

Office of the
Legislative Fiscal Analyst

FY 2002 Budget Recommendations

Joint Appropriations Subcommittee for
Capital Facilities and Administrative Services

Utah Department of Administrative Services
Internal Service Funds
Office of State Debt Collection

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1.0 Office of Debt Collection

Summary

Senate Bill 235 of the 1995 Legislative Session established the Office of State Debt Collection. The office manages collection for past due debts to the State and has the following responsibilities:

- ◆ Collecting and managing state receivables;
- ◆ Developing consistent policies governing the collection and management of State receivables;
- ◆ Overseeing and monitoring State receivables;
- ◆ Developing policies, procedures and guidelines for accounting, reporting, and collecting monies owed to the State;
- ◆ Providing information, training, and technical assistance to State agencies on collection-related topics;
- ◆ Writing an inclusive receivables management and collection manual for use of State agencies;
- ◆ Preparing quarterly and annual reports of the State's receivables;
- ◆ Creating/coordinating a State accounts receivable database, information systems, and procedures;
- ◆ Establishing an automated case receipt process between State agencies;
- ◆ Establishing procedures for writing-off accounts receivable for accounting and collections purposes.

The internal service fund program contracts with private vendors to assist in collection of outstanding debt. Revenue is generated for the program by assessing an administrative fee against each collection.

	Analyst FY 2002 Base	Analyst FY 2002 Changes	Analyst FY 2002 Total
Financing			
Licenses/Fees	123,300		123,300
Interest Income	360,100		360,100
Dedicated Credits - Intragovernmental Revenue	263,700		263,700
Other Financing Sources	7,000		7,000
Total	\$754,100	\$0	\$754,100
Programs			
ISF - Debt Collection	754,100		754,100
Total	\$754,100	\$0	\$754,100
FTE/Other			
Total FTE	4		4
Authorized Capital Outlay	0	0	0
Retained Earnings	\$310,000	\$0	\$310,000

2.0 Budget Highlights

2.1 Conversion of OSDC to and Internal Service Fund

The Office of State Debt Collection is partially funded with an appropriation from the General Fund. In Fiscal Year 1999, OSDC's retained earnings exceeded \$190,000. The Division continues to generate revenue in excess of expenses and no longer needs an appropriation from the General Fund to continue operating. Therefore, the Analyst recommends that dedicated credits be the sole source of funding for the Office.

3.0 Program: Debt Collection

Recommendation The Analyst is recommending OSDC’s request, noting that the Division will now have four FTE funded with dedicated credits.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
Dedicated Credits Revenue	239,200	246,700		(246,700)
Licenses/Fees	153,300	110,800	123,300	12,500
Interest Income	282,000	352,100	360,100	8,000
Dedicated Credits - Intragovernmenta		49,300	263,700	214,400
Other Financing Sources	5,700	6,500	7,000	500
Total	\$680,200	\$765,400	\$754,100	(\$11,300)
Expenditures				
Personal Services	67,900	272,500	272,500	
In-State Travel		600	600	
Out of State Travel	900	2,700	2,900	200
Current Expense	191,100	242,200	255,100	12,900
DP Current Expense		16,800	18,000	1,200
Other Charges/Pass Thru	190,500	403,000	319,900	(83,100)
Total	\$450,400	\$937,800	\$869,000	(\$68,800)
Profit/Loss	\$229,800	(\$172,400)	(\$114,900)	\$57,500
FTE/Other				
Total FTE	2	2	4	2
Retained Earnings	\$195,100	\$424,900	\$310,000	(114,900)

Purpose The Office of State Debt Collection uses private vendors to skip trace and contact individuals with past due debts owed to the state. With automation of contact lists and cooperation from the Tax Commission, OSDC continues to increase collections over previous years.

4.0 Tables: Office of Debt Collection

	1998	1999	2000	2001	2002
	Actual	Actual	Actual	Estimated	Analyst
Financing					
Dedicated Credits Revenue			239,200	246,700	
Licenses/Fees			153,300	110,800	123,300
Interest Income			282,000	352,100	360,100
Dedicated Credits - Intragovernmental Re	27,800	363,900		49,300	263,700
Other Financing Sources			5,700	6,500	7,000
Total	\$27,800	\$363,900	\$680,200	\$765,400	\$754,100
Programs					
ISF - Debt Collection	27,800	363,900	680,200	765,400	754,100
Total	\$27,800	\$363,900	\$680,200	\$765,400	\$754,100
Expenditures					
Personal Services		41,800	67,900	272,500	272,500
In-State Travel				600	600
Out of State Travel			900	2,700	2,900
Current Expense	10,900	143,400	191,100	242,200	255,100
DP Current Expense				16,800	18,000
Capital Outlay		500			
Other Charges/Pass Thru			190,500	403,000	319,900
Total	\$10,900	\$185,700	\$450,400	\$937,800	\$869,000
Profit/Loss	\$16,900	\$178,200	\$229,800	(\$172,400)	(\$114,900)
FTE/Other					
Total FTE		1	2	2	4
Retained Earnings	\$16,900	\$195,100	\$195,100	\$424,900	\$310,000