

Office of the
Legislative Fiscal Analyst

FY 2003 Budget Recommendations

Joint Appropriations Subcommittee for
Capital Facilities and Administrative Services

Utah Department of Administrative Services
Office of State Debt Collection

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

1.0 Summary: Office of State Debt Collection

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.

2.0 Issues: Office of State Debt Collection

2.1 Conversion of OSDC to an Internal Service Fund

Prior to Fiscal Year 2001 the Office of State Debt Collection was partially funded with an appropriation from the General Fund. In Fiscal Year 1999, OSDC's retained earnings exceeded \$190,000. Although DAS expressed some concern with the timing of this change, the Division responded positively and again will show an increase in collections. It seems certain that collections will continue to generate revenue in excess of expenses to fully fund operations and return money to the General Fund.

2.2 Annual Report

Each year the Office of State Debt Collection provides an annual report to the Legislature. Beginning this year, the report will be available online at <http://www.das.state.ut.us>. A hard copy is provided at the end of this recommendation.

3.0 Programs: Statewide Debt Collection

3.1 Statewide Debt Collection

Recommendation The Analyst recommendation is found in the ISF section. This will be the final year of an “appropriated” report for OSDC.

*OSDC should
operate as an
internal service
fund*

The Analyst is recommending that the Office of State Debt Collection continue as a permanent, full internal service fund. OSDC generates Dedicated Credits through collections on past due debt owed to the state as described in the ISF section of this budget (Tab 23).

4.0 Tables: Office of State Debt Collection

	1999	2000	2001	2002	2003
	Actual	Actual	Actual	Estimated	Analyst
Financing					
General Fund	175,000	179,400			
Beginning Nonlapsing	38,300	40,700			
Closing Nonlapsing	(40,700)	(49,300)			
Total	\$172,600	\$170,800	\$0	\$0	\$0
Programs					
Statewide Debt Collection	172,600	170,800			
Total	\$172,600	\$170,800	\$0	\$0	\$0
Expenditures					
Personal Services	155,700	156,100			
Out of State Travel	100	300			
Current Expense	5,700	8,100			
DP Current Expense	11,100	5,900			
DP Capital Outlay		400			
Total	\$172,600	\$170,800	\$0	\$0	\$0
FTE/Other					
Total FTE	2	2			