

Minutes

Accounts Receivable Core Committee (ARCC)



Meeting Date: March 19, 2024

Location: Virtual meeting via Microsoft Teams

Attendees: Andria Abrahamson (ODAV); Joy Andrews (DELC); Fitsum Aramde (DEQ); Heidi Baker (DHS/OHA); Brad Batchelor (PUC); Erica Baumann-Hilton (OHCS); Nikki Bennett (DOR-OAA); Melissa Boaz (DHS/OHA); Angelique Bowers (ODE); Amy Brewer (OPRD); Heather Bryers (DOJ); Maggie Carrasco (ODOE); Shelly Coffey (OSBAE); Kim Courtright (ODA); Alissa Davalos (DOR); Richard Dredge (DCBS); Marie Elkins (PERS); Todd Evans (DOR-OAA); Svetlana Fadden (DHS); Mini Fernandez (DAS); Connie Flowers (ODE); Gerold Floyd (DAS-SWARM); Olga Fokina (OMB); Ben Foster (DOR); Amy Fry (Lottery); Flor Garibay (HECC); Josh Gatchet (OST); Kim Gladwill (LCB); Dan Goettsch (DCBS); Shaumae Hall (DEQ); Shaumae Hall (DEQ); Caty Karayel (REA); Irina Kay (DAS); Bill Lee (DAS); Brian Martinez (OLCC); Katya Medvedeva (DAS); Alicia Michelson (DAS); Doris Oliván (DCBS); Jesse Oliver (OED); Michelle Palmer (BOLI); Ben Plant (DAS); Jeremy Reis (OCB); Jennifer Romele (OSMB); Alexander Roome (DHS/OHA); Emily Rothweiler (DAS); Michelle Russell (DOR); Lisa Sardinha (ODAV); Michelle Scholl (ODOT); Roxann Shepard (DOC); Cindy Stockstill (OPRD); Julie Strauss (DHS/OHA); Taylor Towers (DAS); Daisy Tran (DAS); Anna Unger (DOC); Roxie Vasquez (OMD); Susan Westin (SLO); Karla Willmschen (SOS); Jake Zelenka (WRD); Tina (guest)

ITEM	TIME STAMP	ACTION, DISCUSSION
Welcome and introductions	0:00:00	
SWARM announcements- ARPM Q3 reporting deadline April 30	0:00:30	Gerold reminded everyone that the Q3 (Jan-Mar) ARPM report is due on April 30, 2024.
Legislative session review	0:01:15	Gerold shared the bills that SWARM tracked during the legislative session. Most bills died in committee, with the exception of SB 1595 which modifies the garnishment exemption. SB 1595 increases vehicle and homestead exemptions (except for debts arising from child or spousal support). Most impactful to agencies are the wage garnishment exemption changes, which increase beginning January 2025 through June 2027 (roughly 70% over this period of time), at which time the State Court Administrator is required to determine the exemption amount using a calculation and post on the Judicial website. The wage garnishment increases do not apply to debts arising from child or spousal support. SB 1595 also makes significant changes to garnishments of financial institutions by establishing a “base protected balance” of \$2,500 (to be indexed each year by the State Court Administrator) and then requires the financial institution to perform a review of the funds in the debtors account to determine if any deposits in the previous two months include

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		<p>deposits from federal benefits; public or private retirement plans; public or medical assistance; unemployment compensation; workers compensation; etc. If any deposits come from one of these sources it is not subject to exemption and is added to the “base protected balance”. These provisions do not apply to debts that arise from child or spousal support. Keep in mind that as these garnishment exemptions increase it will have a correlation of overall delinquent debt collections, including accounts assigned to the Dept of Revenue for collection. Agencies will need to be sure and use the current garnishment forms as the amounts change, please refer to the DOJ website for the model garnishment forms (https://www.doj.state.or.us/oregon-department-of-justice/publications-forms/garnishment-forms/) for updates. See appendix A for the legislative bills tracked and summary of SB 1595.</p>
<p>Bankruptcy-</p> <ul style="list-style-type: none"> National Association of Attorneys General- Bankruptcy 101 training <p>Agencies responsibility when notified of a bankruptcy</p>	<p>0:11:00</p>	<p>The National Association of Attorneys General (NAAG) has agreed to grant access to their recorded Bankruptcy 101 for free to state agency staff. The training is a five part series of videos, each is about an hour and a half long. Please email SWARM.DAS@das.oregon.gov with the name(s) and email address(es) of the staff that you would like to receive access no later than 5:00 pm, April 1, 2024. Each of the persons identified will need to access the NAAG website (https://www.naag.org/) to create an account by clicking the “login” button in the upper right corner of the page. Then click the “Sign up now” link below the sign in button. You will establish an account using your email address. You will need to have an account created before the access can be granted. On April 2, 2024 SWARM will submit the names and emails to NAAG so they can grant the access to the course. You should receive an email from NAAG once the access has been granted and I will try to get notice from NAAG once the access is granted so I can also send a follow up email.</p> <p>When an agency receives a notice of a bankruptcy, this can be either directly from the court, a verbal notice from the debtor (including a case number), notification from DOR that an account is being canceled due to the bankruptcy, etc. then the automatic stay immediately applies to your agency. The automatic stay means that you stop collection actions, such as phone calls to the debtor, collection letters, garnishments, etc. Then monitor the bankruptcy status, the best option for this is the Public Access to Court Electronic Records (PACER) website: https://pacer.uscourts.gov/. You will need to create an account (https://pacer.login.uscourts.gov/csologin/login.jsf, click on the link for “Need an Account?”) to access these records. This website charges a fee of \$0.10 per page, however if less than \$30 per quarter are accrued then the balance is</p>

