DAS
DEPARTMENT OF ADMINISTRATIVE SERVICES

ACCOUNTS RECEIVABLE MANAGEMENT REPORT

FISCAL YEAR ENDING JUNE 30, 2025

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Oregon
Tina Kotek, Governor

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January 30, 2026

To the members of the Oregon Legislative Assembly,

Enclosed is the Statewide Accounts Receivable Management Report as required by Oregon Revised Statute 293.252(1)(e). The report identifies important issues and significant trends in state agency debt collection practices and describes efforts by state agencies to improve the collection of liquidated and delinquent debt. This is the tenth report issued under the statute mentioned above.

The following report and appendices reference liquidated, and delinquent account activity reported by state agencies for the fiscal year ending June 30, 2025.

Sincerely,

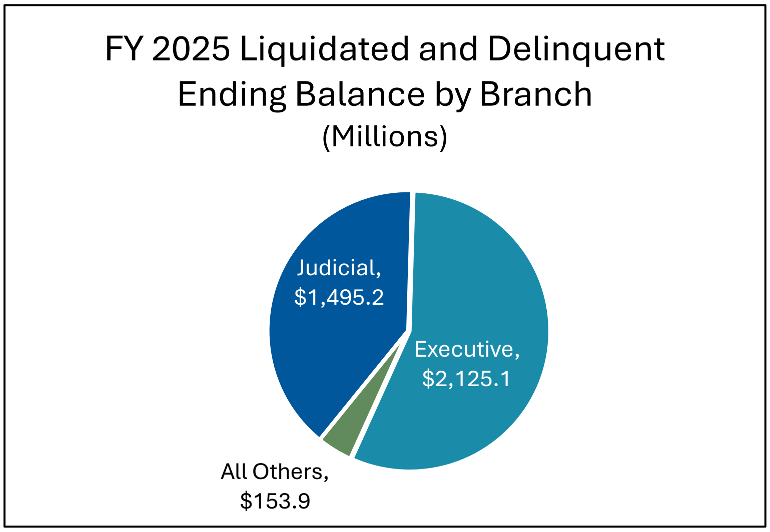
Kate Nass
Chief Financial Officer

EXECUTIVE SUMMARY

As required by Oregon Revised Statute 192.245 (2), this report is available online at: https://www.oregon.gov/das/Pages/legislative-reports.aspx.

Liquidated and delinquent (L&D) account collections statewide in fiscal year (FY) 2025 were $642.1 million, an increase of $81.4 million (14.5%) compared to FY 2024. Executive Branch agencies collected $564.9 million, an increase of $87.2 million (18.3%) compared to FY 2024.

The statewide ending balance of L&D accounts receivable for FY 2025 was $3.7 billion, which is a 1% decrease from FY 2024. Executive Branch agencies accounted for 56.7% of the statewide ending balance.



Statewide agencies reported that $1.5 billion (40.7% of the ending balance) L&D accounts were unlikely to be collected. While considered doubtful to be collected, the state continues collection efforts until either a payment is received, the account is determined to be uncollectible according to state policy, or the account is canceled in accordance with statute.

Executive Branch agencies reported $50.2 million in accounts that were unassigned, non-exempt, and without a payment in more than 90 days, a $2.4 million decrease compared to FY 2024.

Total vendor coordination recoveries totaled $2 million in FY 2025, a $586 thousand increase from FY 2024. Due to the nature of the diverse payments made by the state, fluctuations in recoveries from year to year are expected. State agencies have recovered a total of $6.2 million since implementation in January 2018.

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BACKGROUND

As required by Oregon Revised Statute (ORS) 293.252(1)(e), the Department of Administrative Services (DAS) hereby submits the annual *Statewide Accounts Receivable Management Report* to the Legislative Assembly in conjunction with the Legislative Fiscal Office (LFO) *Report on Liquidated and Delinquent Accounts Receivable*. This report identifies important issues and significant trends in Executive Branch agency debt collection practices and describes efforts by those agencies to improve the collection of delinquent debt.

The accounts receivable data referenced in this report represent liquidated and delinquent (L&D) accounts as of June 30, 2025, as reported by state agencies to LFO. The accounts include debts owed to state agencies by an individual or entity in which the debt was not paid by the original due date and the debtor was notified of the debt and given an opportunity to dispute the debt.

For reference purposes, background information about state agency collection processes and challenges are provided in the Accounts Receivable Management Overview (Appendix A), the LFO Data by Branch of Government (Appendix B), and the Glossary of Terms (Appendix C) provides definitions of terms used in this report. The agencies who earned recognition of the Accounts Receivable Honor Roll for Fiscal Years (FY) 2024, 2023 and 2022 are listed in Appendix D[1]. Executive Branch agencies' compliance with the statutory requirement to assign L&D accounts to the Department of Revenue Other Agency Accounts Unit (DOR-OAA) in FY 2025 are reported in Appendix E.

[1] The Accounts Receivable Honor Roll recipients for fiscal year 2025 is under review.

EFFORTS TO IMPROVE COLLECTIONS

Since the establishment of the Statewide Accounts Receivable Management (SWARM) team in 2016, policy and legislative changes have raised awareness and focus on accounts receivable management, and the changes are now part of state agency procedures to collect delinquent accounts receivable.

ACCOUNTS RECEIVABLE PERFORMANCE MEASURES

The DAS Chief Financial Office established Oregon Accounting Manual (OAM) policy 35.60.20, which requires most Executive Branch state agencies to track performance measures related to accounts receivable management and report progress quarterly and annually.[2] These measures and agency targets were designed to bring attention to accounts receivable practices within the agencies so they can better manage those practices and improve them.

The quarterly Accounts Receivable Performance Measures (ARPM) requires state agencies to report:

- Total accounts receivable collections;
- L&D accounts receivable collections;
- Outstanding accounts receivable balances; and
- Outstanding accounts receivable balances over 90 days past due.

The annual ARPM requires agencies to report:

- The number of days to collect;
- Number of days to assign; and
- Write-offs as a percentage of total available accounts receivable.

Key information for Executive Branch agencies, as reported on the ARPMs, are listed in Tables 1 and 2 below.

[2] OAM 01.05.00 documents the scope and applicability of the OAM.

Table 1.

Quarterly Performance Measure	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023
Total accounts receivable collections[3]	$14.1 billion	$12.4 billion	$9.7 billion
L&D account collections[4]	$532.3 million	$474.6 million	$422.4 million
Total outstanding accounts receivable	$3.1 billion	$3.1 billion	$2.6 billion
Accounts receivable over 90 days past due, as a percentage of total outstanding accounts receivable	73.5%	72.1%	73.1%

The $1.8 billion (14.4%) increase in total accounts receivable collections, was primarily the result of three agencies:

The Oregon Employment Department (OED) reported $2.3 billion in total accounts receivable collections, which was a 76.2% increase ($993.8 million) from FY 2024. This is due to changes OED made in how they obtain information from their system for more accurate ARPM reporting and is not related to a specific increase in collections activity.

The Public Employees Retirement System reported total A/R collections of $5 billion, an increase of $350.9 million (7.6%) compared to FY 2024.

The Department of Revenue (DOR) reported total receivable collections of $2.6 billion, which was a 21.2% increase ($462.8 million) compared to FY 2024. The large increase was almost entirely comprised of personal income tax A/R collections and represents a return to, not a deviation from, more recent historical norms after reduced personal income tax A/R collections during the second half of FY 24, coinciding with the unprecedented kicker.

[3] Total accounts receivable collections include all amounts collected by the agency that are applied to an accounts receivable, including accounts that are L&D.

[4] Because not all Executive Branch agencies are subject to the ARPM reporting requirement, the L&D collections will not match the Executive Branch collections in Table 3 that was reported to LFO.

The FY 2025 combined increase of $57.7 million in L&D account collections[5] occurred primarily at the Oregon Department of Human Services (ODHS) and DAS.

The ODHS L&D collections increased $40.3 million primarily due to two accounts for a total of $41.1 million that became L&D and were paid during FY 2025.

The DAS increase of $45.5 million in L&D collections is because agencies took longer to pay DAS its assessment and risk management charges in FY 2025, and that delay caused the related receivables to become L&D. In addition, there were sizable collections of FY 2024 L&D balances in FY 2025. Together, these two factors produced a significant increase in collections and a decrease in the L&D ending balance.

It is expected that agencies will see changes in outstanding receivables from one year to another. The change in total outstanding accounts receivable from FY 2024 to FY 2025 was an increase of $61.8 million (2%), while the accounts receivable balance over 90 days increased by $90.6 million (4.1%).

Table 2.

Annual Performance Measure:	**Fiscal Year 2025**	**Fiscal Year 2024**	**Fiscal Year 2023**
Average % of accounts paid in full within 60 days of the effective date	72.2%	72.4%	72.6%
Average % of accounts assigned within 90 days of meeting the definition of L&D	63.9%	64.6%	56.9%
Write-offs, as a percentage of all available accounts receivable	0.3%	0.3%	0.3%

There were no significant changes to the percentage of accounts paid in full within 60 days of the effective date of the receivable when compared to FY 2024.

[5] Because not all Executive Branch agencies are subject to the ARPM reporting requirement, the increase in L&D collections will not match the change in Executive Branch collections in Table 3 that was reported to LFO.

Overall, the percentage of accounts assigned within 90 days of meeting the definition of L&D remained relatively unchanged compared to FY 2024. If an agency is receiving payment on an account, ORS 293.231(1) does not require assignment until 90 days from the date of receipt of the most recent payment on the account, therefore it is reasonable that not all accounts would be assigned within 90 days of meeting the definition of L&D.

Executive Branch agencies reported a total of $45.1 million in write-offs during FY 2025 which was 0.3% of the available accounts receivable (beginning balance plus new receivables established), this percentage was unchanged from FY 2024.

