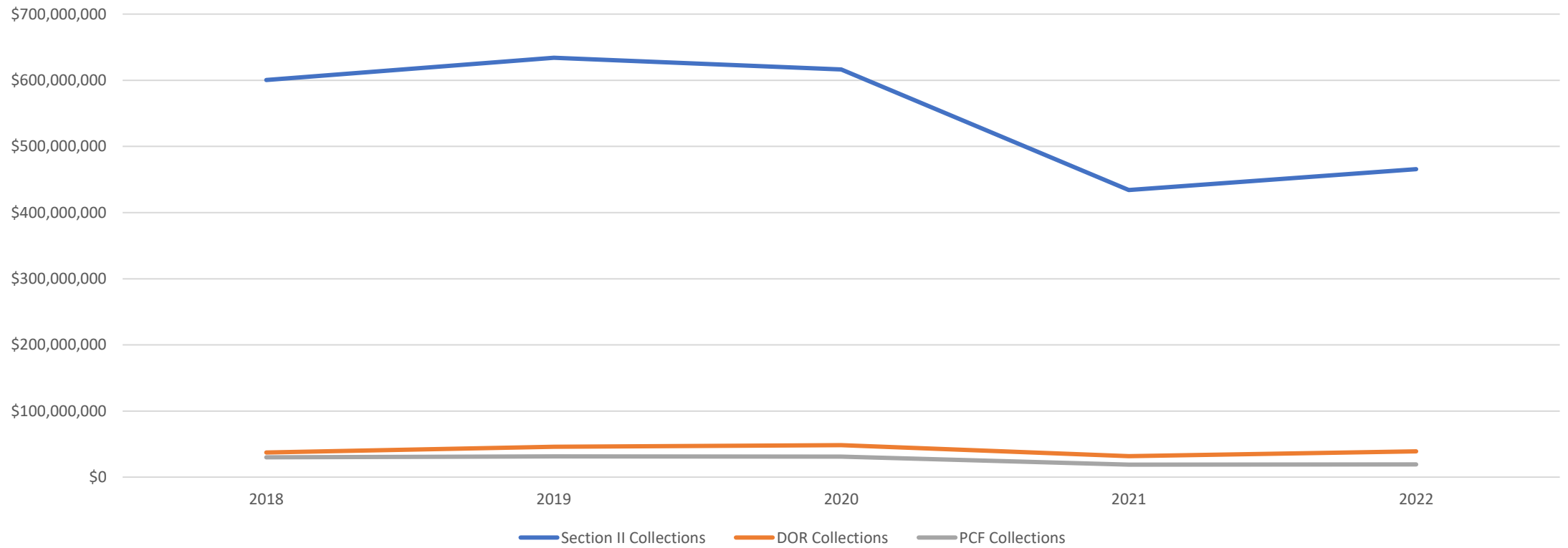
LFO Data Analysis

LFO Five Year History
Additions



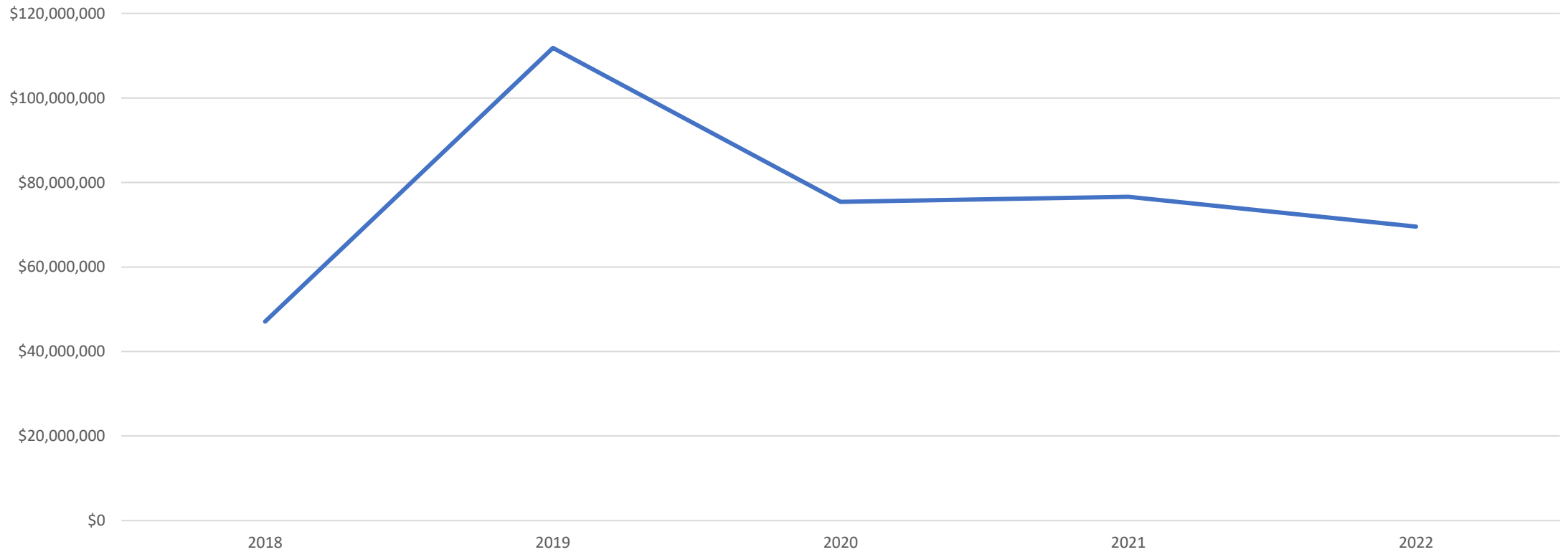
LFO Data Analysis

LFO Five Year History
Collections



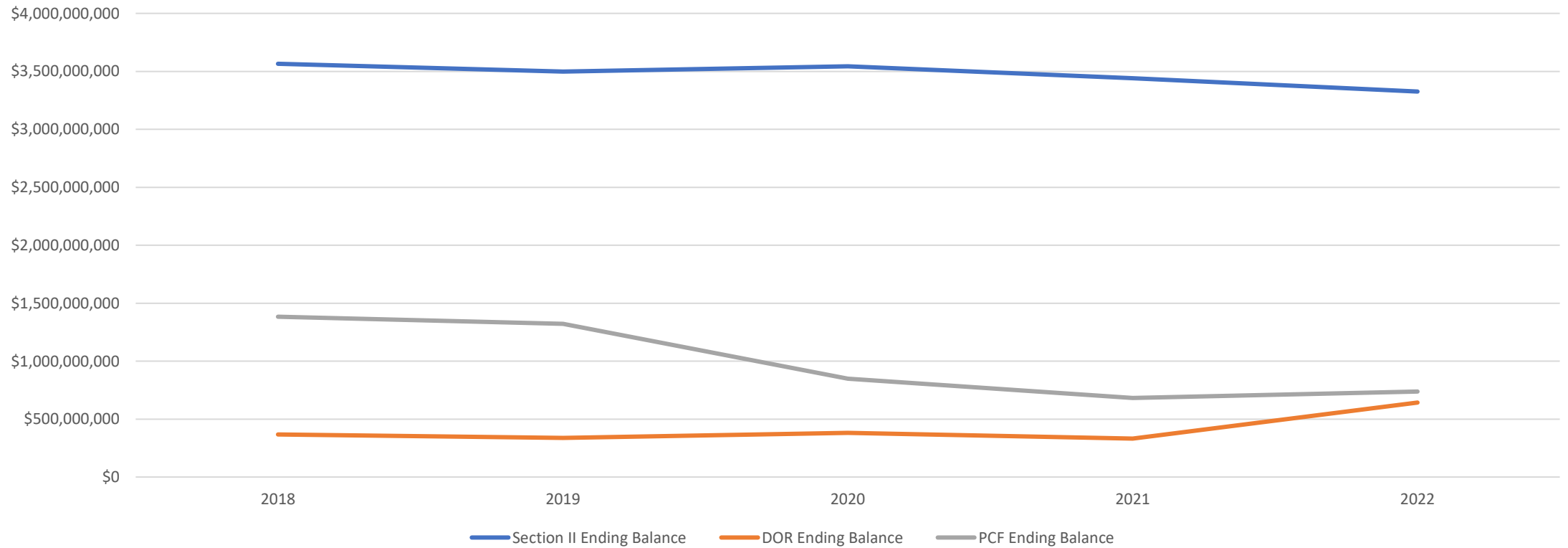
LFO Data Analysis

LFO Five Year History
Write-offs



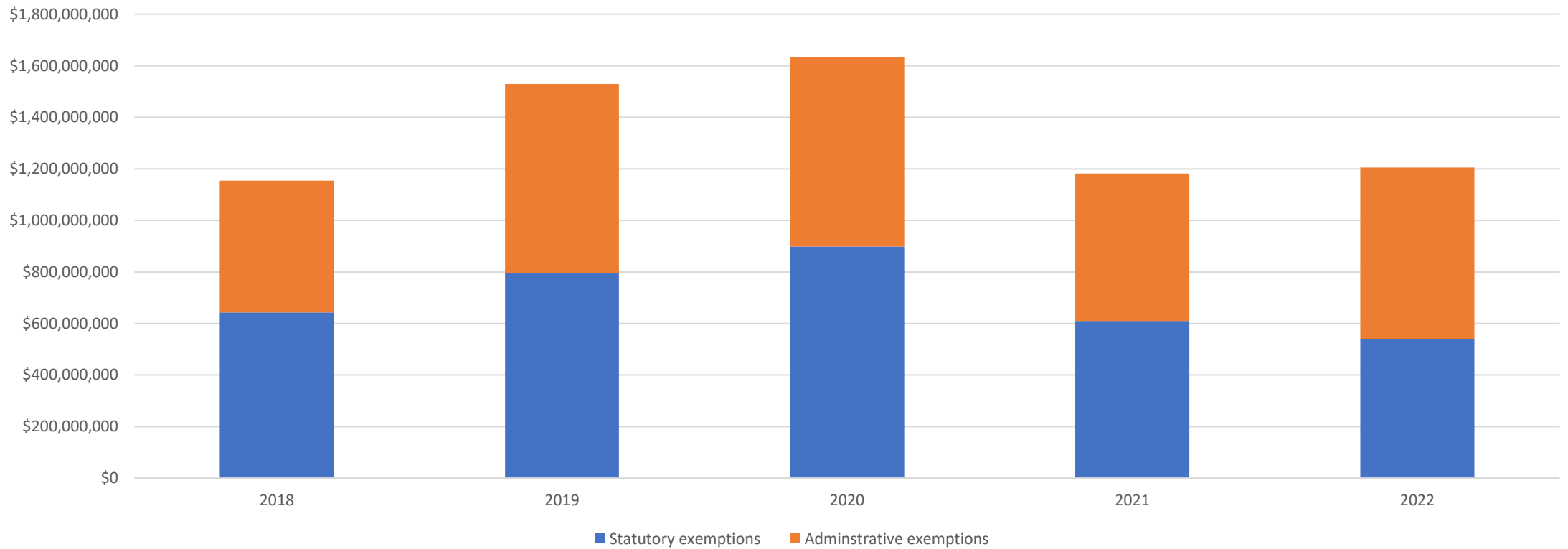
LFO Data Analysis

LFO Five Year History
Ending Balance



LFO Data Analysis

LFO Five Year History
Exemptions



ARPM Data Analysis

Collections

65 Agencies reported Total A/R Collections that were greater than \$0

	FY22 Collections	FY22 Target	Difference
Total A/R	\$ 9,139,391,629.44	\$ 10,411,693,697.71	\$ (1,272,302,068.27)
Total L&D	\$ 475,736,537.94	\$ 1,684,009,740.37	\$ (1,208,273,202.43)
L&D as a % of Total A/R	5.2%	16.2%	

ARPM Data Analysis

