



## Iowa Department of Revenue

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Director: Mark R. Schuling  
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[www.state.ia.us/tax](http://www.state.ia.us/tax)

October 21, 2010

Glen Dickinson, Director  
Legislative Services Agency  
State Capitol  
LOCAL

Dear Glen:

I am writing to update you on the centralized debt collection program for the quarter ending September 30, 2010. This report is required by Iowa Code Chapter 421.17(27)h.

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 CCU to upgrade the collection software. This 18-month project is nearly complete with implementation expected in November.

### **Collections by Quarter**

The attached tables show quarterly revenues that were generated by the CCU. Collections for this quarter totaled \$13.5 million, an increase of \$2.8 million compared to the same quarter last year. Court collections increased \$.7 million over the same quarter last year and tax collections increased \$2.1 million. Child Support and DNR recoveries were slightly ahead this 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.

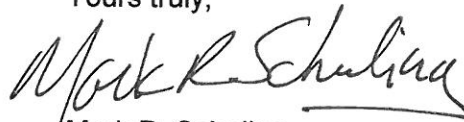
Fiscal Year 2010 costs include \$5.4 million attributable to the collection system software upgrade. Fiscal Year 2010 costs would have been 7.13% if costs of the software upgrade were excluded. Total cost of the upgrade is \$7.5 million with the costs split between fiscal years 2009, 2010 and 2011.

**Fiscal Year   Cost vs. Amount Collected**

|      |        |
|------|--------|
| FY07 | 9.93%  |
| FY08 | 8.26%  |
| FY09 | 8.28%  |
| FY10 | 18.12% |

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 Quarterly Report**

| <b>Collections for Quarter Ending</b> | <b>September 2010</b> |                     |
|---------------------------------------|-----------------------|---------------------|
| <u>Program</u>                        |                       |                     |
| CCU - IDR Tax Receivables             |                       | \$7,009,224         |
| CCU - Judicial                        |                       | \$6,392,228         |
| CCU – DHS Child Support               |                       | \$120,980           |
| CCU - DNR                             |                       | <u>\$12,004</u>     |
| <b>Total</b>                          |                       | <b>\$13,534,436</b> |

| <b>Collections for Quarter Ending</b> | <b>June 2010</b> |                     |
|---------------------------------------|------------------|---------------------|
| <u>Program</u>                        |                  |                     |
| CCU - IDR Tax Receivables             |                  | \$8,004,913         |
| CCU - Judicial                        |                  | \$6,451,814         |
| CCU – DHS Child Support               |                  | \$136,923           |
| CCU - DNR                             |                  | <u>\$29,336</u>     |
| <b>Total</b>                          |                  | <b>\$14,622,986</b> |

| <b>Collections for Quarter Ending</b> | <b>March 2010</b> |                     |
|---------------------------------------|-------------------|---------------------|
| <u>Program</u>                        |                   |                     |
| CCU - IDR Tax Receivables             |                   | \$8,598,013         |
| CCU - Judicial                        |                   | \$7,613,835         |
| CCU – DHS Child Support               |                   | \$154,369           |
| CCU - DNR                             |                   | <u>\$16,043</u>     |
| <b>Total</b>                          |                   | <b>\$16,382,260</b> |

| <b>Collections for Quarter Ending</b> | <b>December 2009</b> |                     |
|---------------------------------------|----------------------|---------------------|
| <u>Program</u>                        |                      |                     |
| CCU - IDR Tax Receivables             |                      | \$9,132,803         |
| CCU - Judicial <sup>3</sup>           |                      | \$5,395,407         |
| CCU – DHS Child Support               |                      | \$133,677           |
| CCU - DNR                             |                      | <u>\$3,396</u>      |
| <b>Total</b>                          |                      | <b>\$14,665,283</b> |

<sup>3</sup> Increase in Judicial collections, due to document link error.

| <b>Collections for Quarter Ending</b> | <b>September 2009</b> |
|---------------------------------------|-----------------------|
| <u>Program</u>                        |                       |
| CCU - IDR Tax Receivables             | \$4,954,352           |
| CCU - Judicial <sup>2</sup>           | \$5,686,747           |
| CCU – DHS Child Support               | \$110,295             |
| CCU - DNR                             | \$1,000               |
| <b>Total</b>                          | <b>\$10,752,394</b>   |

<sup>2</sup> Increase in Judicial collections, due to document link error.

| <b>Collections for Quarter Ending</b> | <b>June 2009</b>    |
|---------------------------------------|---------------------|
| <u>Program</u>                        |                     |
| CCU - IDR Tax Receivables             | \$6,802,324         |
| CCU - Judicial                        | \$4,542,026         |
| CCU – DHS Child Support <sup>1</sup>  | \$129,621           |
| CCU - DNR                             | \$200               |
| <b>Total</b>                          | <b>\$11,474,171</b> |

<sup>1</sup> Increase from DHS Child, due to adjustment after the July 15th LSA report was submitted.

| <b>Collections for Quarter Ending</b> | <b>March 2009</b>   |
|---------------------------------------|---------------------|
| <u>Program</u>                        |                     |
| CCU - IDR Tax Receivables             | \$7,915,622         |
| CCU - Judicial                        | \$6,118,535         |
| CCU – DHS Child Support               | \$105,929           |
| CCU - DNR                             | \$2,775             |
| <b>Total</b>                          | <b>\$14,142,862</b> |

| <b>Collections for Quarter Ending</b> | <b>December 2008</b> |
|---------------------------------------|----------------------|
| <u>Program</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              |
| <b>Total</b>                          | <b>\$14,705,230</b>  |

