



December 7, 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 September 30, 2020. 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 September 2020 totaled \$17.90 million, an increase of \$5.98 million compared to the same quarter last year (see Table 2). When compared to the same quarter in FY 2020, DHS Child Support Recovery Unit increased by \$61,048 and the Iowa Department of Revenue increased by \$5,989,103. The collections for College Aid decreased by \$9,620, Iowa Insurance Division decreased by \$115, DHS Medicaid Provider Overpayments decreased by \$919, Iowa DHS Health & Wellness Premiums decreased by \$54,325, and Iowa Department of Natural Resources decreased by \$2,001.

Last tax season, IDR conducted a Status 20 (pre-collection) pilot project. Because the pilot project was a success, approval was granted to make this a permanent part of TSI's debt collection efforts on IDR tax debt, effective August 2020. The increase in collections for the quarter is primarily a result of the expanded debt collection partnership with TSI.

Active collection efforts on DHS Medicaid Provider Overpayments and DHS Health & Wellness Premiums were put on hold in April, per DHS, due to COVID-19. Active collection efforts have not yet resumed.

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 2019-2021

	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimated
Cost Incurred	\$9,480,067	\$10,072,006	\$15,550,482

As you can see from Table 2, the fiscal benefits of the Central Collections Unit have remained consistent over recent quarters. The anticipated increase in FY 2021 cost is due to the IDR technology modernization project.

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

Respectfully,



Kraig Paulsen
Director

Table 2. Central Collections Unit Quarterly Collections: TSI

Program	Collections for Quarter Ending				
	September 2020	December 2020	March 2021	June 2021	FY 2021
CCU - College Aid	\$24,511				\$24,511
CCU - DHS Child Support	\$176,104				\$176,104
CCU - DHS Health & Wellness	\$439				\$439
CCU - DHS Medicaid	\$1,325				\$1,325
CCU - DNR	\$5,993				\$5,993
CCU - IDR	\$17,693,025				\$17,693,025
CCU - Iowa Insurance Division	\$2,250				\$2,250
Total	\$17,903,647				\$17,903,647
	September 2019	December 2019	March 2020	June 2020	FY 2020
CCU - College Aid	\$34,131	\$25,201	\$28,384	\$28,393	\$116,109
CCU - DHS Child Support	\$115,056	\$78,408	\$79,682	\$102,292	\$375,437
CCU - DHS Health & Wellness	\$54,764	\$14,560	\$25,061	\$6,718	\$101,102
CCU - DHS Medicaid	\$2,244	\$1,120	\$43,782	\$2,732	\$49,878
CCU - DNR	\$7,994	\$3,151	\$15,212	\$6,592	\$32,949
CCU - IDR	\$11,703,922	\$12,051,115	\$10,339,904	\$9,318,441	\$43,413,383
CCU - Iowa Insurance Division	\$2,365	\$9,380	\$1,862	\$340	\$13,947
Total	\$11,920,476	\$12,182,935	\$10,533,887	\$9,465,508	\$44,102,805
	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

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

Figure 1. Central Collections Unit Quarterly Collections

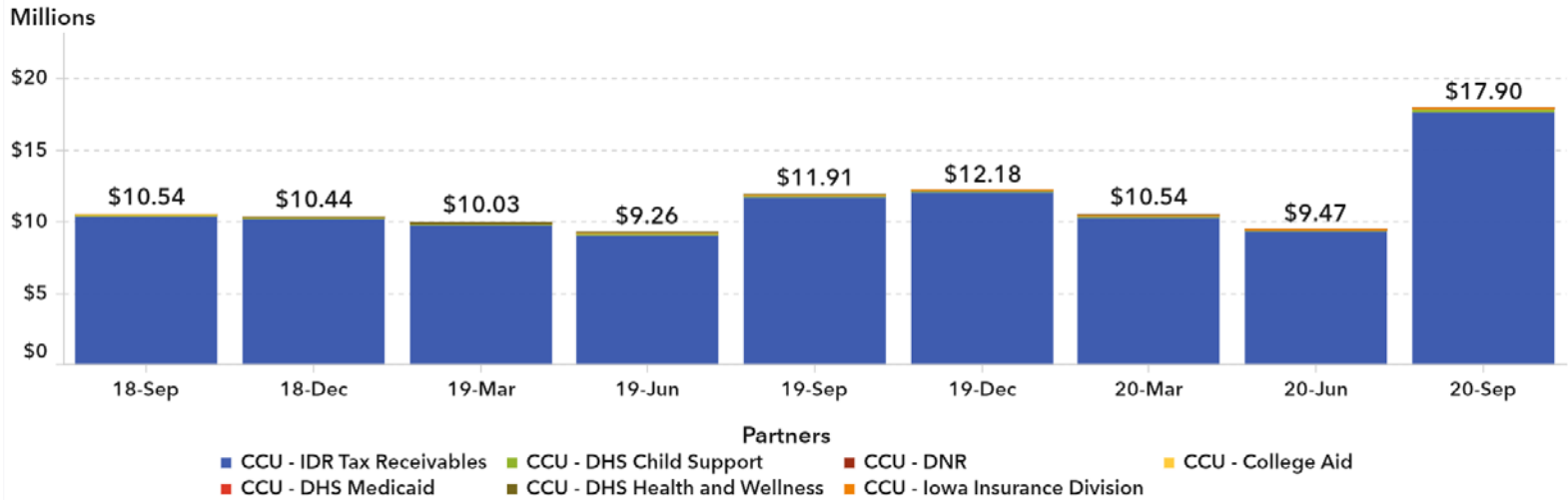


Figure 2. Subset of Central Collections Unit Quarterly Collections