VENDOR COORDINATION

Vendor coordination was established during FY 2018 to intercept payments to vendors that owed debts to the state, using an administrative hold and garnishment process. Vendor coordination includes a daily electronic file exchange and automated data match process to identify pending payments due to vendors that owe a debt to the state. Upon identification, the paying state agency notifies DOR of the match and DOR determines whether a garnishment should be issued to intercept the pending payment.

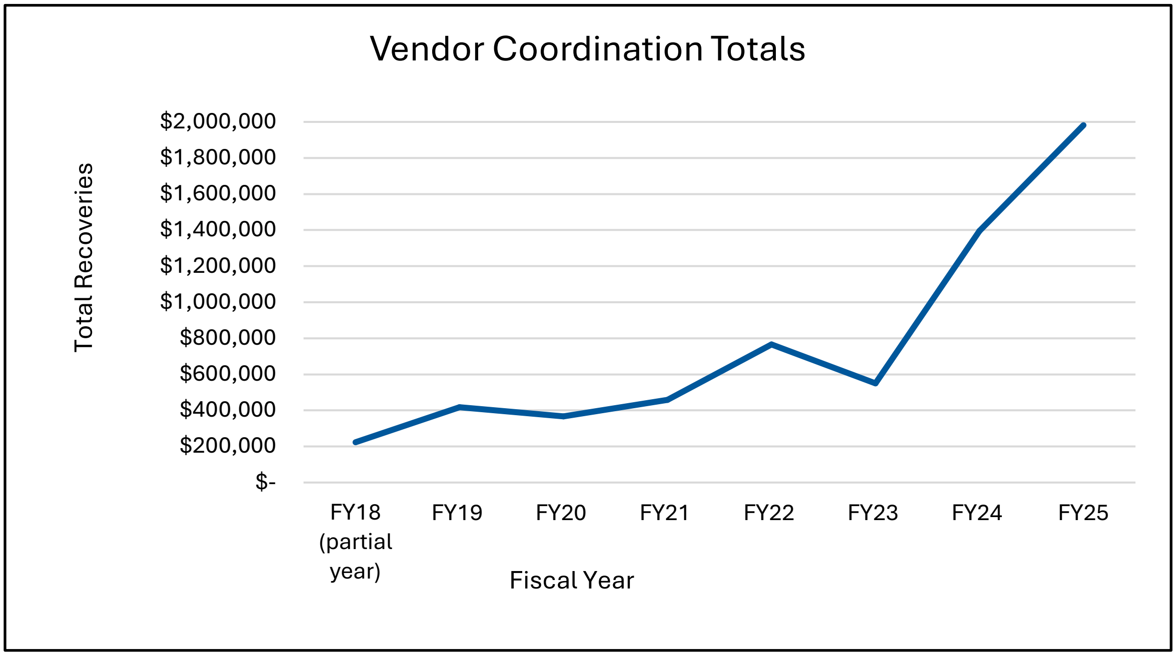
Before a state agency intercepts a pending payment, agency management must determine whether the payment is subject to garnishment and apply good judgment and independent thinking. A state agency may decide not to garnish a vendor payment, even if garnishment is otherwise allowed by law or regulation (for example, when garnishment of funds would be contrary to an agency's mission, such as garnishment of benefit or assistance payments).

Eighty-two state agencies, including Judicial Branch and Legislative Branch agencies have been provided the ability to identify and intercept pending vendor payments to apply towards DOR tax debts owed to the state.

Vendor coordination recoveries totaled $2 million in FY 2025, a $586 thousand increase from FY 2024. Recoveries have increased since FY 2023 due to both an increase in garnishments paid (64.7% increase from FY 2023 to FY 2025) and the average amount of the payments intercepted (118.8% increase from FY 2023 to FY 2025). Due to the nature of the diverse payments made by the state, fluctuations in recoveries from year to year are expected. State agencies have recovered a total of $6.2 million since implementation in January 2018 (Fig. 1), with 54.8% of all recoveries occurring in FY 2024 and FY 2025.

The amount of state vendor offset collections reported to LFO by DOR was $1.7 million, which is the net amount after any refunds resulting from a garnishment challenge. The total amount of state vendor offset collections reported by agencies to LFO for FY 2025 was $2 million, which includes amounts that agencies offset from payments due to vendors that also owed a debt to that agency, those offsets are not included in the DOR garnishment process.

Figure 1.



TRAINING

Each year, SWARM evaluates the needs of state agency accounts receivable professionals to determine the most beneficial training needed by those agencies. Understanding that state agency accounts receivable professionals have limited time available to attend classroom training, SWARM maximizes the use of online training. Each training is published on the SWARM website[6] and SWARM encourages managers and accounting professionals responsible for overseeing or processing accounts receivable transactions to partake in the training opportunities.

[6] https://www.oregon.gov/das/Financial/osc/Pages/SWARM-Train.aspx, Accounts receivable training and workshops.

ACCOUNTS RECEIVABLE HONOR ROLL

To recognize the efforts of accounts receivable professionals statewide, and encourage prioritization of accounts receivable management activities, the DAS Chief Financial Office awards the Accounts Receivable Honor Roll to state agencies that submit accurate reports by the required due dates and attend the required annual training[7]. Upon conclusion of the fiscal year and all accounting related activities, the DAS Chief Financial Office notifies the state agencies that achieved this recognition and sends a certificate accompanied by a congratulatory letter addressed to the agency director. Additionally, the list of Accounts Receivable Honor Roll recipients for the previous fiscal year is published on the SWARM webpage.

In FY 2024, 112 agencies were awarded the Accounts Receivable Honor Roll which was 88.9% of the 126 agencies eligible to earn the recognition (a 1.9% increase over FY 2023). The full list of FY 2024 awardees is listed in Appendix D.

State agency participation in submitting accurate and timely accounts receivable reports is an important component in meeting the statewide efforts to improve accounts receivable management processes and the integrity of L&D account data reported annually to LFO.

STATEWIDE ACCOUNTS RECEIVABLE MANAGEMENT

As directed in ORS 293.252, SWARM monitors state agency debt collection functions and assists their efforts to improve the collection of delinquent debts. SWARM also establishes and maintains accounts receivable policies, best practices, and trainings to facilitate timely and accurate reporting and improving collections. These efforts raise state agency awareness and focus on accounts receivable management.

SWARM works closely with state agency accounts receivable professionals to improve agency-specific policies and procedures. Because state agencies tend to have accounts, debtors, and processes that are particular to the mission of the agency, one-on-one coordination is an essential component in helping agencies incorporate general statewide accounts receivable management guidance into agency-specific policies and procedures. SWARM regularly reaches out to agencies to offer one-on-one accounts receivable training at the convenience of the agency and on topics chosen by the agency.

[7] Each year SWARM publishes and distributes a list of accounts receivable reporting requirements and the respective due dates.

DATA ANALYSIS

LIQUIDATED AND DELINQUENT ACCOUNT ANALYSIS BY BRANCH

All agencies within state government, as well as some special government entities, are required to report L&D account activity to LFO annually.[8] Depending on whether the agency is subject to the statutory requirement to assign L&D accounts to DOR-OAA , state agencies report L&D account activity to LFO in the following categories: total L&D accounts; accounts assigned to DOR-OAA; accounts assigned to a private collection firm (PCF)[9]; and accounts exempt from assignment. Each of these components are evaluated to assess the overall status of L&D account activity.

Agencies are required to report the value of L&D accounts they consider doubtful to be collected. These doubtful accounts are still going through the collections process and could be collected or may become eligible for write-off. The balance of L&D accounts, less the balance of doubtful accounts, equals the adjusted ending balance which represents the estimated value of L&D accounts potentially recoverable with reasonable effort over time and using collection tools available to the state. Based on data reported to LFO by all state agencies, $1.5 billion, or 40.7%, of L&D account balances are doubtful to ever be collected.

The LFO report does not separate L&D debt balances by branch of government. To characterize where the balance of L&D debt resides, this *Statewide Accounts Receivable Management Report* separates the FY 2025 data reported to LFO by branch (Table 3). Agencies within the Legislative Branch, as well as the special government entities, are listed as “All Others.”[10]

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[8] ORS 293.229 and ORS 1.195 define the annual LFO reporting requirement.

[9] Beginning in FY 2020, agencies subject to centralization were no longer required to report accounts assigned to a PCF because DOR-OAA is performing the assignment to a PCF instead of the agency.

[10] Refer to Appendix D for a listing of agencies by branch of government.

Table 3.

Total Liquidated and Delinquent Accounts Receivable, For the Year Ended June 30, 2025

	Judicial	Executive	All Others	Total
Beginning Balance	$1,495,161,232	$2,125,134,540	$153,869,143	$3,774,164,915
Additions	148,574,164	1,051,431,380	69,862,839	1,269,868,383
Collections	(44,073,363)	(564,926,830)	(33,122,916)	(642,123,109)
Write-Offs[11]	(10,611,681)	(43,629,048)	(32,263,344)	(86,504,073)
Adjustments	(121,018,807)	(297,485,746)	(2,101,409)	(420,605,962)
Reversals	-	(150,806,511)	(7,618,466)	(158,424,977)
Ending Balance	**$1,468,031,545**	**$2,119,717,785**	**$148,625,847**	**$3,736,375,177**
Doubtful Accounts	(1,049,495,752)	(439,962,596)	(30,083,709)	(1,519,542,057)
Adj. Ending Bal.	**$ 418,535,793**	**$1,679,755,189**	**$ 118,542,138**	**$2,216,833,120**

The statewide L&D accounts receivable ending balance of $3.7 billion, as of FY 2025, is comprised predominantly of the Judicial and Executive Branches. Though the SWARM team collaborates and provides accounts receivable management assistance to all state agencies, only Executive Branch agencies are subject to the accounting requirements set forth by DAS and documented in the OAM.[12] For this reason, the remainder of this analysis focuses on account activity associated with Executive Branch agencies.

