



State of Maryland
Department of Information Technology

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID A. GARCIA
Secretary

January 12, 2017

The Honorable Larry Hogan
Governor
Executive Department
State House
100 State Circle
Annapolis, MD 21401

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
H-107 State House
100 State Circle
Annapolis, MD 21401

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
100 State Circle
Annapolis, MD 21401

Dear Governor Hogan, President Miller, and Speaker Busch,

The Department of Information Technology (DoIT) is pleased to submit its report with findings and recommendations regarding the interception of horse racing winnings to pay for the child support or restitution arrears of the winner in accordance with § 2-1246 of the State Government Article.

Specifically, DoIT was tasked to perform a study to analyze the logistics of intercepting horse racing winnings, study the use of specified intercept methods by State agencies for child support enforcement and restitution collection, and make recommendations regarding specified matters.

If you have any questions or comments, feel free to contact me at david.garcia@maryland.gov.

Sincerely,

David A. Garcia
Secretary

Enclosure

cc: Kurt Stolzenbach, Office of Budget Analysis, DBM
Patrick Frank, Office of Policy Analysis, DLS
Barbara Wilkins, Director of Government Relations, DBM

MSAR #10870



Executive Summary

Per HB707, passed during the 2016 General Assembly, the Department of Information Technology (DoIT) is to perform a study to analyze the logistics of intercepting horse racing winnings to pay for child support or restitution arrears, study the use of specified intercept methods by State agencies for child support enforcement and restitution collection, and make recommendations regarding specified matters. The Department is required to report its finding and recommendations to the General Assembly on or before December 31, 2016.

To complete this task, the Department of Information Technology reviewed the various types of intercepts that exist in the State of Maryland and the methods employed to successfully perform intercepts.

The State agencies primarily involved in support, restitution and interceptions are: The Department of Human Resources (DHR)'s Child Support Enforcement Administration (CSEA), Department of Juvenile Services' (DJS) Restitution Programs, Department of Public Safety and Correctional Services Restitution (DPSCS) Collection Program and Department of Budget Management's (DBM) Central Collection Unit (CCU). It emerged that most agencies preferred to use DBM's CCU to implement intercepts of restitution. Given this information, DoIT then took an in-depth look at the processes within the CCU and what plans for future IT modernization they had in order to make the interaction with agencies and other stakeholders more efficient and streamlined. DoIT also looked into why agencies preferred not to utilize the services of the CCU for support intercepts, given that collections is their core competency. One of the mandates of HB707 is to investigate the possibility of intercepting winnings from horse racing. DoIT looked at how the horse racing industry operates from the perspective of the horse racing commission's role, technologies used, vendors, locations, and most importantly how wagers are paid out. This allowed DoIT to identify the ideal point within their payout process to implement an Intercept.

This report concludes with recommendations to the General Assembly as to the best method of Intercepting winnings within the State of Maryland Horse racing industry.



Background

HB707: Study of Intercepting Horse Racing Winnings for Child Support and Restitution was passed on April 11th 2016 and approved by Governor Larry Hogan on April 26th 2016. The bill requires the Department of Information Technology to analyze the logistics of intercepting horse racing winnings to pay for certain child support or restitution arrears, study the use of certain intercept methods by the State for child support enforcement and restitution collection, and make recommendations regarding certain matters; requiring the Department to report its findings and recommendations to the General Assembly on or before a certain date; and generally relating to a certain study of intercepting horse racing winnings for child support and restitution.

(A) The Department of Information Technology shall:

(1) Analyze the logistics of intercepting horse racing winnings to pay for the child support or restitution arrears of the winner as proposed by Senate Bill 372 (First Reading File Bill) and House Bill 707 (First Reading File Bill) of 2016 to include account wagering entities;

(2) Study the effectiveness of the current interfaces used by the State for child support enforcement and restitution collection for income tax intercepts, lottery intercepts, video lottery intercepts, State vendor payments intercepts, and other means of collecting child support and restitution, including if other uniform interface options would be possible and the cost of such options.

(3) Make recommendations regarding implementing a means of intercepting horse racing winnings for the purpose of paying the child support or restitution arrears of the winner.

