



Legislation Text

File #: 17-0507, **Version:** 1

Chief Administrative Officer recommending the Board approve and authorize the transfer of County collections and collection of post-probation Victim Restitution from the Child Support Services Revenue Recovery Division to the Treasurer-Tax Collector through the following actions:

- 1) Revise Policy B-4 to identify the Treasurer-Tax Collector as the department responsible for collecting delinquent debt owed to County departments;
- 2) Adopt and authorize the Chair to sign Resolution **089-2017** to supersede Resolution 147-2012 regarding post-probation Victim Restitution collections to identify the Treasurer-Tax Collector as the responsible County department;
- 3) Amend the personnel allocation for the Treasurer-Tax Collector to add one Senior Revenue Recovery Officer effective July 1, 2017 (to be enacted during the Fiscal Year 2017/18 Budget Adoption); and
- 4) Amend the personnel allocation for Child Support Services to delete one Senior Revenue Recovery Officer effective July 1, 2017 (to be enacted during the Fiscal Year 2017/18 Budget Adoption).

FUNDING: Revenue from County collections and General Fund.

DEPARTMENT RECOMMENDATION

Chief Administrative Officer recommending the Board approve and authorize the transfer of County collections and collection of post-probation Victim Restitution from the Child Support Services Revenue Recovery Division to the Treasurer-Tax Collector through the following actions:

- 1) Revise Policy B-4 to identify the Treasurer-Tax Collector as the department responsible for collecting delinquent debt owed to County departments;
- 2) Adopt a new Resolution to supersede Resolution 147-2012 regarding post-probation Victim Restitution collections to identify the Treasurer-Tax Collector as the responsible County department;
- 3) Amend the personnel allocation for the Treasurer-Tax Collector to add one Senior Revenue Recovery Officer effective July 1, 2017 (to be enacted during the FY 2017-18 Budget Adoption); and
- 4) Amend the personnel allocation for Child Support Services to delete one Senior Revenue Recovery Officer effective July 1, 2017 (to be enacted during the FY 2017-18 Budget Adoption).

DISCUSSION / BACKGROUND

On December 12, 2016, the Superior Court of El Dorado chose to terminate their Memorandum of Understanding (MOU) with the Child Support Services Revenue Recovery Division for the collection of court debt effective July 1, 2017, and to transfer responsibility for the collection of delinquent fees and fines to an alternative collection agency.

The budgeted revenues for FY 2016-17 from the collection agreement with the Court were \$906,201. The anticipated reduction in revenue from the Court's decision to terminate their MOU required Child Support Services to make difficult decisions regarding overhead and personnel, and on March 7, 2017, the Director of Child Support Services brought an item to the Board recommending the adoption of Resolution 049-2017, deleting eight of nine personnel positions in the Revenue Recovery Division and implementing a reduction in force (RIF).

When the item was brought to the Board, it was recommended that one Senior Revenue Recovery Officer position be excluded from the RIF and that the position be retained to perform the collection of post-probation Victim Restitution as well as County debts until further analysis could be conducted to determine how County collection services would continue to be provided after July 1, 2017.

After further analysis and discussion with the Director of Child Support Services, the Treasurer-Tax Collector, Probation, the District Attorney, Human Resources, and County Counsel, it is recommended that the collection of post-probation Victim Restitution as well as County collections be outsourced to Access Capital, a private vendor that the County has an existing contract with, and that the function of overseeing and coordinating County collections including data entry, billing, and reporting be transferred to the Treasurer-Tax Collector. The Treasurer-Tax Collector performs similar transactions as the Revenue Recovery Division and also has the need for such a position to recover uncollected Transient Occupancy Tax (TOT) associated with vacation rentals.

ALTERNATIVES

The alternative of keeping the Senior Revenue Recovery Officer position within Child Support Services was considered; however, with the Court's decision to terminate their MOU with the Child Support Services Revenue Recovery Division there is no longer funding to support the Division, including staffing, equipment, supplies, rent and other associated overhead. Further, without the Court collection function, and with the outsourcing of the County collection efforts to an outside vendor, the remaining function of overseeing and coordinating County collections no longer requires a full-time employee.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Child Support Services, Treasurer-Tax Collector, and Human Resources

CAO RECOMMENDATION

CAO recommends the Board approve and authorize the transfer of County collections and collection of post-probation Victim Restitution from the Child Support Services Revenue Recovery Division to the Treasurer-Tax Collector and subsequent action items 1 through 4.

FINANCIAL IMPACT

The Net County Cost of the Senior Revenue Recovery Officer position is approximately \$90,000. When the Court's MOU was in effect, the majority of the cost associated with this position was covered by the Courts for the collection of court debt, with the cost associated with County collection activities off-set by a 14% fee (~\$25,000) that was charged by Child Support Services to County departments.

Without the funding from the Courts, the entire cost of this position will be borne by the County. It is, therefore, recommended that the fee associated with County collections be increased to 25%, which will cover approximately \$45,000, or half of the position cost. The remaining cost will be covered by the County's General Fund within the Treasurer-Tax Collector's office. The FY 2017-18 Recommended Budget will reflect sufficient savings within the Treasurer-Tax Collector budget to off-set the remaining General Fund cost of this position. In the future, this cost is expected to be offset by additional revenue associated with the TOT collections.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Clerk of the Board shall obtain Chair's signature on the new Resolution to supersede Resolution 147-2012.

STRATEGIC PLAN COMPONENT

Good Governance: specifically, the actions of preserving a Senior Revenue Recovery Officer to oversee and coordinate County collection efforts in accordance with Board Policy B-4; avoidance of a subsequent RIF; increased efficiencies and revenues by outsourcing to a private vendor to perform the collection efforts; and increased staffing for the Treasurer-Tax Collector to pursue currently unclaimed TOT associated with vacation rentals, which is anticipated to increase County revenues, and reduce the cost of the position to the General Fund.

CONTACT

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