[11] The total write-off amounts identified in Table 3 are $40.2 million more than the amounts reported on the *FY 2025 Write Off, Abated and Canceled Certification Report*, because the Oregon Judicial Department, universities and Oregon Health Science University are not subject to ORS 293.234; and did not submit a write off, abated and canceled debt certification to DAS.

[12] The Judicial Branch, Legislative Branch, and special government entities are not subject to the OAM accounting policies established by DAS.

EXECUTIVE BRANCH LIQUIDATED AND DELINQUENT ACCOUNTS

Executive Branch agencies reported an L&D ending balance of $2.1 billion, with four agencies representing 91.4% of that total (Table 4).[13] The ending balance is a 2.6% decrease from FY 2024, as shown in Table 5, which provides more detail on the differences between the two fiscal years.

Table 4.

Executive Branch Agency Liquidated and Delinquent Ending Balances
For the Year Ended June 30, 2025

	Ending Balance	Percent of Ending Balance
Department of Revenue	$ 1,129,531,269	53.3%
Oregon Employment Department	391,440,610	18.5%
Department of Justice	277,146,473	13.1%
Department of Consumer and Business Services	138,850,837	6.5%
Remaining agencies	182,748,596	8.6%
Total	**$ 2,119,717,785**	**100%**

CHANGES IN LIQUIDATED AND DELINQUENT ACCOUNT ACTIVITY

The comparison of Executive Branch agencies L&D accounts receivable from FY 2024 to FY 2025 helps to evaluate state agency effectiveness in managing accounts receivable over the last year (Table 5).

[13] Refer to Appendix A for more information about the types of accounts reported by these four agencies.

Table 5.

Executive Branch Liquidated and Delinquent Accounts Receivable
Fiscal Year Comparison

	2025	2024	Net Increase/ (Decrease)[14]
Beginning Balance	$2,125,134,540	$1,848,951,849	276,182,691
Additions	1,051,431,380	1,266,122,953	(214,691,573)
Collections	(564,926,830)	(477,713,626)	87,213,204
Write-Offs	(43,629,048)	(43,520,085)	108,963
Adjustments	(297,485,746)	(408,223,342)	110,737,596
Reversals	(150,806,511)	(60,483,209)	90,323,302
Ending Balance	**$2,119,717,785**	**$2,125,134,540**	(5,416,755)

While variation in L&D account activity from one year to the next is expected, SWARM analyzes the data to identify the largest changes and the factors that contributed to these changes. Below are some highlights of those changes.

L&D additions decreased by $214.7 million in FY 2025 compared to FY 2024. DOR accounted for $205.5 million (95.7%) of this change. During FY 2024 DOR reported an increase in filing enforcement activity after a pause in the issuance of failure-to-file assessments between September 2022 and August 2023. The pause was due to the Employment Department modernization project during which DOR did not have access to the employer combined payroll reports. The decreased additions in FY 2025 is a return to expected activity for DOR.

L&D collections increased by $87.2 million compared to FY 2024 with ODHS and DAS accounting for 98.3% of the change. The reason for these changes were described on page 3 of this report, within the Accounts Receivable Performance Measures section.

Executive Branch agency write-offs in FY 2025 were relatively unchanged (0.3%) compared to the prior year. Executive branch agencies that record transactions in the Statewide Financial Management Application (SFMA), record the criteria from OAM 35.50.10 that resulted in an account being written off. In FY 2025 the primary reasons agencies wrote-off debts were either due to being unable to locate the debtor, or the debtor did not have assets from which the agency could collect the debt (93.9% of all write-offs recorded in SFMA).

[14] The net increase / (decrease) reflects the difference between each column and is not intended to total.

Adjustments can either increase or decrease debt and occur when amounts are set up incorrectly, amounts are determined to be uncollectible (due to bankruptcy, for example) or amounts are determined not owed (due to settlements in compromise, for example). In FY 2025 Executive Branch agencies reported adjustments that decreased debt by $297.5 million, a change of $110.7 million (27.1%) compared to the $408.2 million recorded in FY 2024. DOR and OED reported 91.4% ($272 million) of the total FY 2025 adjustments.

- DOR adjustments for FY 2025 decreased debt by $181 million, a change of $74.3 million or 29.1% compared to FY 2024 adjustments that decreased debt $255.3 million. In FY 2024 DOR recorded a substantial number of canceled debts under ORS 305.155 that were previously written off. ORS 305.155(1) requires the department to cancel uncollectible debt after seven years. The department writes off uncollectible debt after three years and subsequently cancels that written off debt after four years. The decrease in cancelations during FY 2025 is a return to historical norms for the agency.
- OED adjustments for FY 2025 decreased debt $90.9 million, a change of $46.7 million or 33.9% compared to FY 2024 adjustments that decreased debt $137.6 million. In FY 2024 OED adjustments increased due to a system generated penalty to employers that was deemed to be in error, the process of correcting the balances resulted in a significant increase in abatements. OED continued to review accounts in FY 2025 that were transitioned from their legacy system to the FRANCES system and removing accounts that had incorrect balances.

Reversals in FY 2025 increased $90.3 million from FY 2024. DOR reported increased reversals of $95.6 million. DOR resumed filing enforcement activity during FY 2024 which increased failure-to-file assessments to non-filers that the department believes still have a filing obligation. During FY 2025 DOR received information from OED regarding business closures, which helped DOR determine that a portion of this large group of assessments were not owed, resulting in a corresponding increase in reversals.

ORS 293.231 requires Executive Branch agencies to assign eligible accounts to DOR-OAA for collection action.[15] Assigning accounts to DOR-OAA allows agency staff to focus on the agency's mission while allowing the collection specialists at DOR-OAA to focus on the collection of the debt. For this reason, SWARM encourages state agencies to assign accounts soon after the account meets the definition of L&D. Assignment activity varies from year to year due, in part, to the type and volume of accounts that become L&D during

[15] For more information about account assignment requirements, refer to How the State Collects Debt in Appendix A.

the FY.[16] For example, an agency may have an increase in L&D account activity due to a procedural change which qualifies more accounts for assignment to a third-party collector. Categorical comparisons in assignment activity (e.g. additions, returns) are not relevant when evaluating whether agencies are effectively managing L&D accounts, since once the account is assigned, the agency no longer has control over it. It should be noted that assignment activity variances from year to year help identify where procedural changes may have occurred. When evaluating whether accounts are being effectively managed, where the account resides in the collection lifecycle provides a more informative perspective. Executive Branch agencies reported total outstanding assignments to a third-party for collection of $610 million, which includes accounts at DOR-OAA and at PCFs, an increase of $100.2 million from FY 2024 (Table 6).

[16] For liquidated and delinquent account assignments to DOR-OAA and PCFs by all state agencies, refer to Appendix B.

Table 6.

Executive Branch Liquidated and Delinquent Accounts Receivable Fiscal Year Comparison

Assigned to Department of Revenue-Other Agency Accounts

	2025	2024	Net Increase/ (Decrease)[17]
Beginning Balance	$ 175,829,991	$ 194,658,687	(18,828,696)
Additions	59,100,595	101,162,220	(42,061,625)
Collections	(7,891,446)	(10,305,212)	(2,413,766)
Returned to Originating Agency	(16,852,997)	(109,685,704)	(92,832,707)
DOR-OAA Ending Balance	**$ 210,186,143**	**$ 175,829,991**	34,356,152

Assigned to Private Collection Firms

	2025	2024	Net Increase/ (Decrease)
Beginning Balance	$333,981,286	$236,586,207	97,395,079
Additions	312,165,948	266,599,129	45,566,819
Collections	(30,720,092)	(19,631,574)	11,088,518
Returned to Originating Agency	(215,559,714)	(149,572,476)	65,987,238
PCF Ending Balance	**$399,867,428**	**$333,981,286**	65,886,142
DOR-OAA & PCF Ending Balance	**$610,053,571**	**$509,811,277**	100,242,294

Under centralization, most Executive Branch agencies assign L&D accounts to DOR-OAA for collection which may result in the account being forwarded to a PCF[18]. As of June 30, 2025, $123.7 million (58.8%) of the accounts assigned to DOR-OAA had been assigned to a PCF.

Of the $399.9 million PCF ending balance (excludes accounts assigned by DOR-OAA), $399.5 million is owed to DOR for delinquent taxes.

[17] The net increase/(decrease) reflects the difference between each row and is not intended to total.

[18] Subject to the requirements of ORS 293.231 (3)(a)

Not all L&D accounts are subject to the assignment provisions referenced in ORS 293.231. Agencies may exempt accounts from assignment if they meet an administrative or statutory exemption criteria. A common misconception is that an exemption means the account cannot be assigned to collections, rather exemptions provide agencies the flexibility to determine alternative avenues to effectively collect the delinquent account. For example, some state agencies have an internal collections unit combined with unique tools which allow the agency to effectively collect its accounts. Specifically, DOR, Oregon Department of Transportation (ODOT), Department of Justice (DOJ), OED, ODHS, and the Oregon Health Authority (OHA) have such specialized collection units and may exempt applicable accounts from third-party collection actions when attempting recovery through actions such as the issuance of a distraint warrant and garnishment. For FY 2025, Executive Branch agencies reported $1.1 billion in accounts that are exempt from assignment, a 3.7% decrease from FY 2024 (Table 7).

