

November 26, 2018

Glen Dickinson, Director
Legislative Services Agency
State Capitol
LOCAL

Dear Mr. Dickinson:

This letter provides an update on the centralized debt collection program for the quarter ending September 30, 2018. This report is required quarterly by Iowa Code Chapter 421.17(27) (h) regarding collection results, costs, and positions added.

Centralized Collection Program Implementation

The Centralized Collection Unit (CCU) provided debt collection services related to the following:

- Department of Human Services (DHS) Child Support Recovery Unit
- DHS Health & Wellness Premiums
- DHS Medicaid Provider Overpayments
- Department of Natural Resources (DNR) (various liabilities)
- Iowa College Student Aid Commission (Partnership Student Loans)
- Iowa Department of Revenue (IDR) (various liabilities)

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

Collections by Quarter

Collections for the September 2018 quarter totaled \$10.54 million, an increase of \$2.5 million compared to the same quarter last year (see Table 2). That gain was associated with IDR collections. When compared to the same quarter in FY 2018, DHS Child Support collections were consistent. The collections for DNR decreased by \$33,000, while College Aid collections increased by almost \$17,000. No comparison for FY 2018 is available for DHS Medicaid Provider Overpayments and DHS Health & Wellness Premiums.

The tables and figures below reflect only the efforts of the Centralized Collection Unit.

Cost/Benefit

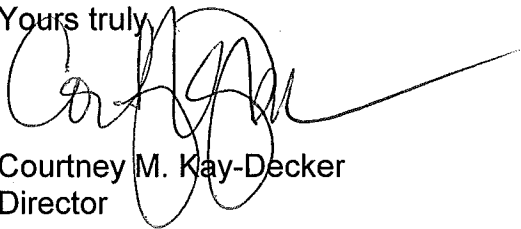
The Centralized Collection Unit is self-supporting and charges for all direct and indirect costs are properly allocable to CCU activities. Fiscal year costs for the last two fiscal years and an estimate of the total receipts to be retained by the Department to pay for salaries, support, maintenance, services, and other costs incurred related to the CCU in the upcoming budget year are provided in Table 1.

Table 1. Centralized Collection Unit Cost, FY 2017-2019

| | FY 2017 Actual | FY 2018 Actual | FY 2019 Estimated |
|---------------|-------------------|-------------------|----------------------|
| Cost Incurred | \$12,352,444 | \$10,267,117 | \$10,068,893 |

As you can see from Table 2, the fiscal benefits of the Centralized Collection Unit have remained consistent over recent years. It is anticipated that future revenues will remain steady, with the possibility for growth as our debt collection partnerships expand. If you have any questions regarding this information, please let me know.

Yours truly,



Courtney M. Kay-Decker
Director

Table 2. Centralized Collection Unit Quarterly Collections, Stage 1

| Program | Collections for Quarter Ending | | | | FY 2019 |
|-----------------------------|--------------------------------|---------------------|---------------------|--------------------|---------------------|
| | September 2018 | December 2018 | March 2019 | June 2019 | |
| CCU - College Aid | \$21,040 | | | | \$21,040 |
| CCU - DHS Child Support | \$118,858 | | | | \$118,858 |
| CCU - DHS Health & Wellness | \$2,373 | | | | \$2,373 |
| CCU - DHS Medicaid | \$270 | | | | \$270 |
| CCU - DNR | \$16,735 | | | | \$16,735 |
| CCU - IDR | \$10,380,649 | | | | \$10,380,649 |
| Total | \$10,539,925 | | | | \$10,539,925 |
| | September 2017 | December 2017 | March 2018 | June 2018 | FY 2018 |
| CCU - College Aid | \$4,463 | \$42,893 | \$28,733 | \$16,964 | \$93,053 |
| CCU - DHS Child Support | \$121,123 | \$110,191 | \$134,350 | \$117,255 | \$482,919 |
| CCU - DHS Health & Wellness | | | \$47,524 | \$19,126 | \$66,650 |
| CCU - DHS Medicaid | | | \$1,025 | \$2,830 | \$3,855 |
| CCU - DNR | \$50,136 | \$7,967 | \$12,126 | \$31,088 | \$101,317 |
| CCU - IDR | \$7,866,014 | \$10,703,703 | \$10,147,787 | \$8,381,970 | \$37,099,474 |
| Total | \$8,041,737 | \$10,864,754 | \$10,371,544 | \$8,569,233 | \$37,847,269 |
| | September 2016 | December 2016 | March 2017 | June 2017 | FY 2017 |
| CCU - Court | \$1,627,190 | \$1,577,870 | \$1,047,439 | \$1,373,616 | \$5,626,115 |
| CCU - DHS Child Support | \$167,953 | \$171,912 | \$158,912 | \$115,048 | \$613,825 |
| CCU - DNR | \$9,015 | \$13,178 | \$13,514 | \$9,842 | \$45,549 |
| CCU - IDR | \$8,851,840 | \$10,138,260 | \$9,589,103 | \$7,898,242 | \$36,477,445 |
| CCU - IWD | \$212,391 | \$162,297 | \$116,433 | \$91,860 | \$582,981 |
| Total | \$10,868,388 | \$12,063,518 | \$10,925,401 | \$9,488,607 | \$43,345,915 |