(B) On or before December 31, 2016, the Department shall report its findings and recommendations, in accordance with § 2–1246 of the State Government Article, to the General Assembly.

AND BE IT FURTHER ENACTED, that this Act shall take effect June 1, 2016.



Intercepts, Support and Restitution

An intercept is the process of retrieving money from earnings of individuals who are delinquent on a debt owed to the State of Maryland or individuals on whose behalf the State is acting. A collection unit/agency is referred a debt by an agency and upon completion of the debt referral process, takes over the collection of said debt and if successful, charges a fee, before disbursing accordingly.

Child support is a form of payment often made by one parent to the other, either after a divorce, or between two parents who were never married. Normally, the non-custodial parent pays the support to the parent who has sole or primary physical custody. Payment is often required to prevent those children from becoming wards of the state or otherwise dependent upon state run welfare or support programs. In the State of Maryland, child support is collected by the Department of Human Resources, Child Support Enforcement Administration (CSEA). Failure to make the agreed upon payments usually results in the individuals earning being intercepted.

Restitution is money that an offender must pay to a victim for the costs of his or her crime. Victims can request restitution from an offender if they have suffered any financial loss as the direct result of the crime. There does not have to have been physical injury to be eligible for restitution.

Restitution is usually handled by the agency overseeing a case such as the Department of Juvenile Services or Department of Public Safety and Correctional Services. The need for an Intercept does not arise until the individual responsible for making restitution payments defaults on any payment arrangements. The intercepts are generally handled by a collections unit that levies a fee against the debtor for the services rendered to the requesting agency.

There are essentially three kinds of money collection taking place as part of Restitution, Support and Intercepts:

1. Agreement-based payments: Usually based upon a payment plan, where an agency of the State collects monies from an individual for onward payment to an intended recipient. This could be non-custodial parent to custodial parent, or offender to victim.
2. Voluntary intercepts: The voluntary payment by an individual who had been delinquent on debt owed to a victim or the State
3. Involuntary Intercepts: The collection of monies due to the State or individual the State is acting on behalf of, where the delinquent individual has refused to either enter, or honor a payment agreement.



What triggers an Intercept?

Intercepts are generally triggered when a payment of one kind or another becomes delinquent. Examples of this might be when a Non-custodial parent is not making child support payments, or an offender has met all requirements of supervision except the payment of fees or has a restitution balance.

The diagram below depicts the typical process flow of a Maryland intercept:

