

September 29, 2017

Glen Dickinson, Director
Legislative Services Agency
State Capitol
LOCAL

Dear Mr. Dickinson:

This letter provides an update on the centralized debt collection program for the quarter ending June 30, 2017. This report is required quarterly by Iowa Code Chapter 421.17(27) (h.) and (j.) regarding collection results, costs, and positions added.

Centralized Collection Program Implementation

The Centralized Collection Unit (CCU) provides collection services to the Judicial Branch (Court), Department of Human Services Child Support Recovery Unit (DHS CSRU), Department of Natural Resources (DNR), Iowa Department of Revenue (IDR), and Iowa Workforce Development (IWD). Each agency placing accounts with the CCU may also undertake additional collection efforts beyond those reflected in this report.

As of July 2015, the Court stopped placing accounts with CCU. In July 2016, CCU returned all Court accounts that were not in an existing payment plan. In June 2017, CCU returned all remaining Court accounts to the Judicial Branch.

CCU began providing limited collection services to IWD in April 2016. In May 2017, CCU returned all IWD accounts to Iowa Workforce Development.

Collections by Quarter

The attached tables show quarterly revenues that were generated by the CCU. Collections for the June 2017 quarter totaled \$9.4 million, an increase compared to the same quarter last year (see table 2). When compared to the same quarter of FY 2016, IDR Tax Receivables collections increased \$1.16 million and Court collections decreased \$731,422. DHS CSRU, the DNR, and IWD experienced a decrease in collections.

The tables and figures below reflect only the efforts of the Centralized Collection Unit.

Cost/Benefit

The Centralized Collection Unit is self-supporting and charges for all direct and indirect costs that are properly allocable to CCU activities. No new positions were added this quarter. Fiscal year costs as a share of CCU collections are provided in Table 1 below.

Table 1. Centralized Collection Unit Costs as a Share of Collected, FY 2014-2016

| <u>Fiscal Year</u> | <u>Costs as a Share of Amount Collected</u> |
|--------------------|---|
| 2016 | 6.84% |
| 2015 | 7.44% |
| 2014 | 7.08% |

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

Yours truly,



Courtney M. Kay-Decker
Director

Table 2. Centralized Collection Unit Quarterly Collections

| Program | Collections for Quarter Ending | | | | |
|---------------------------|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| | September 2016 | December 2016 | March 2017 | June 2017 | FYTD 2017 |
| CCU - IDR Tax Receivables | \$8,851,840 | \$10,138,260 | \$9,589,103 | \$7,898,242 | \$36,477,445 |
| CCU - Court | \$1,627,190 | \$1,577,870 | \$1,047,439 | \$1,373,616 | \$5,626,114 |
| CCU - DHS CSRU | \$167,953 | \$171,912 | \$158,912 | \$115,048 | \$613,825 |
| CCU - DNR | \$9,015 | \$13,178 | \$13,514 | \$9,842 | \$45,549 |
| CCU - IWD | \$212,391 | \$162,297 | \$116,433 | \$91,860 | \$582,981 |
| Total | \$10,868,388 | \$12,063,518 | \$10,925,401 | \$9,488,607 | \$43,345,915 |
| | September 2015 | December 2015 | March 2016 | June 2016 | FY 2016 |
| CCU - IDR Tax Receivables | \$8,957,198 | \$9,365,762 | \$8,370,619 | \$6,735,025 | \$33,428,605 |
| CCU - Court | \$5,031,483 | \$4,280,084 | \$2,385,138 | \$2,105,038 | \$13,801,743 |
| CCU - DHS CSRU | \$122,570 | \$140,616 | \$158,602 | \$128,827 | \$550,616 |
| CCU - DNR | \$1,589 | \$1,628 | \$13,243 | \$16,888 | \$33,348 |
| CCU - IWD | | | | \$247,920 | \$247,920 |
| Total | \$14,112,840 | \$13,788,091 | \$10,927,602 | \$9,233,699 | \$48,062,233 |
| | September 2014 | December 2014 | March 2015 | June 2015 | FY 2015 |
| CCU - IDR Tax Receivables | \$6,382,680 | \$7,734,553 | \$8,324,393 | \$7,689,791 | \$30,131,417 |
| CCU - Court | \$8,850,356 | \$7,782,107 | \$8,161,439 | \$7,242,924 | \$32,036,825 |
| CCU - DHS CSRU | \$91,943 | \$104,694 | \$131,688 | \$157,774 | \$486,099 |
| CCU - DNR | \$2,622 | \$2,273 | \$10,601 | \$3,408 | \$18,903 |
| Total | \$15,327,600 | \$15,623,626 | \$16,628,121 | \$15,093,897 | \$62,673,244 |

Fiscal year totals may not equal the sum of quarterly numbers due to rounding.

Figure 1. Centralized Collection Unit Quarterly Collections

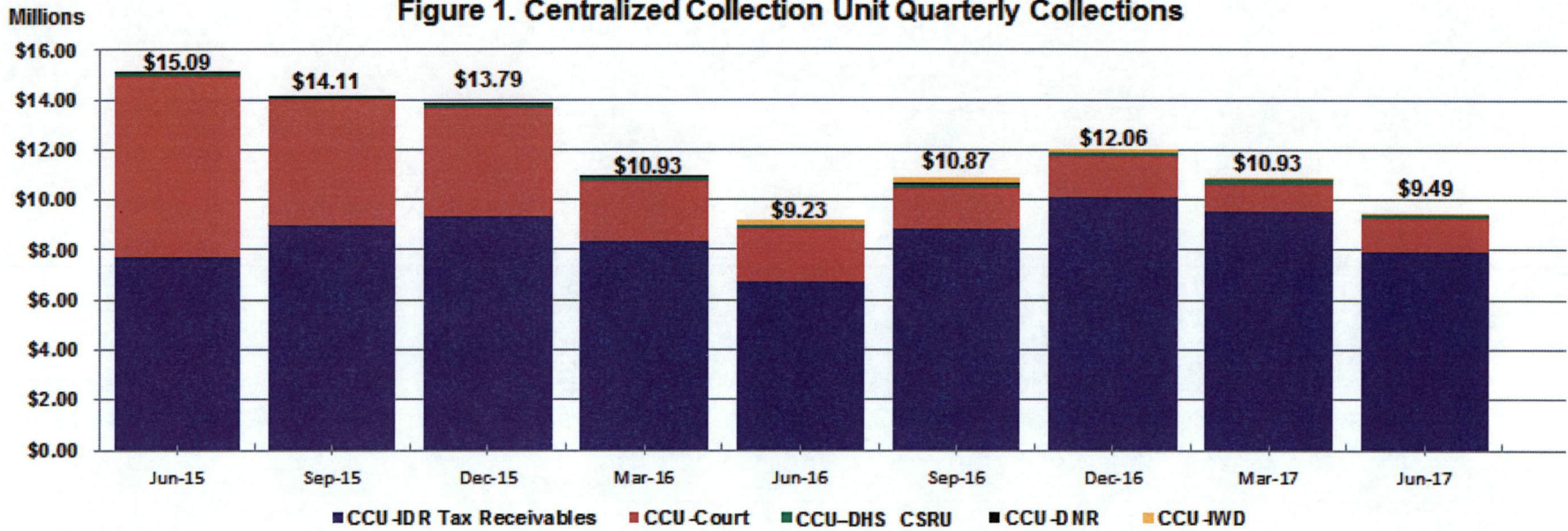


Figure 2. Subset of Centralized Collection Unit Quarterly Collections