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

Figure 1. Centralized Collection Unit Quarterly Collections

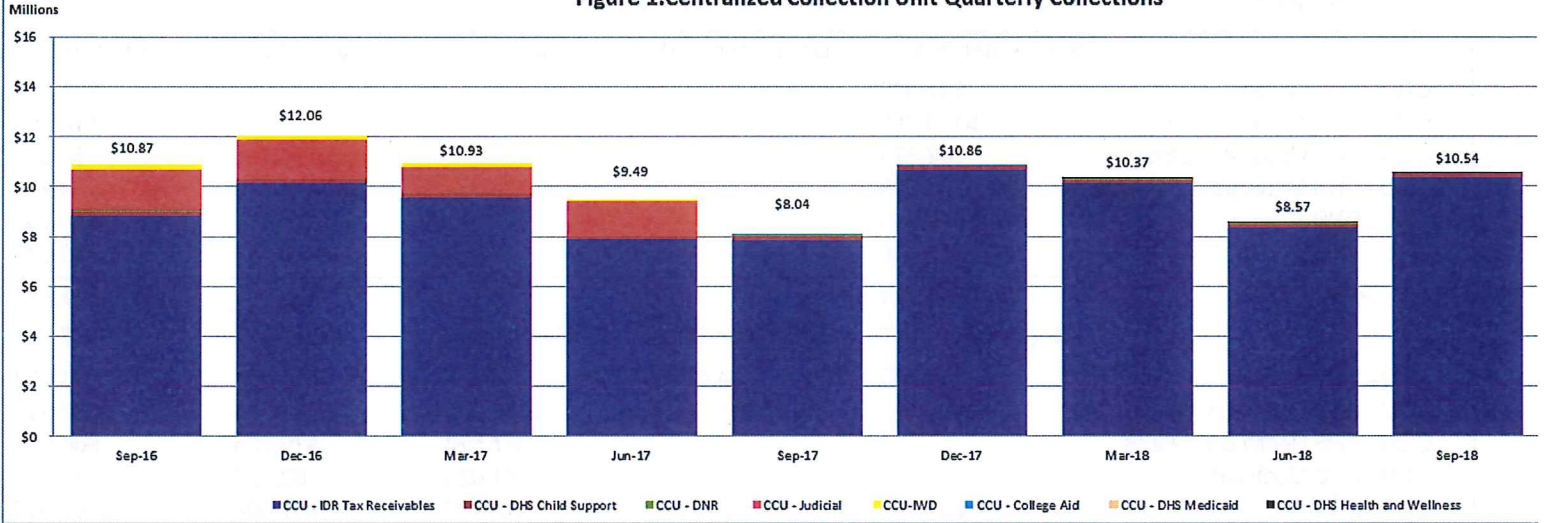


Figure 2. Subset of Centralized Collection Unit Quarterly Collections