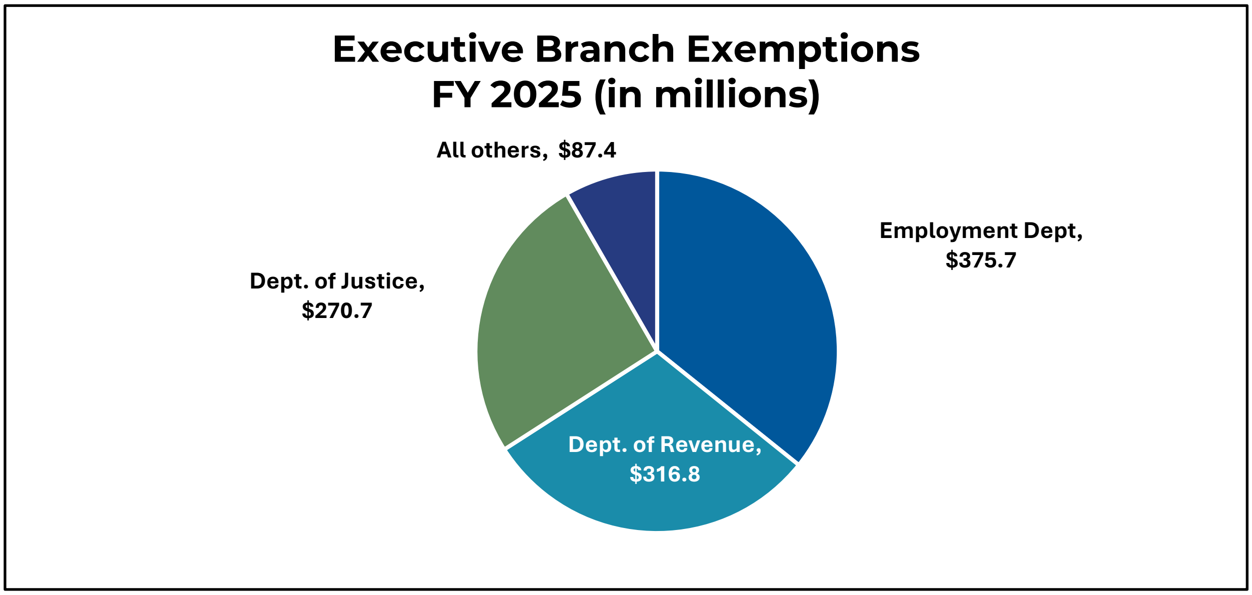
Table 7.

Executive Branch Liquidated and Delinquent Accounts Receivable
Fiscal Year Comparison
Accounts Exempt from Assignment

	2025	**2024**	**Net Increase/ (Decrease)**
Administrative Exemption	$ 822,149,756	$ 874,479,858	(52,330,102)
Statutory Exemption	228,446,993	216,660,466	11,786,527
Total Exemptions	**$1,050,596,749**	**$1,091,140,324**	**(40,543,575)**
Total L&D Ending Balance	**$2,119,717,785**	**$2,125,134,540**	**(5,416,755)**
Exemptions as a percentage of L&D Ending Balance	**49.6%**	**51.3%**	

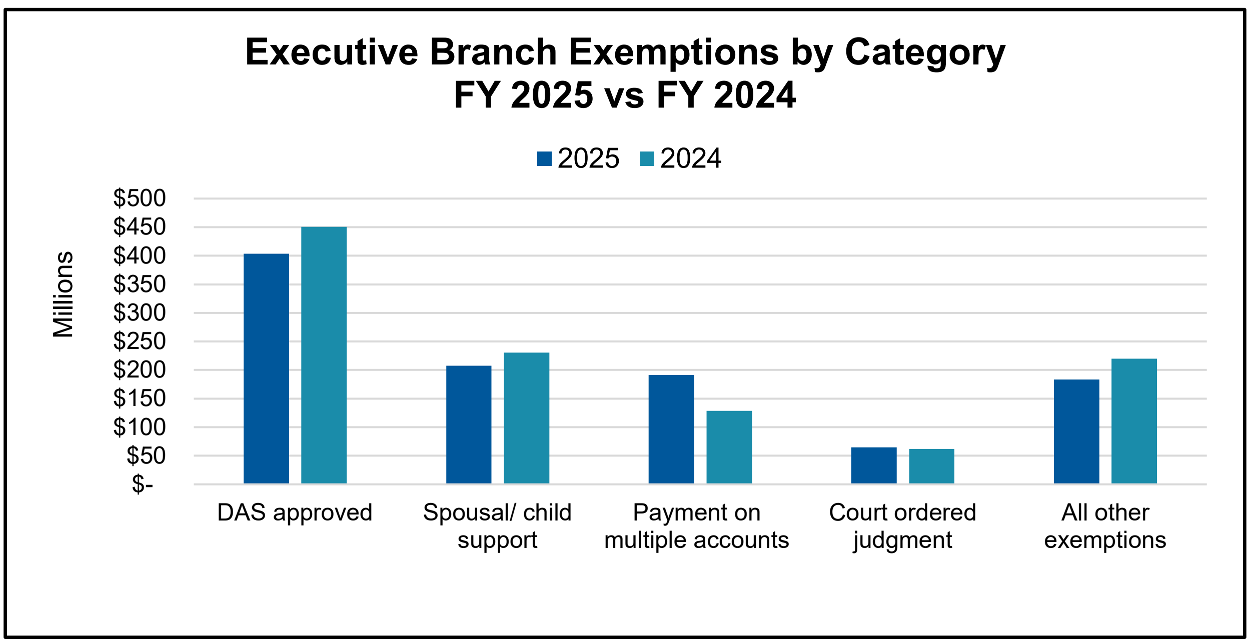
Three agencies reported 91.7% ($963.2 million) of all Executive Branch agency exemptions for FY 2025 (Fig. 2).

Figure 2.



Of the $1.1 billion in total account exemptions reported in FY 2025, 82.5% were accounts affiliated with one of four exemption categories (Fig. 3).

Figure 3.



OED reported FY 2025 DAS approved exemptions of $363.4 million (90.1% of total DAS approved exemptions), a decrease of $48.9 million compared to FY 2024. Since February 2017 OED has requested, and DAS approved, an exemption[19] for accounts from the Unemployment Insurance program that are subject to a United States Department of Labor restriction on assignments to third party collectors until such time as the state determines the account to be uncollectible. OED could be subject to a loss of federal funding if assignments occurred outside of the federal requirements. OED reported an overall $44.6 million decrease in the total ending balance which directly impacted their overall accounts subject to an exemption.

The exemption for spousal/child support of $207.5 million reported by DOJ is a 10.1% ($23.3 million) reduction compared to FY 2024. DOJ reported an overall ending balance decrease of $18.9 million.

The payment on multiple accounts exemption increased $63 million (49.1%) compared to FY 2024. DOR reported a total of $180.2 million (94.2% of the total exemption category), which was an increase of $69.2 million from the prior year. Nearly two fifths of the DOR debt meeting this exemption in FY 2024 ($45 million out of the $111 million) still meet this exemption in FY 2025. Personal income tax (PIT) accounts nearly doubled in value in this category even while the number of accounts stayed relatively similar to FY 2024. Most added debts in PIT were larger debts with most the debt shifting from litigation/bankruptcy being PIT debt as well.

[19] Exemptions are renewed on a biennial basis, the next evaluation will be in June 2026.

UNASSIGNED ACCOUNTS OVER 90 DAYS

Another component used to evaluate the effectiveness of state agency L&D account management is the balance of unassigned, non-exempt accounts without a payment for 90 days or more. In FY 2025, Executive Branch agencies reported $50.2 million in accounts that were unassigned, non-exempt without a payment for 90 days or more. This is a $2.4 million (4.5%) decrease compared to the amount reported in FY 2024. DOR reported $41 million, (81.8% of the total) which is $1.7 million more than FY 2024. In FY 2024 a correction to the department's PCF assignment logic was implemented which resulted in a corresponding increase to the value of accounts assigned to PCFs and a decrease in the number of unassigned, non-exempt accounts compared to FY 2023. DOR has determined that additional corrections are required to address issues that primarily arise from DOR being prohibited from collecting on a taxpayer while that taxpayer has debts under collection by a PCF. This creates an "all or nothing" situation, and for some taxpayers a small balance debt not meeting the assignment requirements may prevent all remaining debts associated with that taxpayer from being assigned to a PCF for collection. DOR is looking into ways of resolving this in a manner which meets both requirements.

FUTURE OF STATE DEBT COLLECTIONS

Statewide L&D collections significantly decreased starting in FY 2021 primarily due to changes in reporting by a few agencies, as well as impacts from the COVID-19 pandemic. Collections in FY 2025 exceeded the pre-pandemic amount reported in FY 2019. SWARM recognizes the continued need for training new agency staff on the basics of debt collection in the government sector and refinement of agency processes with their existing resources.

SWARM will continue to focus on collaboration across state government to implement best practices and new technologies to improve accounts receivable management.

ACKNOWLEDGMENTS

SWARM appreciates the access to agency L&D accounts receivable data from LFO; this report would not be possible without LFO's support. SWARM also extends thanks to state agencies for the professionalism of their staff and dedication to improving accounts receivable data and collection processes.

APPENDIX A – ACCOUNTS RECEIVABLE MANAGEMENT OVERVIEW

HOW THE STATE COLLECTS DEBT

Applicability

The statutory requirements pertaining to collecting L&D debt are documented in two chapters of the ORS based upon the applicable branch of state government. The collection and assignment provisions of ORS Chapter 1 [20] apply to agencies within the Judicial Branch and the provisions of ORS Chapter 293 apply to agencies within the Administrative or Executive Branch[21]. Statewide policies and procedures pertaining to accounts receivable management are documented in OAM Chapter 35 and are applicable to Executive Branch agencies[22] subject to report financial activity in the Annual Comprehensive Financial Report.

