



October 31, 2024

Tim McDermott, Director
Legislative Services Agency
State Capitol
LOCAL

Dear Mr. McDermott:

This letter provides an update on the central debt collection program for the quarter ending September 30, 2024. 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 Health and Human Services (HHS) Child Support Services
- HHS Health & Wellness Premiums
- HHS Medicaid Provider Overpayments
- Department of Natural Resources (DNR) (various liabilities)
- Iowa Department of Revenue (IDR) (various liabilities)
- Iowa Insurance Division (IID)
- Iowa Judicial Branch (IJB) (various liabilities)

Each agency placing accounts with the CCU may also undertake additional collection efforts beyond those reflected in this report.

CCU collections can be assigned to one of two stages, CCU-TSI or CCU-IDR. CCU-TSI includes all non-tax debt and any tax debt determined to be better worked by an outside collection agency. Today, IDR partners with TSI, Transworld Systems, Inc., on debt collection. CCU-IDR includes all other tax debt and reserves the right to recoup collection cases if CCU-TSI's attempts to establish a payment agreement prove unsuccessful. Advanced collection actions may take place on collection cases placed with CCU-IDR.

Collections by Quarter

Tax debt collections for the quarter ending September 30, 2024 totaled \$63.52 million, down marginally compared to the same quarter last year (see Table 2). This amount includes tax collection efforts by CCU-TSI, CCU-IDR, Accounts Receivable activities, Setoffs, and Non-filer payments.

For the quarter ending September 30, 2024, the IDR State Setoff Program intercepted 3,927 eligible payments to obligors, and sent a total of \$2,144,284 to the respective agencies participating in the program. These payments resulted in fees of \$25,823 collected by IDR. In

the same period, IDR intercepted 2,288 eligible payments for a total of \$2,352,989 that were applied to delinquent tax debt.

Collections for Iowa Judicial Branch totaled \$1.6 million for the quarter, down \$104,948 from the same period last year. Collections for HHS Child Support totaled \$96,857, up \$6,429 from the same period last year. Finally, total collections for all other partners were \$14,830, up \$11,768 from the same period last year.

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

Please note, while every effort has been made to maintain consistency in reporting across fiscal years and between IDR's legacy and modernized systems, some changes and improvements are unavoidable. As of November 15, 2023, several data sets have transitioned into IDR's modernized systems. Significant changes in reporting and system capabilities may result in variances when comparing reported values before and after this date.

Cost

The CCU is self-supporting and charges for all direct and indirect costs that are properly allocable to CCU activities. CCU costs for the last three fiscal years, and an estimate of the total receipts to be retained by the Department to pay for FY2025 salaries, support, maintenance, services, and other costs incurred are provided in Table 1.

Table 1. Centralized Collection Unit Costs, FY 2022 – FY 2025

	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated
Cost Incurred	\$19,056,111	\$19,742,027	\$19,395,522	\$21,936,492

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

Respectfully,



Mary Mosiman
Director

Table 2. Central Collections Unit Quarterly Collections

Program	Collections for Quarter Ending				FY 2025
	September 2024	December 2024	March 2025	June 2025	
HHS Child Support	\$96,857				\$96,857
HHS Health & Wellness	\$8,145				\$8,145
HHS Medicaid	\$565				\$565
DNR	\$5,969				\$5,969
Iowa Insurance Division	\$150				\$150
Iowa Judicial Branch	\$1,569,519				\$1,569,519
Stage 1 & 2 Tax Debt	\$63,522,153				\$63,522,153
Total	\$65,203,359				\$65,203,359
	September 2023	December 2023	March 2024	June 2024	FY 2024
HHS Child Support	\$90,428	\$114,386	\$169,127	\$97,095	\$471,036
HHS Health & Wellness	\$1,807	\$685	\$9,802	\$7,109	\$19,403
HHS Medicaid	\$650	\$350	\$4,950	\$410	\$6,360
DNR	\$0	\$0	\$10,365	\$6,031	\$16,396
Iowa Insurance Division	\$605	\$235	\$545	\$400	\$1,785
Iowa Judicial Branch	\$1,674,467	\$1,465,077	\$1,947,296	\$1,860,343	\$6,947,183
Stage 1 & 2 Tax Debt	\$63,591,841	\$70,209,861	\$56,766,125	\$57,390,576	\$247,958,403
Total	\$65,359,798	\$71,790,594	\$58,908,209	\$59,361,965	\$255,420,565
	September 2022	December 2022	March 2023	June 2023	FY 2023
College Aid	\$142,851	\$90,334	\$54,665	\$43,247	\$331,097
HHS Child Support	\$128,007	\$169,211	\$143,175	\$109,426	\$549,819
HHS Health & Wellness	\$28,639	\$29,764	\$11,634	\$10,610	\$80,648
HHS Medicaid	\$2,820	\$2,311	\$2,294	\$1,045	\$8,470
DNR	\$27,979	\$5,277	\$480	\$628	\$34,364
Iowa Insurance Division	\$5,450	\$450	\$505	\$605	\$7,010
Iowa Judicial Branch	\$1,707,429	\$1,622,286	\$1,970,700	\$1,816,179	\$7,116,593
Stage 1 & 2 Tax Debt	\$56,674,273	\$53,287,258	\$54,194,680	\$46,735,710	\$210,891,921
Total	\$58,717,449	\$55,206,891	\$56,378,132	\$48,717,451	\$219,019,922

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

Beginning with FY2023, values displayed in Table 2 reflect collection efforts by CCU-TSI and CCU-IDR, tax debt and non-tax debt. Prior years' reports contained separate tables for CCU-TSI and CCU-IDR.