



February 6, 2020

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 December 31, 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 December 2019 totaled \$12.18 million, an increase of \$1.74 million compared to the same quarter last year (see Table 2). When compared to the same quarter in FY 2019, College Aid and DHS Medicaid Provider Overpayments were consistent. The collections for DHS Health & Wellness Premiums decreased by \$80,686, DHS Child Support Recovery Unit collections decreased by \$36,331, and Iowa Department of Natural Resources collections decreased by \$15,976. The Iowa Department of Revenue collections increased by \$1.87 million. No comparison for FY 2019 is available for Iowa Insurance Division.

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

Cost/Benefit

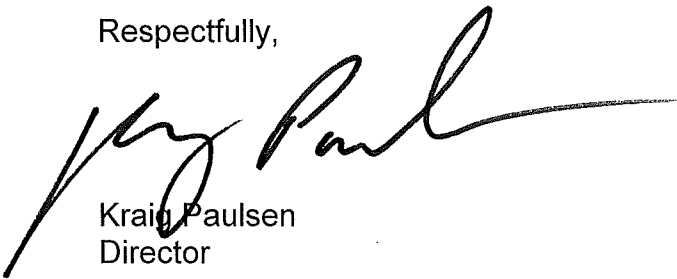
The CCU is self-supporting and charges for all direct and indirect costs are properly allocable to CCU activities. Fiscal year costs for the last two fiscal years and an estimate of the total receipts to be retained by the Department to pay for salaries, support, maintenance, services, and other costs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

Table 1. Central Collections Unit Cost, FY 2018-2020

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>
Cost Incurred	\$10,267,117	\$9,480,067	\$9,786,660

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,



Kraig Paulsen
Director

Table 2. Central Collections Unit Quarterly Collections, Stage 1

Program	Collections for Quarter Ending				FY 2020
	September 2019	December 2019	March 2020	June 2020	
CCU - College Aid	\$34,131	\$25,201			\$59,332
CCU - DHS Child Support	\$115,056	\$78,408			\$193,464
CCU - DHS Health & Wellnes	\$54,764	\$14,560			\$69,324
CCU - DHS Medicaid	\$2,244	\$1,120			\$3,364
CCU - DNR	\$7,994	\$3,151			\$11,145
CCU - IDR	\$11,703,922	\$12,051,115			\$23,755,037
CCU - Iowa Insurance Division	\$2,365	\$9,380			\$11,745
Total	\$11,920,476	\$12,182,935			\$24,103,411
	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 & Wellnes	\$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
Totals may not equal the sum of quarterly numbers due to rounding.					

Figure 1. Central Collections Unit Quarterly Collections

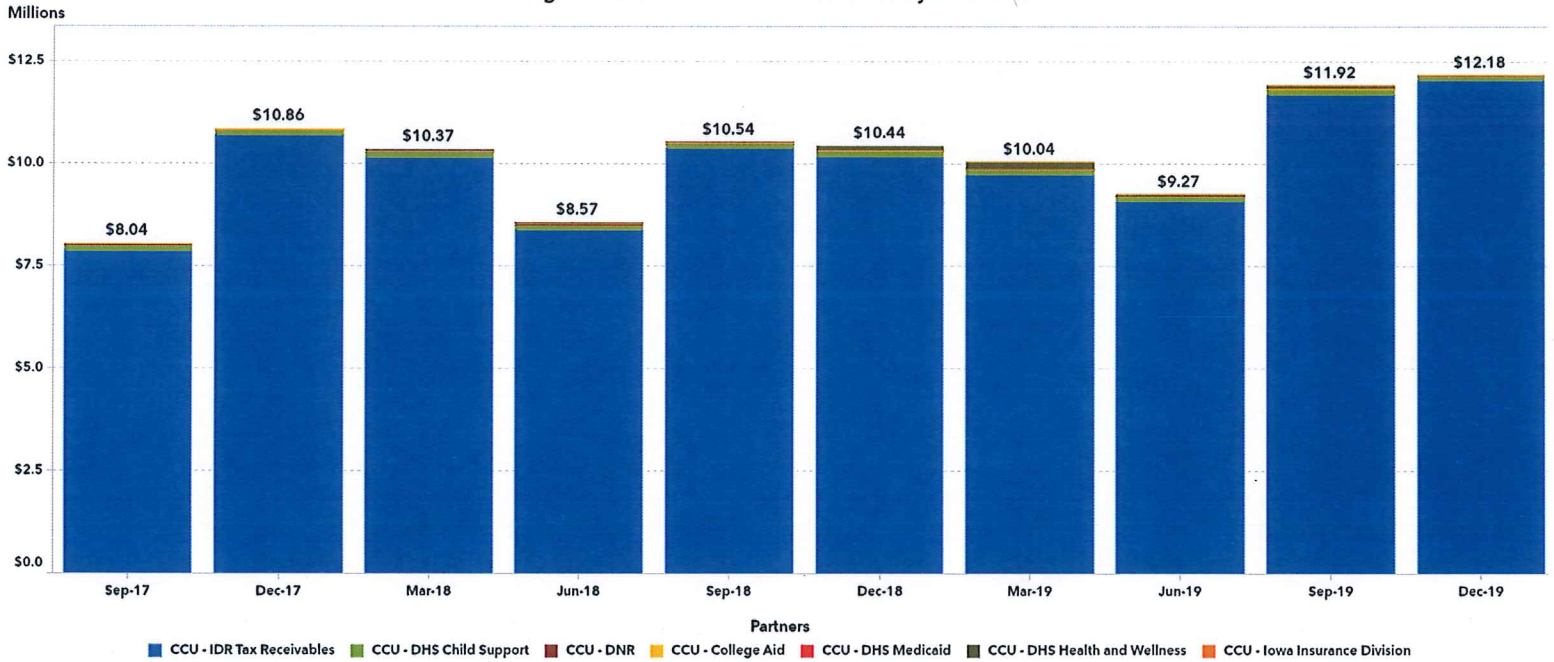


Figure 2. Subset of Central Collections Unit Quarterly Collections