Executive Branch Agencies

Agencies have an obligation to bill in a timely manner for goods provided or services rendered. When an account is not paid by the due date it becomes delinquent. The state agency is then responsible for conducting collection activities and must follow a complex process based on federal and state requirements for due process. These activities include contacting the debtor by phone and letter to notify the debtor of the amount due and to request payment, and administrative proceedings when a debtor disputes a debt (Fig. 4). The letters also serve to notify the debtor of procedures and deadlines to dispute the debt; potential interest costs; possible account assignment to DOR-OAA; and the additional collection costs associated with assigning the account. Letters are a common method used to liquidate an account; however, accounts may also become **liquidated** as the result of a court or administrative order; written agreement between the state agency and the debtor; or by the debtor acknowledging the debt in writing.

If state agencies' internal collection processes are unsuccessful in recovery, ORS 293.231(1) requires the state agency to use external sources to assist with ongoing efforts

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[20] ORS 1.194-1.202 documents the collection of court account requirements; including, but not limited to, account assignment provisions.

[21] ORS 293.231 documents the account assignment requirements for Administrative or Executive Branch agencies subject to ORS Chapter 293, however, not all Executive Branch agencies are subject to ORS 293.231.

[22] OAM 01.05.00 documents the scope and applicability of the OAM.

to collect the debt (Fig. 5). Once an account has met the definition of being liquidated & delinquent, Executive Branch agencies must assign it to DOR-OAA not later than 90 days from the date the account was liquidated (if no payment was received on the account within the 90-day period) or 90 days from the date of receipt of the most recent payment on the account.

Not all L&D accounts are subject to the assignment provisions outlined above; ORS 293.231(7) and OAM 35.40.10 provide exemptions that may be applied at the discretion of the agency. Examples of assignment exemptions include, but are not limited to, accounts that are: secured by a consensual security interest; valued at less than $100 including penalties; owed by an estate in which the agency received notice the estate is closed; or owed by a debtor hospitalized in a state hospital.

Since July 1, 2018, L&D accounts assigned to DOR-OAA (per ORS 293.231(3)) remain in full collection status for six months from the date of assignment or from the date of the last payment applied to the account. Per statute, if DOR-OAA does not collect a payment within that six-month period, the account is forwarded to a PCF for additional collection services. If no payment is received within six months, the PCF is required to return the account to DOR-OAA, who forwards the account to a different PCF. If the second PCF is not successful in collecting the debt DOR-OAA will recommend to the agency that the account be written off.

Once DOR-OAA recommends an account for write-off, the agency evaluates the account to determine if the account is uncollectible and eligible for write-off as per the Attorney General-approved criteria documented in OAM 35.50.10. When the agency determines the account should be written off, the debt is removed from the agency's accounting records. However, because the liability of the debt continues after the account has been written off, the account is maintained with DOR-OAA for possible future collection including, but not limited to, offset of tax refunds or garnishment of wages if the "New Hire" report[23] indicates that a debtor secures employment.

The external collections process is one that involves many steps and can take multiple years before resulting in a collection or a determination the account is uncollectible.

[23] ORS 25.793 Authorizes the Division of Child Support of the Department of Justice to enter into agreements with the Department of Revenue for the provision of information reported by an employer.

Judicial Branch Agencies

Per ORS 1.197(1), agencies within the Judicial Branch of state government shall offer to assign L&D accounts not later than one year from the date the account was liquidated (if no payment was received on the account within that year) or one year from the date of receipt of the most recent payment on the account.

Furthermore, per ORS 1.197(5), DOR-OAA has one year to collect on L&D accounts assigned by agencies of the Judicial Branch. If DOR-OAA is not successful in their collection activities within one year, or if one year has lapsed since the date of receipt of the most recent payment on the account, DOR-OAA must notify and return the account to the respective Judicial Branch agency who must then immediately offer to assign the account to a PCF. The Judicial Branch maintains agreements with multiple vendors.

Some Judicial Branch L&D accounts may be exempt from the one-year assignment provisions referenced above. As provided in ORS 1.199(1), the State Court Administrator may establish policies and procedures for exempting accounts in addition to the exemptions referenced in ORS 1.198. Agencies of the Judicial Branch of state government are not subject to the statewide policies and procedures referenced in the OAM.

COLLECTION ISSUES AND CHALLENGES

State agencies face several challenges impacting collection processes. To better understand these challenges, and to identify solutions for overcoming these challenges, one must analyze the type of challenges that exist: data availability; systems; standardization; and resources.

Data Availability

An integral component to achieving successful collections of L&D debt is the availability of accurate, complete, and current data. However, the availability of the desired data varies depending upon the nature of the debt and the debtor. For example, when a civil penalty has been issued to an individual for unlicensed practice, the individual may be operating under an alias or false identity, which impacts the ability of the agency to successfully collect the debt.

State agencies that provide goods or services are encouraged to obtain customer data prior to providing the goods or services in the event the account becomes L&D. Since the process associated with obtaining additional data may create added resource burdens, state agencies must evaluate the cost associated with collecting more data on the front end compared to the likelihood of collection activity. State agencies that accept checks as a form of payment also accept the risk that the check may be returned for non-sufficient funds. In these cases, the state agency may only have data available from the face of the check, which could be stolen, fraudulent, or outdated.

Systems

Much like data integrity, the systems on which accounts are tracked are also an integral component in the successful collection of L&D debts. Most state agencies use a Microsoft Excel spreadsheet to track and report accounts receivable while the remaining agencies use legacy mainframe or third-party software applications. Due to the complex nature of collection activities, an Excel spreadsheet is not an ideal mechanism for effectively and efficiently managing accounts receivable transactions.

Even robust systems, such as SFMA, have limitations which require state agencies to maintain subsidiary systems to track the details associated with L&D accounts. For example, to comply with the statutory assignment provisions, agencies must track the date an account became delinquent as well as the date the account became liquidated. While state agencies may use an aging report generated with data entered in SFMA to establish account delinquency; the data necessary to determine the date of liquidation is not available in SFMA. As a result, agency accounts receivable professionals must track these data points separately.

GenTax, the system purchased by DOR for tax administration, has many benefits to assist DOR with collecting tax and non-tax debts. However, since the system's primary function is tax administration, the collection functionality needed for DOR-OAA to provide reporting of specific information to client agencies is limited. Though GenTax includes improved collection functionality, reporting limitations create challenges for DOR-OAA client agencies by requiring them to rely upon other, more manual processes to effectively manage and reconcile accounts assigned for collections to DOR-OAA. As the state considers options to further enhance debt collections, investments may be necessary to either augment GenTax or acquire a portfolio management system.

Standardization

Standardizing processes is a challenge that some state agencies face when collecting L&D debt. Though agencies have the authority to establish internal processes to ensure compliance with applicable federal and state requirements, the diverse nature of business units may challenge the agency's ability to create standardized processes within the agency. Diverse business units result in diverse types of debt with varying levels of requirements resulting in unique processes for each business unit or type of debt. This challenge makes it difficult for state agencies to efficiently standardize collection processes; an important factor when limited resources are available to conduct effective and efficient collection activities. Even though state agencies may have similar regulatory functions and authorities such as civil penalties, the diversity of issues within each agency may require varying methods when implementing those same authorities.

Resources

Resource challenges affect not only the availability of staff dedicated to the management and collection of debt but also the training and expertise of the available staff. Often, collection work in state agencies is completed by accountants responsible for accounts receivable billing. Though this may seem like a natural fit, collection work and accounting work are quite different functions and require different skillsets. In addition, the primary purpose of an accounts receivable accountant is to accurately and timely bill for goods or services when provided and to record the applicable accounting entries in the general ledger. A debt collector requires a unique set of skills that include investigation skills to locate debtors and collectible assets; negotiation skills; and enforcement capabilities, such as garnishment and lien recording. The skills required for debt collection are not commonly listed in job requirements for accounting positions. Many state agencies report that their priority is to bill for goods or services when provided while collection activities are often conducted as time allows and as staff are available.

When an agency determines the percentage of accounts that become L&D is immaterial compared to the percentage of accounts that are paid timely, it is not surprising that agencies prioritize their work accordingly.

In addition, when only a portion of an employee's position is allocated to infrequently performing debt collection tasks, the challenge includes maintaining up-to-date collection techniques in addition to the availability of dedicated staff.

Collection staff need to be well-versed in applicable federal and state regulations to ensure due process has been afforded the debtor and that appropriate notifications are made prior to escalating collection efforts. Appropriate notifications include potential consequences for failing to pay, such as penalties; interest; garnishment; assignment of the account to collections and associated collection costs. Due process also provides many opportunities for the debtor to dispute or appeal the debt. Failure to provide proper notification to the debtor could result in the agency being legally liable for damages or penalties.

STATEWIDE ACCOUNTS RECEIVABLE MANAGEMENT

ORS 293.252 requires DAS to monitor state agency debt collection functions and assist state agencies in efforts to improve the collection of delinquent debts owed to state agencies. DAS created the SWARM team to provide training on processing and managing accounts receivable, offer technical assistance in resolving accounts receivable challenges, develop performance standards for state debt collection, and work with state agencies to improve the quality of data submitted to LFO. To improve the collection of delinquent debts and foster improved agency collaboration, SWARM developed the Accounts Receivable Core Committee (ARCC).

Accounts Receivable Core Committee

Comprised of accounts receivable representatives from a variety of state agencies, ARCC meets every other month to discuss current collection practices and assist SWARM in developing strategies to improve statewide accounts receivable management. ARCC also serves as a forum for state agency accounts receivable professionals to collaborate with peers from other state agencies, discuss successful collection strategies, share lessons learned and best practices. The work of the ARCC is a valuable part of improving statewide debt collections and overall accounts receivable management practices through the collaboration, partnership, and forward-thinking of accounts receivable professionals.

FACTORS IN COLLECTING ACCOUNTS RECEIVABLES

Key factors which influence the collectability of an accounts receivable are: (i) the type of accounts receivable; (ii) types of debtors; and (iii) the debtor’s ability and willingness to pay.

Types of Accounts Receivables

State agency receivables include a diverse representation of legally enforceable claims for payment ranging from benefit overpayments to court-ordered restitution (Table 8).

