



County of El Dorado

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Legislation Text

File #: 09-0597, **Version:** 1

Child Support Services Department, Revenue Recovery Division, recommending adoption of Resolution amending the Department's Authorized Personnel Allocation adding two Revenue Recovery Officer I/II positions.

Resolution 097-2009

FUNDING: Revenue collections from various department and agency sources.

BUDGET SUMMARY:		
Total Estimated Cost		
	12 months	\$116,690
Funding		
Budgeted	\$116,690	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$116,690	
Change To Net County Cost		\$0

Fiscal Impact/Change to Net County Cost:

No change to Net County Cost. The cost for the additional positions will be offset by additional revenues generated in the Revenue Recovery Division.

Background:

The Revenue Recovery Division is responsible for enforcement and collection of debts owed to many County Departments. Although Revenue Recovery is a General Fund program, costs for operating the program are fully offset by a portion of the revenues collected (13%) for the County departments served and charges for services to the agencies being served (such as Superior Court).

Since assuming the responsibility for the Revenue Recovery Division, the Department has been working to meet stated Board goals of maximizing revenues and minimizing operating costs for this program. Many improvements have been implemented to improve efficiency and accountability. The rewards have benefited the General Fund and the Departments we serve through recovery of County debts.

The adopted budget anticipated that the Division would have a net County Cost of \$57,600. Since the Department of Child Support Services assumed responsibility for Revenue Recovery earlier this fiscal year, the Division has increased revenues to achieve a zero Net County Cost. It is the Department's intent for Revenue Recovery to continue to be a zero Net County cost program.

Reason for Recommendation:

The Revenue Recovery staff currently consists of two Revenue Recovery Officers, one Fiscal Technician and one Administrative Services Officer who oversees the program. Since November, the Department has utilized two extra help Revenue Recovery Officers for several months in order to keep pace with the workload and evaluate the impact that additional staff could have on the revenue generating ability of the Division. The extra help staff has allowed the department to achieve significantly increased revenues and the Department is requesting that these be positions be made permanent.

In addition to using extra help, the Department has taken several other steps to improve collections in the Revenue Recovery Division. These include meeting with department heads and their staff to review all potential revenue collection areas, establishing and documenting new collection procedures, setting and achieving monthly collection goals, acquiring and implementing additional locate tools such as Acurant, providing enhanced training for collectors, and issuing/ mailing monthly billing statements to debtors. These steps have also contributed significantly to increasing revenue collections and the elimination of the Net County Cost for the Division. Telephone calls and walk in's for payment have jumped significantly as well, requiring additional staff to service.

The Department is bringing this matter to the Board in advance of the June budget workshops so that recruitments may be initiated right away and positions filled by July 1 in order to maximize revenue collections for departments for FY 2009-10, as well as provide possible employment opportunities for County employees who may be affected by reductions in force (RIF). The Department will proceed with the recruitment process should the Board approve this request however no offers will be made until the CAO authorizes an offer.

Revenue Collection Activity:

The following chart shows collections for the current fiscal year.

Month	FY 2008-09 RR Revenue	Total Collections	Cost percentage of Collections
JUL	\$ 23,019.68	\$ 109,021.43	21.11%
AUG	\$ 46,125.67	\$ 108,541.77	42.50%
SEP	\$ 38,785.75	\$ 105,616.65	36.72%
OCT	\$ 33,380.27	\$ 104,675.10	31.89%
NOV	\$ 15,764.42	\$ 88,449.68	17.82%
DEC	\$ 32,073.67	\$ 113,168.63	28.34%
JAN	\$ 27,834.94	\$ 164,236.73	16.95%
FEB	\$ 20,210.92	\$ 153,435.25	13.17%
MAR	\$ 28,404.79	\$ 194,341.25	14.61%
APR			
MAY			
JUN			
TOTAL	\$ 265,600.114	\$ 1,141,486.49	23.27%
MO AVG	\$ 29,511.12	\$ 126,831.83	23.27%
Estim Annual	\$ 354,133.46	\$ 1,521,981.99	23.27%

First Quarter total collections averaged \$107,727 per month. Collections from October through March have averaged \$136,385 per month, an increase of 26.6%. Departments such as Public Defender, Probation, District Attorney and Indigent Defense programs have approached the Department and shown interest in expanding collection and indigent defense determination. Adding the permanent Revenue Recovery Officer positions will assist the division in further increasing collections for additional departments. The Department anticipates that the additional permanent Revenue Recovery Officer positions will generate sufficient revenue to not only offset the cost of the positions, but achieve additional revenues for the departments/agencies being served.

The Revenue Recovery Division operates is currently operating at a zero Net County cost. The average monthly cost of operations is \$27,311. Revenues have remained steady at \$29,973 per month, resulting in a positive balance of \$2,663 per month. The projected annual revenue in excess of operational costs is \$31,956 with the current staffing and level of services. With the addition of the two permanent Revenue Recovery Officers and with the addition of new departments to collect for plus improved collection capabilities, it is projected that revenues will continue to increase and cover the increased costs associated with the new positions. Current year revenues are projected to be \$448,332, an increase of \$94,122 (26.6%) above budgeted revenues. Current revenue levels combined with projected revenue increases in FY 2009-10 cover the full cost of the two new permanent positions, and the Revenue Recovery Division Net County Cost is anticipated to remain at zero.

The new Revenue Recovery Officer positions will focus on generating revenue by placing calls to debtors and taking legal actions on all appropriate accounts. The positions will be assigned full caseloads and will also contribute to special projects such as the use of small claims wage assignments and wage garnishments. In the appropriate case, liens on debtor properties will be pursued. The Department anticipates that these new positions will benefit many County departments whose referrals have been neglected due to lack of manpower and enforcement tools.

The addition of two permanent Revenue Recovery Officer will greatly enhance the Division's efforts to increase collections to the County Departments. Without the additional positions, there would be insufficient staff resources to pursue additional collection opportunities for the County.

Action to be taken following Board approval:

Board Clerk will forward a copy of the signed resolutions to Human Resources for implementation and the Department will work to fill the new positions.

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