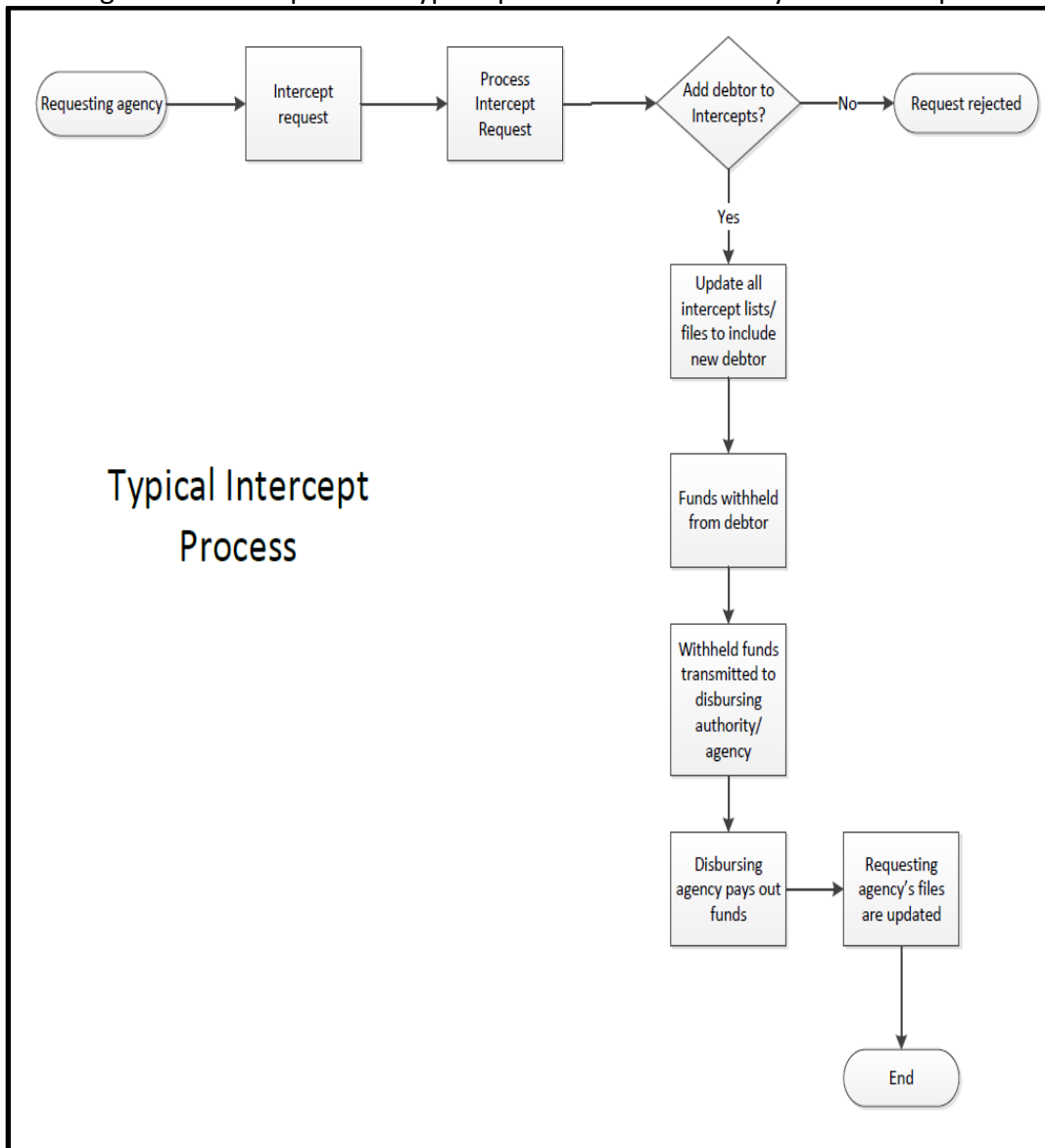


Figure 1 : Typical Intercept process



Various Agency Intercept Processes

Department of Public Safety and Correctional Services (DPSCS)

The Department's primary restitution collection efforts take place while an offender is on probation, mandatory supervision or parole. Among their many important duties, Parole and Probation agents are tasked with tracking payment of restitution.

Where an offender has met all requirements of supervision, absent payment of all fees, the Division of Parole and Probation (DPP) refers collection efforts to the Central Collection Unit at the Department of Budget and Management as delinquent. For cases that have been closed by DPP for supervision purposes, if there is still a restitution balance owed, the delinquent accounts are sent to CCU for collection.

CCU has the authority and capability to intercept funds by way of wage garnishment, property liens, tax interception, as well as intercepts of lottery and casino winnings. CCU currently assesses a 17% fee on the outstanding amount referred in addition to 10% interest assessed on the outstanding balance for restitution judgement amounts. CCU makes monthly payments of the amounts collected less the 17% fee on each account collected. The Department's Information Technology and Communications Division (ITCD) will then run a program to post all positive CCU collections into the Offender-based State Correctional Information System (OBSCIS). Any negative adjustments are keyed in manually by DPSCS Collection and Accounting Unit staff. The monthly receipts collected by CCU are then transferred to a DPP banking account in the Financial Management Information System (FMIS) via interagency journal entries and the transaction(s) appear on the daily DAFR7200 report in FMIS.

Department of Juvenile Services (DJS)

The Department of Juvenile Services (DJS) collects restitution when a youth is ordered to pay restitution as part of an informal pre-court supervision agreement (diversion) or when a court orders a youth to pay restitution as part of a disposition (sentencing).

The court may order restitution either as a condition of probation or as a judgement of restitution. A payment schedule is then established based on the needs of the victim, and the youth's and/or the youth's parent/guardian's ability to pay. The court order and payment schedule are submitted to the DJS restitution clerk and an account is created in the department's restitution database.