		<p>waived (https://pacer.uscourts.gov/pacer-pricing-how-fees-work). Different documents within the same case are charged the fee only if they are accessed. Once a search is done for a debtor name or case number if available there will be links for various documents associated with the case, one of which is the case status. The result may include a document for obtaining a proof of claim to download, complete and submit to the court asserting your claim in the case. If needed, please refer to your DOJ contact for any assistance in completing the proof of claim form, such as whether your debt is secured or unsecured. If the case is discharged and your debt is not exempt from discharge, then the debt can no longer be pursued, and the agency should then reverse the A/R. Note: this is not a write-off, which is still a legally collectible debt. A bankruptcy discharge should be reported to LFO as an adjustment and in the annual certification form to DAS, a bankruptcy discharge is an “abated” account because the bankruptcy court determined that the debt no longer exists. If a case is dismissed, this means the debtor did not complete their obligations to the court and the case was “thrown out” and the automatic stay no longer applies therefore collection action may resume.</p>
Request for verification of agency A/R contacts	0:28:45	<p>Gerold asked agencies to review the current A/R contact list (https://www.oregon.gov/das/Financial/Acctng/Documents/A_R_Contacts.pdf) and if there are changes, please email SWARM.DAS@das.oregon.gov detailing the updates needed (remove a current contact, add a new contact). Please include the name, phone number and email address of anyone that needs to be added. Please submit changes by April 5, 2024.</p>
Debtor information gathering (OAM 35.20.20)	0:30:45	<p>OAM 35.20.20 provides agencies guidance with collecting debtor information gathering. It uses phrases like “shall to the extent possible” because not all agencies are able to collect information in all cases. As a reminder to agencies, collecting and verifying debtor information is an important part of the collections process. Each time an individual makes contact with the agency, the “customer record” should be verified/updated. As a reminder, collecting the Social Security Number (SSN) from an individual is subject to notification of whether the providing the SSN is voluntary or mandatory (such as a statutory requirement), refer to OAR 122-085-0200 for more information on SSN collection and use. Keep in mind that OAR 122-085-0200 does not apply when the SSN is obtained from a third party such as a skip tracing vendor. The more information that an agency has about the debtor can assist in obtaining debtor information through third parties, such as a valid SSN.</p>
Debtor contact, using alternative communication	0:36:50	<p>During a recent webinar, a vendor was discussing tips for collecting on accounts and one of the topics was about communicating with a customer/debtor using alternative communication methods such as text or email. Typically, this</p>

		<p>is something that should be obtained as a written authorization. The webinar shared that this authorization should also include language that gives permission for not only the agency, but also any third parties or affiliates. This would allow entities like DOR or the collection agencies that they use to those communication methods. People today tend to prefer these alternative methods of communication and agencies should begin thinking about how they can incorporate these into their communication and collections strategies, obtaining the authorization is a first step. If program areas are where the notification or authorization is given, it can be beneficial to review the language of those forms to determine what exactly can the agency use that communication method for and possibly include the language about third parties, etc. In some cases, this might even be defined within an administrative rule.</p> <p>See Appendix B for sample language from the webinar conducted by Jeff Johnson, Chief Client Officer at Professional Credit Service.</p>
Roundtable	0:50:45	No topics were raised.
Adjournment	0:51:50	The meeting was adjourned at 2:52 pm

Next meeting:

Tuesday, May 21, 2024

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

(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)