Table 8.
Types of State Agency Accounts Receivable[24]

Administrative hearing orders	Loans
Benefit overpayments (unemployment or public assistance)	Medical services
Contract or service level agreements	Restitution
Court orders (civil or criminal judgment)	Support orders (child or spousal)
Employee overpayments (current or former employee)	Taxes
Fees, fines and penalties	Tuition
Licensing (application or renewal)	

In FY 2025, 91.4% of the Executive Branch outstanding balances of L&D accounts are owed to the following four agencies.

Department of Revenue

Debt balances reported by DOR include taxes, fees, penalties and interest owed to the state by individuals and businesses. The debts are primarily payable to the General Fund. Most of the debt balances reported by DOR are related to personal income taxes. Accounts collected by DOR-OAA are not included in this amount since they are reported by the agency that assigned the account.

Oregon Employment Department

Debt balances reported by OED include unemployment insurance (UI) and Paid Leave Oregon (PLO) benefit overpayments, delinquent UI employer-paid taxes and delinquent PLO employer deductions. UI and PLO benefit overpayments result from administrative decisions that determine a claimant was not eligible to receive benefits. UI benefit overpayments arise from claimant error, non-claimant error, or fraud. Both types of UI debt include amounts that have accumulated over many years and may have been subject to additional penalties and interest. The debts are payable to Other Funds.

[24] The list in Table 8 represents the most common types of state agency accounts receivable; as such, this list is not all-inclusive.

Department of Justice

DOJ's debt balances are comprised primarily of child support recoveries which are remitted to the custodial parent when collected; punitive damages awarded to the *Crime Victims Services Division*; and court judgments from the *Financial Fraud, Consumer Protection and Charities programs*. The debts are largely payable to Federal Funds and Other Funds.

Department of Consumer and Business Services

Debt balances owed to the Department of Consumer and Business Services result from a variety of programs ranging from workers compensation and occupational safety to financial regulation and building codes. Outstanding balances are fines or penalties related to regulatory enforcement and are primarily payable to Other Funds.

Types of Debtors

State agency debtors range across a diverse socio-economic spectrum and can be either individuals, businesses, or organizations depending on the type of the debt (Table 9). State agencies often do not get to choose their customers or deny services based on ability to pay; therefore, a reactive approach to accounts receivable management is common.

Table 9.
Type of State Agency Debtors

Corporations, partnerships, LLCs, etc.	Licensed professionals
Employed individuals	Not-for-profit organizations
Incarcerated individuals	Out-of-state individuals
Individuals in the care of a state hospital	Students
Individuals on state assistance	Unemployed individuals
Individuals on state medical assistance	Unlicensed individuals or businesses
Individuals with limited income	Veterans

The Debtor's Ability and Willingness to Pay

Collectability of a debt expands beyond the type of debtor and includes evaluation of the debtor's ability and willingness to pay. A common matrix used by a PCF determines if the debtor is: able and willing to pay; able to pay but unwilling; unable to pay but willing; or unable and unwilling to pay (Fig. 6). Evaluating the probability of collection is valuable for determining the most efficient method of pursuing the debt.

Over time a debtor's ability to pay may be subject to changes in their socio-economic status, while their willingness to pay typically does not change.

For those debtors who are willing and unable to pay due to low-income or loss of employment, enforced collection of debt through garnishment may prove difficult and could exacerbate their circumstances and create an unintentional hardship.

In instances of debtors who are unwilling to pay despite ability, techniques such as issuing garnishments or placing a non-consensual lien against the debtor's real property can be exercised. However, these collection tools are only effective when the debtor has assets.

Each factor referenced above impacts the ability of state agencies to effectively collect debts. By evaluating the nature of the debt, socio-economic status of the debtor, and the debtor's ability and willingness to pay, debt collectors can maximize collection efforts by prioritizing and allocating collection resources to maximize efficiency and recovery.

Notwithstanding these factors, state agency representatives may also align collection techniques with the mission of the agency. For example, an individual who receives public assistance may become a debtor due to a benefit overpayment. Aggressive attempts to recover the overpayment while the debtor is still facing economic challenges may be contrary to the mission of the agency to provide public assistance.

COLLECTION TOOLS

State agencies have several tools available for use in collecting debts (Table 10). Some tools are limited for use by agencies with unique statutory authority while other tools are available for use by all state agencies regardless of the nature of the accounts receivable.

Table 10.

Collection Tools[25]	
Collection letter, demand notice	Non-consensual real property lien
Court Judgment	PCF (full-service collections)
DOR-OAA (full-service collections)	Phone calls
DOR-Refund Offset (restricted collections)	Skip-tracing
Garnishment	Unclaimed property claim

State agencies are responsible for performing preliminary collection activities which include: contacting the debtor by phone; sending collection letters or demand notices; and updating debtor contact information. When the debt becomes L&D, state agencies subject to the statutory assignment provisions under ORS 293.231 must assign the account to DOR-OAA. Once accounts are assigned to DOR-OAA, full-service collection activities commence.

Full-service collection activities include the preliminary collection activities referenced previously, as well as: locating a debtor or debtor assets; offsetting state tax refunds; submitting a claim with the Oregon State Treasurer against a debtor's unclaimed property; and issuing garnishments. State agencies with internal collection units perform full-service collection activities prior to assigning an L&D account to DOR-OAA.

Many licensing and regulatory agencies have statutory authority to issue civil penalties against individuals or businesses that operate without a license or violate statutory or administrative regulations. These agencies have additional tools available to collect debts. More specifically, upon issuance of a final civil penalty order, the agency may record the order in a county lien register thus enabling the agency to issue garnishments or record a lien against real property owned by the debtor.

[25] The federal Treasury Offset Program and lottery offset tools have been excluded from Table 10 since they are available to a limited number of state agencies per federal or state law.

DOR, OED, OHA, ODOT, ODHS, and the Department of Consumer and Business Services have distraint warrant authority that, similar to civil penalty authority, allows the agency to docket the warrant in a county lien register thus enabling the agency to issue garnishments or record a lien against real property owned by the debtor. Though a limited number of state agencies have distraint warrant authority, some L&D accounts assigned to DOR-OAA qualify for a distraint warrant to be issued using DOR-OAA's statutory authority.[26] Any distraint warrant issued under DOR-OAA's statutory authority will remain in place if or when DOR-OAA assigns the debt to a PCF. However, if the originating agency recalls the debt, the distraint warrant will be canceled by DOR-OAA.

Federal Treasury Offset Programs

Five state agencies have authority granted by the federal government to participate in the *Treasury Offset Programs* (TOP), programs which intercept federal payments to offset state delinquent tax debts, public assistance debts, and unemployment insurance debts. In Oregon, access to the TOP program is limited for use by ODHS, DOJ, DOR, OED, and OHA.

State Income Tax Program (SIT) - TOP offsets federal tax refund payments to payees who owe delinquent state income tax obligations and state tax refunds may be used to offset federal tax debts.

Unemployment Insurance (UI) - In partnership with the US Department of Labor, TOP offsets federal tax refund payments to 1) payees who owe delinquent unemployment insurance compensation debts due to fraud or a person's failure to report earnings; and 2) payees who owe UI employer tax debts.

Child Support Program (CS) - States submit delinquent child support obligations to the Office of Child Support Enforcement, which in turn submits the debts to TOP for collection through the offset of federal tax refund and other eligible payments.

Supplemental Nutritional Assistance Program (SNAP) - The Department of Agriculture, Food and Nutrition Service (FNS), in collaboration with state offices administering the Food Stamp Program, submit food stamp recipient debts to Treasury for offset of federal tax refund and other eligible payments.

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[26] Liquidated and delinquent accounts may qualify for DOR-OAA to issue a distraint warrant if the debt meets one of the following conditions: 1) judgment was entered on the debt; 2) the debt is a tax debt for which a distraint warrant was issued or the prerequisites of issuance were met; 3) liability for, and the amount of, the debt was established through an administrative proceeding; or 4) the debt is a non-complying employer's debt for claim and administrative costs eligible for referral under criteria identified by the Department of Justice (OAM 35.30.30).

APPENDIX B – LFO DATA BY BRANCH OF GOVERNMENT

State agency data reported by LFO is not separated by branch of government. Since this management report focuses on liquidated and delinquent account activity reported by Executive Branch agencies, the LFO data was separated by branch of government to provide a reconciliation between data referenced in the LFO report and data referenced in this report. Agencies within the Legislative Branch as well as special government entities are listed as "All Others".

Total Liquidated and Delinquent Accounts Receivable
For the Year Ended June 30, 2025

	Judicial	Executive	All Others	Total
Beginning Balance	$1,495,161,232	$2,125,134,540	$153,869,143	$3,774,164,915
Additions	148,574,164	1,051,431,380	69,862,839	1,269,868,383
Collections	(44,073,363)	(564,926,830)	(33,122,916)	(642,123,109)
Write-Offs	(10,611,681)	(43,629,048)	(32,263,344)	(86,504,073)
Adjustments	(121,018,807)	(297,485,746)	(2,101,409)	(420,605,962)
Reversals	-	(150,806,511)	(7,618,466)	(158,424,977)
Ending Balance	**$1,468,031,545**	**$2,119,717,785**	**$148,625,847**	**$3,763,375,177**
Doubtful Accounts	(1,049,495,752)	(439,962,596)	(30,083,709)	(1,519,542,057)
Adj. Ending Bal.	**$ 418,535,793**	**$1,679,755,189**	**$ 118,542,138**	**$2,216,833,120**

Assigned to the Department of Revenue - Other Agency Accounts

	Judicial	Executive	All Others	Total
Beginning Balance	$ 213,624,315	$ 175,829,991	$ 31,942,440	$ 421,396,746
Additions	50,930,661	59,100,595	26,481,123	136,512,379
Collections	(16,366,288)	(7,891,446)	(7,271,281)	(31,529,015)
Return to Agency	(78,556,388)	(16,852,997)	(12,352,728)	(107,762,113)
Ending Balance	**$ 169,632,300**	**$ 210,186,143**	**$ 38,799,554**	**$ 418,617,997**

Assigned to Private Collection Firms

	Judicial	Executive	All Others	Total
Beginning Balance	$ 369,639,612	$ 333,981,286	$ 64,515,603	$ 768,138,501
Additions	346,993,893	312,165,948	18,848,915	678,008,756
Collections	(3,185,788)	(30,720,092)	(3,958,518)	(37,864,398)
Return to Agency	(316,108,818)	(215,559,714)	(25,795,767)	(557,464,299)
Ending Balance	**$ 397,338,899**	**$ 399,867,428**	**$ 53,610,233**	**$ 850,816,560**

Accounts Exempt from Assignment

	Judicial	Executive	All Others	Total
Administrative	$ 33,381,787	$ 822,149,756	$ -	$ 855,531,543
Statutory	346,766,477	228,446,993	1,646,965	576,860,435
Total Exemptions	**$ 380,148,264**	**$1,050,596,749**	**$ 1,646,965**	**$ 1,432,391,978**

APPENDIX C – GLOSSARY OF TERMS

Additions – The number and value of accounts that became liquidated and delinquent (L&D) on or after July 1 of the reporting fiscal year.