Days to Assign

37 agencies reported assignments in FY22 AND had established targets for FY22

	0-30 days	31-60 days	61-90 days	3-6 months	7-12 months	over 1 year	Total
FY22 Actual	28.7%	9.6%	15.0%	12.4%	7.7%	26.6%	100.0%
FY22 Target	29.1%	14.5%	20.7%	18.6%	8.1%	8.9%	100.0%
Variance	-0.4%	-4.9%	-5.8%	-6.3%	-0.4%	17.7%	

ARPM Data Analysis

Days to Collect

59 agencies reported accounts PIF AND had established targets for FY22

	0-30 days	31-60 days	61-90 days	91-180 days	181-365 days	1 year- 3 years	Over 3 years	Total
FY22 Actual	54.0%	17.1%	5.6%	7.3%	7.4%	3.2%	5.4%	100.0%
FY22 Target	49.3%	19.4%	11.9%	6.5%	6.4%	3.9%	2.9%	100.3%
Variance	4.7%	-2.3%	-6.4%	0.8%	1.0%	-0.7%	2.5%	

ARPM Data Analysis

Write-offs as a percent of available A/R

29 agencies reported ARPM write-offs= \$42,699,013 AND had established targets for FY22

FY22 Actual	0.5%
FY22 Target	7.7%
<hr/>	
Variance	7.3%

FY2023 Q1 ARPM analysis

Collections

	FY23 Q1 Actual	FY23 Q1 Target	Difference
Total A/R	\$ 1,602,977,463.00	\$ 2,451,515,930.00	\$ (848,538,467.00)
Total L&D	\$ 98,647,053.00	\$ 596,761,051.00	\$ (498,113,998.00)
L&D as a % of Total A/R	6.2%	24.3%	

FY22 Q1 Actual	FY23 vs FY22 Q1 Difference
\$ 2,010,395,827.47	\$ (407,418,364.47)
\$ 114,500,531.94	\$ (15,853,478.94)
5.7%	

90 Days Past Due

	FY23 Q1 # of Accounts	FY23 Q1 \$ of Accounts
Total A/R outstanding	1,923,026	\$ 3,869,113,883
Total A/R 90 days past due	1,592,586	\$ 2,555,429,106
% of A/R over 90 days past due	82.8%	66.0%

FY22 Q1 # of Accounts	FY22 Q1 \$ of Accounts
2,007,392	\$ 3,980,652,877
1,623,055	\$ 2,815,083,257
80.9%	70.7%