Payments are administered by the assigned DJS restitution clerk, who notifies the court once restitution is satisfied. DJS will also notify the court if restitution is not satisfied, or the payment schedule is not followed and restitution is overdue. If the court has not already issued a



judgement, the court may amend the order to a judgement of restitution against the youth or parent/guardian.

At this point DJS Restitution coordinators can decide to initiate an Intercept and may refer the overdue judgement of restitution to the Central Collections Unit (CCU) if the youth remains on supervision or even if the case is terminated. When CCU receives funds from Intercepts on behalf of DJS, they are sent to DJS, who in turn sends them to General Accounting Division (GAD) in Annapolis for disbursement to receiver of funds.

DJS Coordinators work with the case managers, providing them with necessary information to update cases as payments, or any other changes occur.

Department of Human Resources (DHR) – Child Support Enforcement Administration (CSEA)

CSEA uses the Child Support Enforcement System (CSES) to administer/manage their own Intercepts. CSEA is bound by very strict IRS and Federal restrictions, requiring it to obtain a federal certification and be audited every three years.

Unlike most agencies, CSEA does not turn to the CCU when Non-custodial parents default on child support payments and become delinquent. The CSEA manages and runs its own Intercepts, with recovered funds being returned directly to the State Disbursement Unit (SDU) for disbursement to the appropriate recipient(s). In addition to the Intercepts, the CSEA is also able to have both drivers and professional licenses of Non-custodial parents suspended for non-payment of child support. This only occurs after appropriate guidelines and protocol are followed to notify the individuals of pending actions.

It is estimated that about 70% of monies recovered from Non-custodial parents is done so through wage liens. In this scenario, CSEA provides the employer of a Non-custodial parent with the amount of money to be deducted from the individual's wages as dictated by a court order. The employer then transfers these funds to the State Distribution Unit (SDU) for disbursement.

Not unlike the CCU, the CSEA has access to the following Intercept programs that can be used in a bid to recover owed monies from Non-custodial parents:

- Lottery and Casino Intercepts
- Treasury Offset Program (TOP)
- State Tax Intercept Program (TRIP)
- Dept. of Labor, Licensing and Regulations (DLLR) Unemployment Interface
- Workers Compensation Commission (WCC) Interface
- Financial Institution Data Match (FIDM) Intercepts

The process flows for each of these Intercepts by the CSEA can found in Appendix C.



Central Collection Unit (CCU)

What does the CCU do?

The Department of Budget and Management's Central Collection Unit's mission is to collect delinquent debts owed to the State of Maryland in the most cost effective manner while employing the highest professional standards.

Initiating an Intercept with the CCU

To initiate an Intercept within the State of Maryland, the agency follows the current process of engaging the CCU and transferring the responsibility of recovering the debt to the CCU. To do this, the agencies can use the Debt referral and new client forms in Appendix A and B, or they can download an access database from the CCU website, enter the required information and return the data to the CCU by either e-mail or physical disc.

Exact instructions for both processes are available on the CCU website at:

<http://www.dbm.maryland.gov/ccu/Pages/CCUAgencies.aspx>

It is important to note that the CCU does not perform intercepts for the purposes of recovering child support arrears. The Child Support Enforcement Administration handles its own intercepts and does not utilize the services of the CCU.

CCU's current Intercepts process

The process flow diagram below is indicative of the pattern a CCU intercept currently takes in the State of Maryland from a relatively high level.