Adjustments – Entries to increase or decrease a portion of the debt. Adjustments may be the result of an administrative error or when the debt is legally determined not to be owed (as in bankruptcy or an offer in compromise). Adjustments never result from write-offs.

Collections – (1) All payments received by an agency as payment towards billings or accounts receivable, including amounts received from collection agencies. (2) The process or activity of collecting on a debt either by the agency or a third party.

Delinquent (OAM 35.30.30) – An accounts receivable for which payment has not been received by the due date.

Garnishment – Legal proceeding that authorizes a third party to directly attach the debtor's funds, such as wages or a bank deposit, to satisfy a creditor's claim.

Judgment – A court order ruling the debtor is indebted to and must make payments to the creditor of a specific amount.

Lien – A claim (which can include a judgment) or charge upon real or personal property for the satisfaction of some debt.

Liquidated (OAM 35.30.30) – An amount owing to a state agency that meets all of the following criteria:

1) an agency has determined an exact past due amount owing; and
2) an agency has made a reasonable attempt to notify the debtor in writing of the amount owing, the nature of the debt, and has requested payment; and
3) the debt meets <u>one</u> of the following conditions:
    a) A judgment has been entered.
    b) Is a tax debt for which a distraint warrant has been issued or the prerequisites of issuance have been met.
    c) Liability for and the amount has been established through an administrative proceeding.
    d) Arises from a promissory note.
    e) Is due to a pre-existing agreement between the state agency and the debtor; an invoice or a statement of account has been mailed or delivered to the debtor; and the debtor has not objected within a reasonable time.

f) The debtor has acknowledged the debt in writing (both as to liability and amount), or a written agreement has been reached between the state agency and the debtor regarding the debt (both liability and amount).
g) The amount due was calculated by the state agency, the state agency notified the debtor of the amount due, and the debtor did not dispute the liability or the amount due. If authorized by the state agency's statutes or rules, the amount due may include, but is not limited to, fees, collection costs, charges, penalties, and interest.
h) Liability for the debt, but not its amount, was calculated by the state agency. The amount of the debt was mailed or delivered to the debtor, and the debtor did not object within the timeframe specified by the state agency.

Reversals – Any account previously reported as L&D that no longer meets the definition of L&D as of June 30. For example, if the debtor disputes the debt, while the account is under review, it is not considered L&D. Note - Reversals are also used to correct reporting for accounts previously listed in the wrong fund type.

Special Government Entities (or "special government body") – is defined in ORS 174.117 to mean any of the following: a public corporation created under a statute of this state and specifically designated as a public corporation; any entity that is created by statute, ordinance or resolution that is not part of state government or local government; any entity that is identified as a governmental entity by the statute, ordinance or resolution authorizing the creation of the entity, without regard to the specific terms used by the statute, ordinance or resolution; a public university listed in ORS 352.002.

State Government – As defined in ORS 174.111, state government means the executive department, the judicial department and the legislative department.

Warrant (**Distraint Warrant**) – A legal document that establishes an agency's right to collect state debts from a debtor.

Write-Offs – 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.

APPENDIX D – ACCOUNTS RECEIVABLE HONOR ROLL

When a state agency meets required accounts receivable reporting by the respective due dates and with accuracy, they are recognized with a certification of achievement accompanied with a congratulatory letter issued by the Chief Financial Officer and State Controller. If a state agency does not make a timely report or their report lacks accuracy, they do not earn this recognition.

The following table lists the state agencies who earned Honor Roll recognition between FY 2022 and FY 2024.

Executive Branch Agencies

Agency Name	Earned for FY 2024	Earned for FY 2023	Earned for FY 2022
Accountancy, Board of	✓	✓	✓
Administrative Services, Dept. of	✓	✓	✓
Advocacy Commissions Office, Oregon	✓	✓	✓
Agriculture, Dept. of	✓	✓	✓
Albacore Commission, Oregon	✓	✓	✓
Appraiser Certification and Licensure Board	✓	✓	✓
Architect Examiners, State Board of	✓	✓	✓
Aviation, Dept. of	✓	✓	✓
Beef Council, Oregon	✓	✓	
Blind, Commission for the		✓	✓
Blueberry Commission, Oregon	✓	✓	✓
Business Development Department, Oregon			
Chiropractic Examiners, Board of	✓	✓	✓
Clover Commission, Oregon	✓	✓	✓
Columbia River Gorge Commission	✓	✓	✓
Construction Contractors Board	✓		
Consumer and Business Services, Dept. of	✓	✓	✓
Corrections, Dept. of	✓	✓	✓

Agency Name	Earned for FY 2024	Earned for FY 2023	Earned for FY 2022
Criminal Justice Commission, Oregon	✓	✓	✓
Dairy Products Commission, Oregon	✓	✓	
Dentistry, Oregon Board of	✓	✓	✓
District Attorneys and their Deputies	✓	✓	✓
Dungeness Crab Commission, Oregon	✓	✓	✓
Early Learning and Care, Department of	✓	****N/A**	****N/A**
Education, Dept. of	✓	✓	✓
Emergency Management, Oregon Department of	✓	✓	***N/A**
Employment Dept.	✓		
Employment Relations Board	✓	✓	✓
Energy, Dept. of	✓		
Environmental Quality, Dept. of	✓	✓	✓
Exam. For Engin. & Land Survey, Board of	✓	✓	✓
Facilities Authority, Oregon	✓	✓	
Film and Video Office, Oregon	✓	✓	✓
Fine Fescue Commission	✓	✓	✓
Fire Marshal, Oregon State	✓	****N/A**	****N/A**
Fish and Wildlife, Oregon Dept. of	✓	✓	✓
Forest Resources Institute, Oregon	✓	✓	
Forestry, Oregon Dept. of	✓	✓	✓
Geologist Examiners, State Board of	✓	✓	✓
Geology and Mineral Industries, Dept. of	✓	✓	✓
Government Ethics Commission, Oregon	✓	✓	✓
Hazelnut Commission, Oregon	✓		
Health Authority, Oregon		✓	✓
Hemp Commission, Oregon			***N/A**
Higher Education Coordinating Commission	✓	✓	✓
Hop Commission, Oregon		✓	
Housing and Community Services Dept.	✓	✓	✓

Agency Name	Earned for FY 2024	Earned for FY 2023	Earned for FY 2022
Human Services, Oregon Dept. of		✓	✓
Justice, Dept. of	✓	✓	✓
Labor and Industries, Bureau of	✓	✓	
Land Conservation and Development, Dept.	✓		
Land Use Board of Appeals		✓	✓
Lands, Dept, of State	✓	✓	✓
Landscape Architects Board, State	✓	✓	✓
Landscape Contractors Board, State	✓		
Licensed Social Workers, Board of	✓		
Liquor & Cannabis Commission, Oregon			
Long Term Care Ombudsman, Office of	✓	✓	✓
Lottery Commission, Oregon	✓	✓	✓
Marine Board, Oregon State		✓	✓
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	✓	✓	✓
Naturopathic Medicine, Oregon Board of	✓	✓	✓
Nursing, Oregon State Board of	✓	✓	✓
Occupational Therapy Licensing Board	✓	✓	✓
Office of the Governor	✓	✓	✓
Optometry, Oregon Board of			✓
Oregon Youth Authority	✓	✓	✓
Parks & Recreation Dept., Oregon	✓	✓	✓
Parole and Post-Prison Supervision, Board of	✓	✓	✓
Patient Safety Commission, Oregon	✓	✓	✓

Agency Name	Earned for FY 2024	Earned for FY 2023	Earned for FY 2022
Pharmacy, Board of	✓	✓	✓
Physical Therapy, Oregon Board of	✓	✓	✓
Police, Dept. of State	✓	✓	✓
Potato Commission, Oregon	✓	✓	✓
Processed Vegetable Commission, Oregon	✓	✓	✓
Psychiatric Security Review Board	✓	✓	✓
Public Defense Commission, Oregon	✓	✓	✓
Public Employees Retirement System	✓	✓	✓
Public Records Advocate, Oregon	✓	****N/A**	****N/A**
Public Safety Standards and Training, Dept. of	✓	✓	
Public Utility Commission	✓	✓	✓
Racing Commission, Oregon	✓	✓	
Raspberry & Blackberry Commission, Oregon	✓		
Real Estate Agency	✓	✓	✓
Revenue, Dept. of	✓	✓	✓
Ryegrass Growers Seed Commission, Oregon	✓	✓	✓
Salmon Commission, Oregon	✓	✓	✓
Secretary of State, Office of the	✓	✓	✓
Sheep Commission, Oregon	✓	✓	✓
Speech-Language Pathology and Audiology, Board of	✓	✓	✓
State Library of Oregon	✓	✓	✓
Strawberry Commission, Oregon	✓	✓	
Sweet Cherry Commission, Oregon	✓	✓	
Tall Fescue Commission, Oregon	✓	✓	✓
Tax Practitioners, Board of	✓	✓	✓
Teacher Standards & Practices Commission	✓	✓	✓
Tourism Commission, Oregon (Travel Oregon)	✓	✓	✓
Transportation, Dept. of	✓	✓	

