



August 20, 2019

Glen Dickinson, Director
Legislative Services Agency
State Capitol
LOCAL

Dear Mr. Dickinson:

This letter provides an update on the central debt collection program for the quarter ending June 30, 2019. 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 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)
- Iowa Insurance Division (IID)

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 quarter ending June 2019 totaled \$9.27 million, an increase of \$0.70 million compared to the same quarter last year (see Table 2). When compared to the same quarter in FY 2018, College Aid and DHS Medicaid Provider Overpayments were consistent. The collections for DHS Health & Wellness Premiums increased by \$21,590 while DHS Child Support Recovery Unit collections decreased by \$16,405 and Department of Natural Resources decreased by \$18,309. No comparison for FY 2018 is available for Iowa Insurance Division.

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

Cost/Benefit

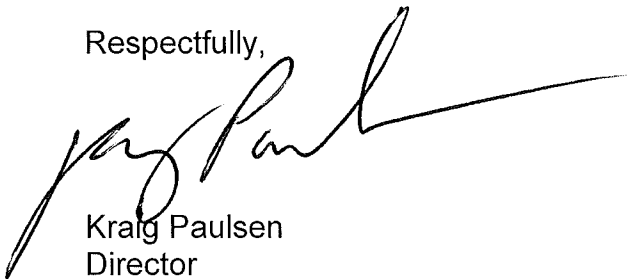
The CCU is self-supporting and charges for all direct and indirect costs are properly allocable to CCU activities. Fiscal year costs for the last two fiscal years and an estimate of the total receipts to be retained by the Department to pay for salaries, support, maintenance, services, and other costs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

Table 1. Central Collections Unit Cost, FY 2017-2019

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>
Cost Incurred	\$12,352,444	\$10,267,117	\$10,068,893

As you can see from Table 2, the fiscal benefits of the Central Collections Unit have remained consistent over recent quarters. 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.

Respectfully,



Craig Paulsen
Director

Table 2. Central Collections Unit Quarterly Collections, Stage 1

Program	Collections for Quarter Ending				
	September 2018	December 2018	March 2019	June 2019	FY 2019
CCU - College Aid	\$21,040	\$26,010	\$23,906	\$21,770	\$92,726
CCU - DHS Child Support	\$118,858	\$114,739	\$102,777	\$100,850	\$437,224
CCU - DHS Health & Wellness	\$2,373	\$95,246	\$163,889	\$40,716	\$302,224
CCU - DHS Medicaid	\$270	\$1,001	\$700	\$309	\$2,280
CCU - DNR	\$16,735	\$19,127	\$9,015	\$12,779	\$57,656
CCU - IDR	\$10,380,649	\$10,183,949	\$9,743,793	\$9,091,799	\$39,400,190
CCU - Iowa Insurance Division			\$430	\$440	\$870
Total	\$10,539,925	\$10,440,072	\$10,044,510	\$9,268,663	\$40,293,170
	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. Central Collections Unit Quarterly Collections

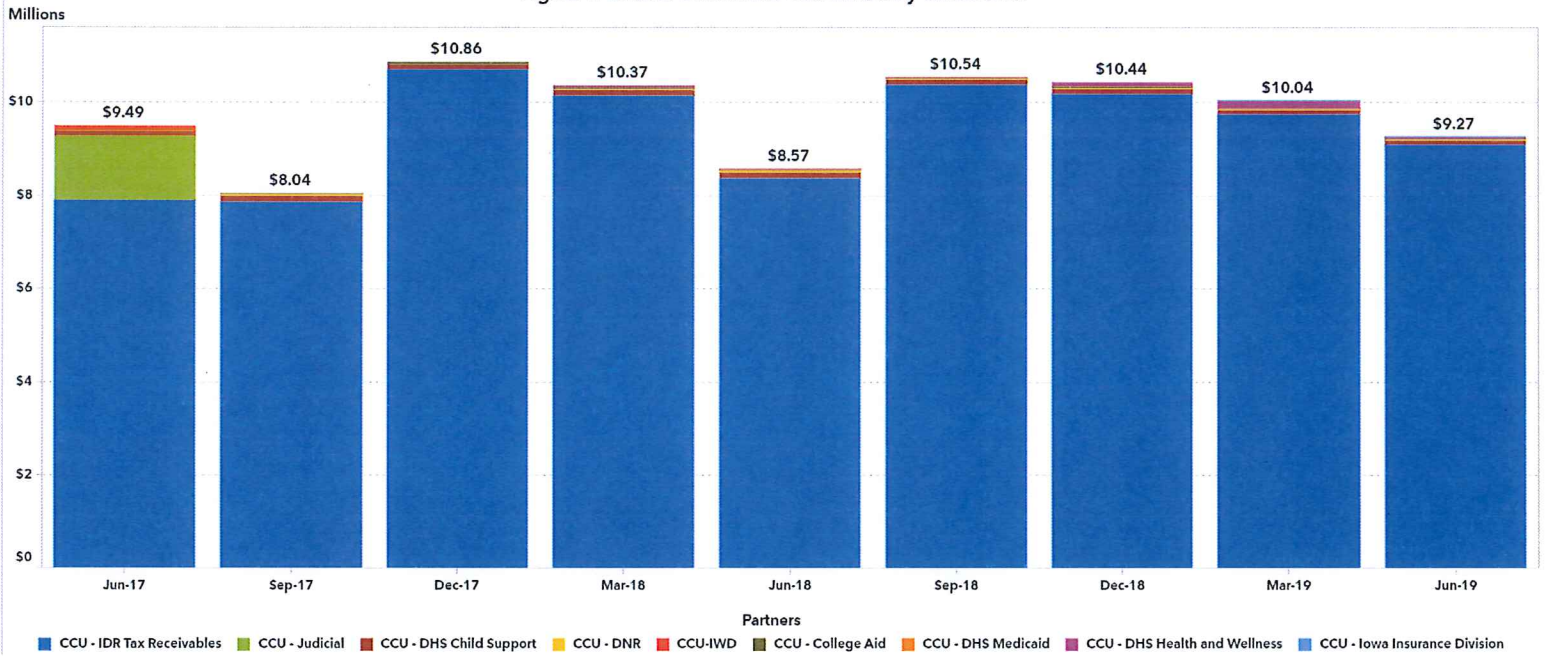


Figure 2. Subset of Central Collections Unit Quarterly Collections