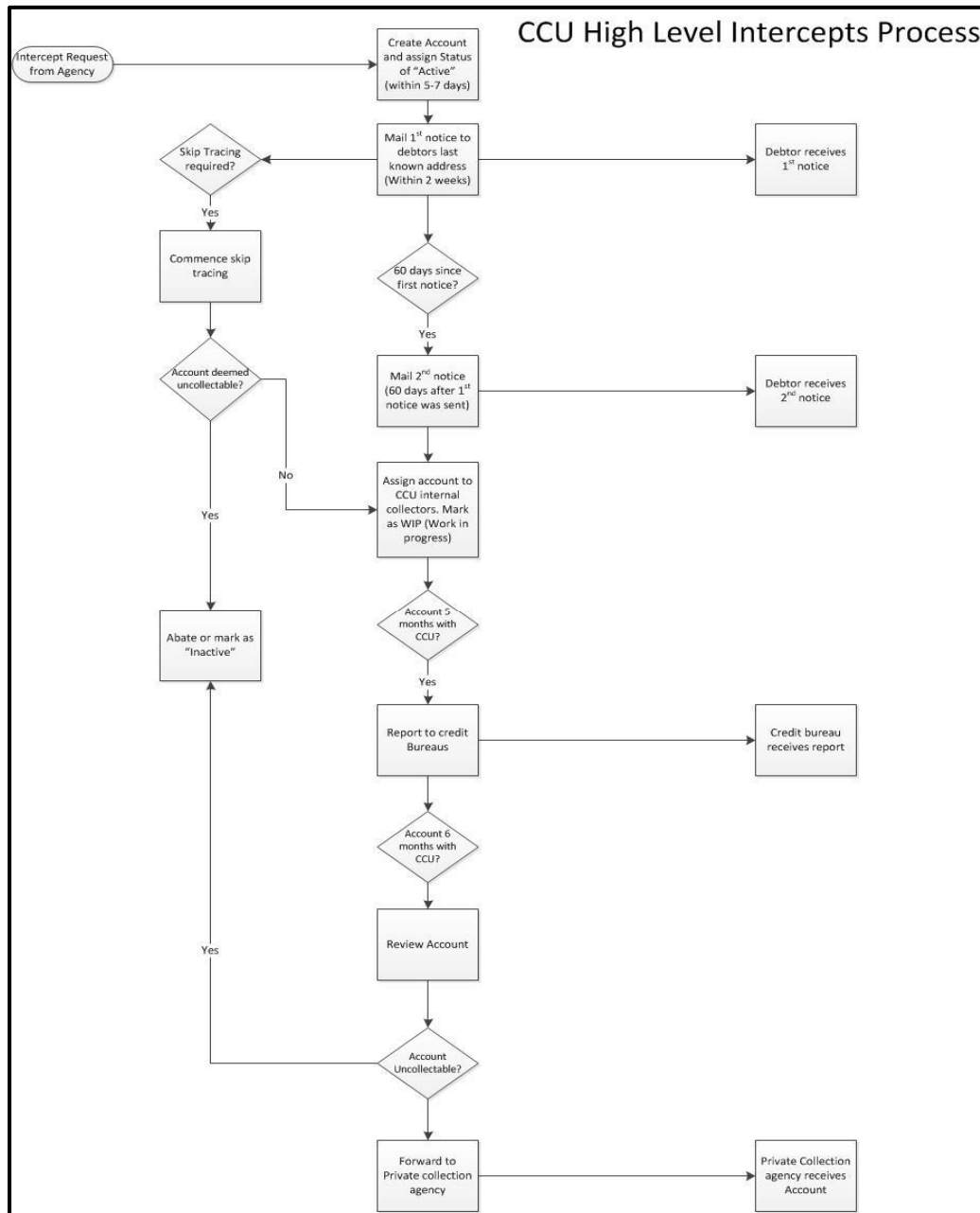


Figure 2: CCU High level Intercept View

As part of the process, the CCU creates flags for individuals who require intercepts against their earnings. These flags are part of files that are placed on an FTP server where participating agencies or programs can cross-check against earnings or winnings at places like casinos or lottery payment offices. The diagram below provides a graphical representation of the process.