Appendix A

2024 Legislative Session SWARM monitored bills

Bill Number	Bill Title	Bill Summary	Bill Sponsor	Amendment	Status as of end of session
HB4099	Relating to housing; declaring an emergency.	Requires the Housing and Community Services Department to guarantee local governments' deferral of system development charges for housing developments.	Representative Gamba, Representative Boice, Lively, Senator Jama, Patterson	-1	Referred to Housing and homelessness, PH 2/6, WS 2/13 do pass with amendment and referred to Ways and Means. In committee upon adjournment.
HJR0201	Proposing amendment to Oregon Constitution relating to a state property tax.	Digest: The Act would put in the constitution a state tax on property (real and personal) to fund public safety.	Representative Paul Evans		Referred to Rules, PH 2/13. In committee upon adjournment.
HB4075	Relating to funding public safety; prescribing an effective date.	Establishes a task force to develop a plan for the Legislative Assembly to establish a statewide public safety funding authority in Oregon in accordance with House Joint Resolution 201 (2024).	Representative Evans, Senator Steiner, Representative Smith G	-1	Referred to Rules, PH 2/13. In committee upon adjournment. Referred to Veterans, Emergency Management, Federal and World Affairs, PH 2/13, WS 2/15. Referred to Ways and Means. In committee upon adjournment.
SB1516	Relating to the Ireland Trade Commission; prescribing an effective date.	Establishes the Ireland Trade Commission.		-1	Referred to Rules, PH 2/13. In committee upon adjournment. Referred to Veterans, Emergency Management, Federal and World Affairs, PH 2/13, WS 2/15. Referred to Ways and Means. In committee upon adjournment.
HB4141	Relating to property tax interest; prescribing an effective date.	Decreases the rate of interest charged on delinquent property taxes from 1.33 percent per month to 1.33 percent per year. (-1 proposed would change this to "current United States prime lending rate plus one and one-third percent, per year or fraction of a year,"	Representative Hieb	-1 proposed	Referred to Revenue, PH 2/8. In committee upon adjournment.
SB1595	Relating to protections from debt collection; prescribing an effective date.	Increases certain exemptions from garnishment and execution.	Senator Gorsek, Jama, Representative Sos:	-3	Passed Senate 3/4. Passed House 3/6.

SB 1595-Modifies garnishment exemptions:

ORS 18.345- Vehicles (including truck and trailer) to the value of \$10,000, except debts arising from child or spousal support to the value of \$3,000.

ORS 18.385- Disposable earnings (wage garnishments)

	Weekly	Two-weeks	Half month	Monthly
Before January 1, 2025	\$ 254	\$ 509	\$ 545	\$ 1,090
January 1, 2025-June 30, 2025	\$ 305	\$ 611	\$ 655	\$ 1,309
July 1, 2025- June 30, 2026	\$ 335	\$ 675	\$ 737	\$ 1,458
July 1, 2026- June 30, 2027	\$ 400	\$ 832	\$ 912	\$ 1,792

	Minimum wage X 30	Minimum wage X 60	Minimum wage X 65	Minimum wage X 130
July 1, 2027 and later				

Beginning July 1, 2027 amount shall be calculated and posted on the Judicial Department website

The changes above to not apply to writ of garnishment or notice from a state or federal child support agency for a debt arising out of a child or spousal support obligation, or a money judgment that includes restitution (the amounts before January 1, 2025 apply)

ORS 18.395- Homestead exemption to the value of \$150,000 or \$300,000 when two or more members of a household are judgment debtors, except debts arising from child or spousal support to the value of \$40,000. Each July 1 the State Court Administrator will index the amounts to reflect increases or decreases in cost of living for the previous calendar year.

ORS 18.785- Financial institution exemption. Establishes a base protected account balance of \$2,500, which shall be indexed by the State Court Administrator each year to reflect increases or decreases in the cost of living for the previous calendar year. Requires the financial institution to conduct a garnishment account review to determine if any deposits made within a two month look back period include federal benefits; a public or private retirement plan, public or medical assistance, unemployment compensation, black lung benefits, workers compensation. If any deposits are made during the look back period as described, then the base protected account balance and the sum of those payments are not subject to garnishment. The base protected account balance does not apply to garnishments that arise out of a child or spousal support order.

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You acknowledge that you are the owner of the phone numbers (whether associated with a mobile, cell or land line) and email addresses that you provide to us. If you are not the owner, you represent that you are authorized by the respective owner(s) to authorize the use of those phone numbers and email addresses as described below, on the owner's behalf.

You authorize us and any third-party, such as our independent contractors, business associates, agents, and/or affiliates, who we may authorize, to: (1) call you at any of the numbers that you provide to us, using an automatic telephone dialing system and/or using a recorded message upon being answered, or another similar method such as an artificial or pre-recorded voice; (2) text messages to you at any of the numbers that you provide to us; and/or (3) send email communications to you at any of the email addresses that you provide to us; for any of the following purposes: confirming appointments, providing registration or clinical instructions, communicating about post-service follow up, telemarketing, billing, advertisements, advising you of special offers, events and services, communicating about your account, insurance and payments, and collecting debts that you owe to us.

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