



October 31, 2023

Tim McDermott, Director
Legislative Services Agency
State Capitol
LOCAL

Dear Mr. McDermott:

This letter provides an update on the central debt collection program for the quarter ending September 30, 2023. This report is required quarterly by Iowa Code Chapter 421.17(27) (h) regarding collection results, costs, and positions added.

Debt Collection Program

The Central Collections Unit (CCU) provided debt collection services related to the following:

- Department of Health and Human Services (HHS) Child Support Services
- HHS Health & Wellness Premiums
- HHS Medicaid Provider Overpayments
- Department of Natural Resources (DNR) (various liabilities)
- Iowa Department of Revenue (IDR) (various liabilities)
- Iowa Insurance Division (IID)
- Iowa Judicial Branch

Collection services for Iowa College Student Aid Commission ended June 30, 2023.

Each agency placing accounts with the CCU may also undertake additional collection efforts beyond those reflected in this report.

CCU collections consist of two stages. Stage 1 collections are performed by CCU-TSI, and include both tax debt and non-tax debt accounts. Stage 2 collections are performed by CCU-IDR on tax debt CCU-TSI was unable to collect in full or establish a repayment plan.

Collections by Quarter

Stage 1 & 2 Tax Debt collections for the quarter ending September 30, 2023 totaled \$63.59 million, up approximately \$6.92 million compared to the same quarter last year (see Table 2). This amount includes tax collection efforts by CCU-TSI, CCU-IDR, Accounts Receivable activities, and Non-filer payments.

During FY2022, the Iowa Department of Revenue implemented a new process flow into IMPACT. During the first 30 days of the 60 day appeal period, the taxpayer is given time to self-correct and pay their outstanding balance due. During the second 30 days of the 60 day appeal period, taxpayers with a remaining outstanding balance due receive a complimentary call from CCU-TSI to see if they need a payment voucher, need assistance navigating the Department's website, or have questions regarding their billing. As a result of this process change, the Department saved \$221,935 in vendor collection fees during the September 2023 quarter.

Collections for Iowa Judicial Branch totaled \$1.67 million for the quarter, down \$32,962 from the same period last year. Collections for HHS Child Support totaled \$90,428, down \$37,579 from the same period last year. Finally, total collections for all other partners were \$3,062, down \$61,827 from the same period last year.

The tables and figures provided reflect only the efforts of the CCU.

Cost

The CCU is self-supporting and charges for all direct and indirect costs that are properly allocable to CCU activities. CCU costs for the last two fiscal years, and an estimate of the total receipts to be retained by the Department to pay for FY2024 salaries, support, maintenance, services, and other costs incurred are provided in Table 1. The increase in cost is due to the IDR modernization tax system project, with Rollout 1 occurring in FY2022.

Table 1. Central Collections Unit Cost, FY 2021-2023

	FY 2022	FY 2023	FY 2024
	Actual	Actual	Estimated
Cost Incurred	\$19,056,111	\$19,742,027	\$21,129,154

If you have any questions regarding this information, please let me know.

Respectfully,



Mary Mosiman
Director

Table 2. Central Collections Unit Quarterly Collections

Program	Collections for Quarter Ending				FY 2024
	September 2023	December 2023	March 2024	June 2024	
HHS Child Support	\$90,428				\$90,428
HHS Health & Wellness	\$1,807				\$1,807
HHS Medicaid	\$650				\$650
DNR	\$0				\$0
Iowa Insurance Division	\$605				\$605
Iowa Judicial Branch	\$1,674,467				\$1,674,467
Stage 1 & 2 Tax Debt	\$63,591,841				\$63,591,841
Total	\$65,359,798				\$65,359,798
	September 2022	December 2022	March 2023	June 2023	FY 2023
College Aid	\$142,851	\$90,334	\$54,665	\$43,247	\$331,097
HHS Child Support	\$128,007	\$169,211	\$143,175	\$109,426	\$549,819
HHS Health & Wellness	\$28,639	\$29,764	\$11,634	\$10,610	\$80,648
HHS Medicaid	\$2,820	\$2,311	\$2,294	\$1,045	\$8,470
DNR	\$27,979	\$5,277	\$480	\$628	\$34,364
Iowa Insurance Division	\$5,450	\$450	\$505	\$605	\$7,010
Iowa Judicial Branch	\$1,707,429	\$1,622,286	\$1,970,700	\$1,816,179	\$7,116,593
Stage 1 & 2 Tax Debt	\$56,674,273	\$53,287,258	\$54,194,680	\$46,735,710	\$210,891,921
Total	\$58,717,449	\$55,206,891	\$56,378,132	\$48,717,451	\$219,019,922
	September 2021	December 2021	March 2022	June 2022	FY 2022
College Aid	\$16,950	\$12,554	\$15,327	\$50,917	\$95,748
HHS Child Support	\$163,033	\$187,564	\$171,993	\$159,490	\$682,080
HHS Health & Wellness	\$10,214	\$17,095	\$10,019	\$16,247	\$53,575
HHS Medicaid	\$1,310	\$2,637	\$2,850	\$4,677	\$11,474
DNR	\$750	\$1,160	\$545	\$3,354	\$5,809
Iowa Insurance Division	\$790	\$785	\$694	\$5,550	\$7,819
Iowa Judicial Branch	\$2,059,833	\$1,879,254	\$2,143,966	\$1,857,962	\$7,941,016
Stage 1 & 2 Tax Debt	\$50,500,875	\$57,476,807	\$49,931,079	\$45,400,175	\$203,308,936
Total	\$52,753,755	\$59,577,856	\$52,276,474	\$47,498,371	\$212,106,457

Totals may not equal the sum of quarterly numbers due to rounding.

