



July 15, 2009

Glen Dickinson, Director
Legislative Services Agency
State Capitol
LOCAL

Dear Mr. Dickinson:

I am writing to update you on the centralized debt collection program for the quarter ending June 30, 2009. This report is required by Chapter 421.17(27) h, Code of Iowa.

This legislation authorizes the Department of Revenue to establish a centralized debt collection program for state agencies and requires quarterly reports concerning implementation of the program, the number of departmental collection programs initiated, the amount of debts collected and an estimate of future costs and benefits. The following pages provide information in these four areas.

Central Collections Program Implementation

The Centralized Collection Unit (CCU) continues to provide services to the Judicial Branch, the Department of Revenue, the Department of Human Services Child Support Recovery Unit and the Department of Natural Resources. 2008 Iowa Acts ch.1172 §31 directed the Unit to further upgrade the collection software. We negotiated a contract and are several months into the 18 month project.

Collections by Quarter

The attached tables show quarterly revenues that were generated by the CCU. Collections for this quarter totaled \$11.4 million, a decrease of \$1.2 million compared to the same quarter last year. Court collections decreased \$.7 million compared to the same quarter last year, tax collections increased \$1 million, and student loan recoveries decreased \$1.4 million. Child Support and DNR recoveries were essentially unchanged in this quarter.

The College Student Aid Commission has discontinued their contract with the CCU and has adopted a process that uses different collection resources. Collections previously reported through the CCU will now be reflected only in reports issued by the Commission.

The Judicial Branch has increased placements with county attorneys resulting in fewer placements and slightly lower collections by CCU. The collections reflected in this report are only those generated by the CCU and do not reflect all Judicial Branch collections.

Legislation passed last year allows for professional license sanctions for taxpayers who owe more than \$1000 in debt placed with CCU for collection. Most agencies now have rules in place

and we began small batches of accounts through this process during the quarter.

The attached tables reflect only the efforts of the Central Collection Unit.

Cost/Benefit


The Central Collection Unit is self-supporting and charges for all direct and indirect costs that are properly allocable to CCU activities. Staff's goal is to keep costs at ten percent or less of the amount collected.

Fiscal Year Cost vs Amount Collected

FYE 06	8.64%	
FYE 07	9.93%	
FYE 08	8.26%	
FYE 09	7.10%	Estimated pending final FYE data.

If you or your staff has any questions regarding this information, please feel free to contact me.

Yours truly,



Mark R. Schuling
Director

Iowa Department of Revenue
Central Collection Unit Report to the Legislative Services Agency

Collections for Quarter Ending June 2009

<u>Program</u>	<u>Dollars Collected</u>
CCU - IDR Tax Receivables	\$6,802,324
CCU - Judicial	\$4,506,654
CCU - College Aid	\$0
CCU - DHS Child Support	\$129,621
CCU - DNR	\$200
Total	\$11,438,798

Collections for Quarter Ending March 2009

<u>Program</u>	<u>Dollars Collected</u>
CCU - IDR Tax Receivables	\$7,915,622
CCU - Judicial	\$6,118,535
CCU - College Aid	\$0
CCU - DHS Child Support	\$105,929
CCU - DNR	\$2,775
Total	\$14,142,862

Collections for Quarter Ending December 2008

<u>Program</u>	<u>Dollars Collected</u>
CCU - IDR Tax Receivables	\$9,657,080
CCU - Judicial	\$4,404,809
CCU - College Aid	\$513,340
CCU - DHS Child Support	\$125,104
CCU - DNR	\$4,897
Total	\$14,705,230

Collections for Quarter Ending September 2008

<u>Program</u>	<u>Dollars Collected</u>
CCU - IDR Tax Receivables	\$5,198,093
CCU - Judicial	\$4,975,279
CCU - College Aid	\$893,224
CCU - DHS Child Support	\$133,605
CCU - DNR	\$2,607
Total	\$11,202,808

Collections for Quarter Ending June 2008

<u>Program</u>	<u>Dollars Collected</u>
CCU - IDR Tax Receivables	\$5,841,538
CCU - Judicial	\$5,201,734
CCU - College Aid	\$1,394,639
CCU - DHS Child Support	\$179,262
CCU - DNR	\$3,261
Total	\$12,620,434

Collections for Quarter Ending March 2008

<u>Program</u>	<u>Dollars Collected</u>
CCU - IDR Tax Receivables	\$6,357,683
CCU - Judicial	\$6,620,725
CCU - College Aid	\$1,550,039
CCU - DHS Child Support	\$151,444
CCU - DNR	\$3,672
Total	\$14,683,562

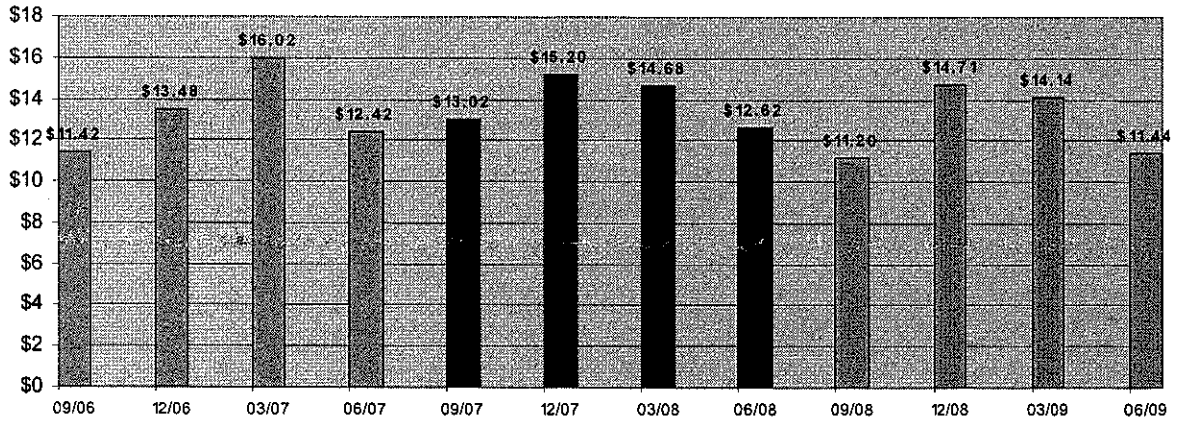
Collections for Quarter Ending December 2007

<u>Program</u>	<u>Dollars Collected</u>
CCU - IDR Tax Receivables	\$8,536,455
CCU - Judicial	\$4,683,739
CCU - College Aid	\$1,767,399
CCU - DHS Child Support	\$198,820
CCU - DNR	\$12,605
Total	\$15,199,018

Collections for Quarter Ending September 2007

<u>Program</u>	<u>Dollars Collected</u>
CCU - IDR Tax Receivables	\$6,091,614
CCU - Judicial	\$4,682,177
CCU - College Aid	\$2,070,789
CCU - DHS Child Support	\$170,576
CCU - DNR	\$7,052
Total	\$13,022,207

Quarter Ending Collections \$ in Millions



Fiscal Year Collections \$ in Millions