Agency Name	Earned for FY 2024	Earned for FY 2023	Earned for FY 2022
Travel Information Council	✓	✓	✓
Trawl Commission, Oregon	✓		
Treasurer, Office of the State	✓	✓	✓
Veterans' Affairs, Dept. of	✓		
Veterinary Med. Examiners, Board of	✓	✓	✓
Water Resources Dept.	✓	✓	✓
Watershed Enhancement Board, Oregon	✓	✓	✓
Wheat Commission, Oregon	✓	✓	✓
Wine Board, Oregon		✓	✓

Judicial Branch Agencies

Agency Name	Earned for FY 2024	Earned for FY 2023	Earned for FY 2022
Judicial Dept., Oregon	✓	✓	✓
Judicial Fitness and Disability, Commission on		✓	✓

Special Government Entities

Agency Name	Earned for FY 2024	Earned for FY 2023	Earned for FY 2022
Eastern Oregon University			
Oregon Corrections Enterprises	✓	✓	✓
Oregon Health & Science University	✓	✓	✓
Oregon Institute of Technology	✓	✓	✓
Oregon State University	✓	✓	✓
Portland State University	✓	✓	
SAIF Corporation	✓	✓	✓
Southern Oregon University	✓	✓	✓
University of Oregon	✓	✓	✓
Utility Notification Center, Oregon	✓	✓	✓
Western Oregon University	✓		✓

* New agency that became operative July 1, 2022.

** New agency that became operative July 1, 2023.

APPENDIX E – EXECUTIVE BRANCH AGENCY COMPLIANCE WITH ORS 293.231

With certain exceptions, Executive Branch agencies are subject to the statutory assignment provisions under ORS 293.231, which requires these state agencies to assign eligible liquidated & delinquent accounts to DOR-OAA for collection if no payment has been received in 90 days. [27]

Below is a table of Executive Branch agencies who (a) are subject to ORS 293.231 and (b) their compliance with ORS 293.231 (e.g., reported unassigned L&D debt for which no payment had been received in 90 days). A designation of noncompliance does not mean that the agency did not assign any accounts, it only means that they reported accounts as subject to assignment but were not assigned as of June 30, 2025.

Agency Name	**Subject to ORS 293.231?**	**In compliance? FY2025**
Accountancy, Board of	Yes	Yes
Administrative Services, Dept. of	Yes	No
Advocacy Commissions Office, Oregon	Yes	Yes
Agriculture, Dept. of	Yes	Yes
Albacore Commission, Oregon	Yes	Yes
Appraiser Certification and Licensure Board	No (ORS 182.460)	N/A
Architect Examiners, State Board of	No (ORS 182.460)	N/A
Aviation, Dept. of	Yes	Yes
Beef Council, Oregon	Yes	Yes
Blind, Commission for the	Yes	Yes
Blueberry Commission, Oregon	Yes	Yes
Chiropractic Examiners, Board of	Yes	Yes
Clover Commission, Oregon	Yes	Yes

[27] Agencies that do not meet the definition of "state agency" as identified in ORS 293.227(2) are not subject to the assignment requirements of ORS 293.231. Not all L&D accounts are subject to the assignment provisions outlined above; ORS 293.231(7) and OAM 35.40.10 provide exemptions that may be applied at the discretion of the agency.

Agency Name	Subject to ORS 293.231?	In compliance? FY2025
Columbia River Gorge Commission	Yes	Yes
Construction Contractors Board	Yes	Yes
Consumer and Business Services, Dept. of	Yes	Yes
Corrections, Dept. of	Yes	Yes
Criminal Justice Commission, Oregon	Yes	Yes
Dairy Products Commission, Oregon	Yes	Yes
Dentistry, Oregon Board of	Yes	Yes
District Attorneys and their Deputies	Yes	Yes
Dungeness Crab Commission, Oregon	Yes	Yes
Early Learning and Care, Dept. of	Yes	Yes
Education, Dept. of	Yes	Yes
Emergency Management, Oregon Department	Yes	Yes
Employment Dept.	Yes	No
Employment Relations Board	Yes	Yes
Energy, Dept. of	Yes	No
Environmental Quality, Dept. of	Yes	No
Exam. For Engin. & Land Survey, Board of	No (ORS 182.460)	N/A
Facilities Authority, Oregon	Yes	Yes
Film and Video Office, Oregon	No (ORS 284.375)	N/A
Fine Fescue Commission	Yes	Yes
Fire Marshal, Oregon State	Yes	Yes
Fish and Wildlife, Oregon Dept. of	Yes	Yes
Forest Resources Institute, Oregon	Yes	Yes
Forestry, Oregon Dept. of	Yes	Yes
Geologist Examiners, State Board of	No (ORS 182.460)	N/A
Geology and Mineral Industries, Dept. of	Yes	Yes
Government Ethics Commission, Oregon	Yes	No
Hazelnut Commission, Oregon	Yes	Yes

Agency Name	Subject to ORS 293.231?	In compliance? FY2025
Health Authority, Oregon	Yes	No
Hemp Commission, Oregon	Yes	Yes
Higher Education Coordinating Commission	Yes	Yes
Hop Commission, Oregon	Yes	Yes
Housing and Community Services Dept.	Yes	Yes
Human Services, Oregon Dept. of	Yes	No
Justice, Dept. of	Yes	Yes
Labor and Industries, Bureau of	Yes	Yes
Land Conservation and Development, Dept.	Yes	Yes
Land Use Board of Appeals	Yes	Yes
Lands, Dept, of State	Yes	Yes
Landscape Architects Board, State	No (ORS 182.460)	N/A
Landscape Contractors Board, State	No (ORS 182.460)	N/A
Licensed Social Workers, Board of	Yes	Yes
Liquor & Cannabis Commission, Oregon	Yes	No
Long Term Care Ombudsman, Office of	Yes	Yes
Lottery Commission, Oregon	Yes	No
Marine Board, Oregon State	Yes	Yes
Massage Therapists, Board of	No (ORS 182.460)	N/A
Medical Board, Oregon	Yes	Yes
Medical Imaging, Board of	Yes	Yes
Mental Health Regulatory Agency	Yes	No
Military Dept., Oregon	Yes	Yes
Mint Commission, Oregon	Yes	Yes
Mortuary and Cemetery Board	Yes	No
Nursing, Oregon State Board of	Yes	Yes
Occupational Therapy Licensing Board	Yes	Yes
Office of the Governor	Yes	Yes

Agency Name	Subject to ORS 293.231?	In compliance? FY2025
Optometry, Oregon Board of	No (ORS 182.460)	N/A
Oregon Business Development Department	Yes	Yes
Oregon Naturopathic Medicine, Board of	Yes	No
Oregon Youth Authority	Yes	Yes
Parks & Recreation Dept., Oregon	Yes	Yes
Parole and Post-Prison Supervision, Board of	Yes	Yes
Patient Safety Commission, Oregon	No (ORS 182.460)	N/A
Pharmacy, Board of	Yes	Yes
Physical Therapists Licensing Board	No (ORS 182.460)	N/A
Police, Dept. of State	Yes	Yes
Potato Commission, Oregon	Yes	Yes
Processed Vegetable Commission, Oregon	Yes	Yes
Psychiatric Security Review Board	Yes	Yes
Public Defense Commission, Oregon	Yes	Yes
Public Employees Retirement System	Yes	Yes
Public Records Advocate, Office of	Yes	Yes
Public Safety Standards and Training, Dept. of	Yes	Yes
Public Utility Commission	Yes	Yes
Racing Commission, Oregon	Yes	Yes
Raspberry & Blackberry Commission, Oregon	Yes	Yes
Real Estate Agency	Yes	Yes
Revenue, Dept. of	Yes[28]	No
Ryegrass Growers Seed Commission, Oregon	Yes	Yes
Salmon Commission, Oregon	Yes	Yes
Secretary of State, Office of the	Yes	Yes

[28] Per ORS 293.231(6), liquidated and delinquent accounts that originate in DOR shall be offered for assignment by the department to a private collection agency not later than one year from the date of the most recent payment on the account.

Agency Name	Subject to ORS 293.231?	In compliance? FY2025
Sheep Commission, Oregon	Yes	Yes
Speech Lang. Path. and Audiology, Board of	Yes	Yes
State Library of Oregon	Yes	Yes
Strawberry Commission, Oregon	Yes	Yes
Sweet Cherry Commission, Oregon	Yes	Yes
Tall Fescue Commission, Oregon	Yes	Yes
Tax Practitioners, Board of	Yes	Yes
Teacher Standards & Practices Commission	Yes	Yes
Tourism Commission, Oregon (Travel Oregon)	No (ORS 284.118)	N/A
Transportation, Dept. of	Yes	Yes
Travel Information Council	No (ORS 377.836)	N/A
Trawl Commission, Oregon	Yes	Yes
Treasurer, Office of the State	Yes	Yes
Veterans' Affairs, Dept. of	Yes	Yes
Veterinary Med. Examiners, Board of	Yes	No
Water Resources Dept.	Yes	Yes
Watershed Enhancement Board, Oregon	Yes	Yes
Wheat Commission, Oregon	Yes	Yes
Wine Board, Oregon	No (ORS 182.460)	N/A