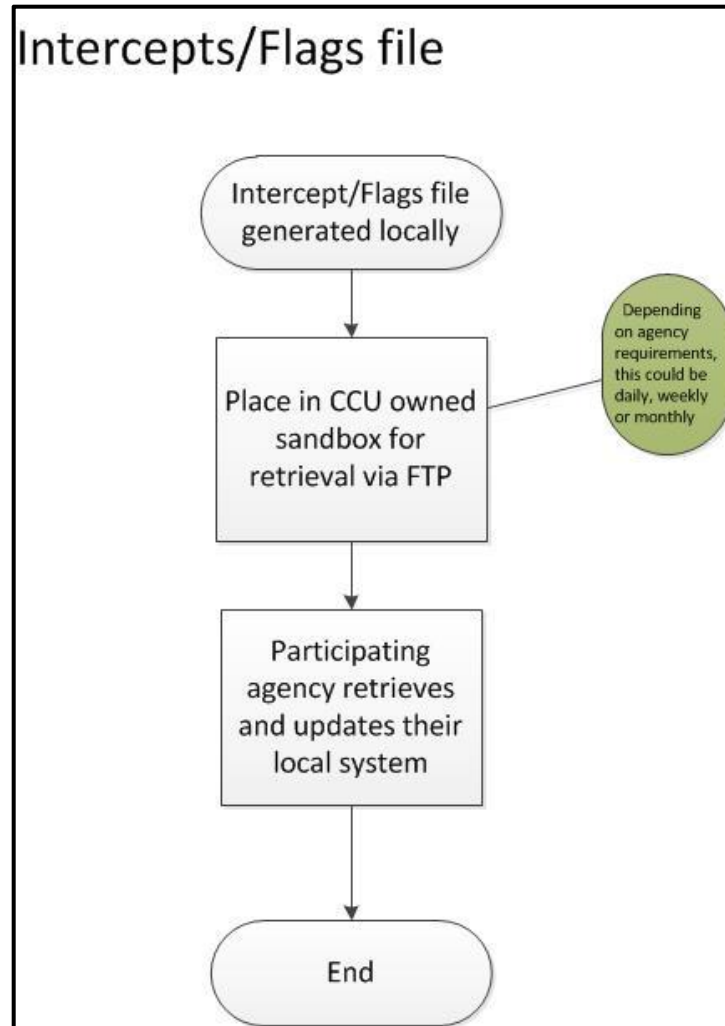


Figure 3: FTP File process

CCU Fee's

The CCU receives a debt referral from an agency seeking to collect monies from delinquent parties. Once the account referral process is complete, the CCU is able to levy a fee against the debtor, in addition to the funds owed. CCU's fee currently stands at 17% and is levied against the debtor, not the state agency to whom the funds are owed. As such, a debtor's liability becomes (Total referred debt) + (17% of total referred debt) once it is referred to the CCU for collection. While this is the standard fee, the CCU does reserve the right to increase or decrease this fee depending on the circumstances and in accordance with guidelines surrounding any such adjustment.



Intercept Programs available to the CCU

- Tax Refund Intercept Program (TRIP)
- Treasury Offset Program (TOP)
- Central Payroll Offset
- DLLR Wage Match
- Vendor Offset
- Abandoned Property
- Lottery Offset
- Retirement Match
- Private Collection Agency
- Comptroller's Office (SSN/Address)
- Casino intercepts for restitution debts
- Death Match
- Credit Bureaus
- Westlaw - Skiptracing Vendor for SSN matching

CCU Modernization Effort

DBM's CCU is in the process of finalizing a comprehensive modernization project to overhaul the State's debt collection process. It was determined after the planning and requirements gathering that it is in the best interest of DBM and the agencies that CCU supports, to perform a full CCU Information Technology modernization effort. When fully implemented, this project will result in a faster, simpler, and more accurate customer service experience between CCU, State agencies, and the individual debtors.

Client/Customer Interfaces:

Interfaces will be required with other State agencies to receive debt referrals and adjustments, send release forms, and to withhold the funds of delinquent debtors. Interfaces will also be required with the private collection agency for referring CCU accounts, attaining account balances, and receiving payments. The CCU will need to finalize their business model and operations procedures in preparation for migrating to the new integrated system. Interfaces have been developed using existing specifications to prevent disruption to CCU clients.

Customers, such as agencies who have customers failing to pay obligations, will benefit from the improved timeliness, consistency and accuracy of the data. These benefits are expected to have a net effect of improving the timeliness of successful collection activities. The debtors will benefit from an improved customer support system and customer experience. The State will benefit from a reduction in the amount of outstanding debt owed to the State. Details of the modernization effort can be found in greater detail in Appendix D, but the diagram below

provides a high level perspective of the new system:

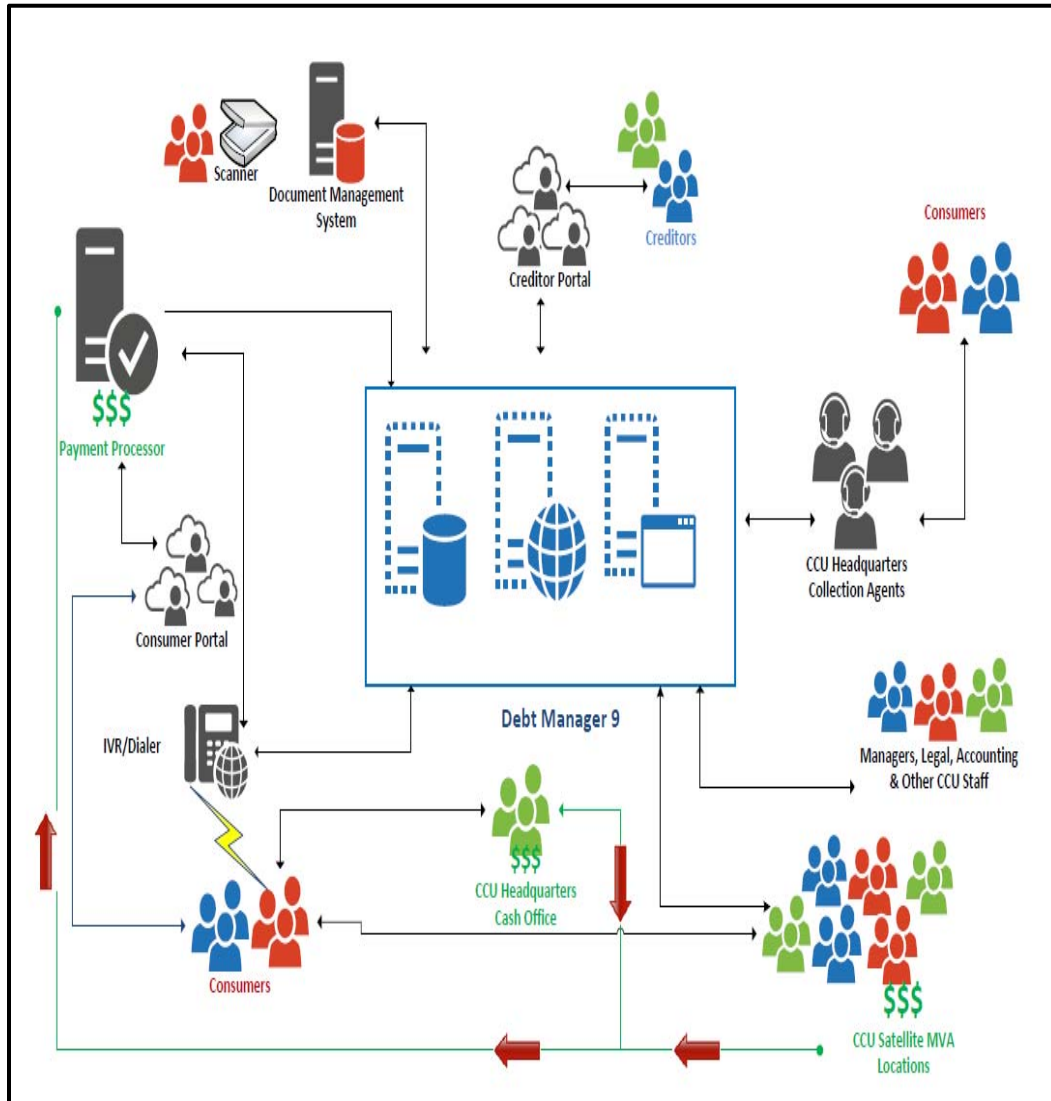


Figure 4: Diagram of the CCU modernization effort

Cost:

The estimated ROI is currently calculated at 18.7M planned cost / (8M net collection fees x 30% increase in collections) or approximately 7 years. Intangible benefits include improved system security and operational maintainability.



Maryland Horse Racing

The Commission

The Maryland Racing Commission oversees and regulates both the harness and thoroughbred horse racing industry in Maryland. It was formed in 1920 (Chapter 273, Acts of 1920) and licenses all persons, associations, or corporations that hold any horse racing meet within the State where racing is permitted for any stake, purse, or reward. This includes Maryland's six off-track betting sites. Maryland is also the proud host of the Preakness, the second jewel of thoroughbred racing's Triple Crown.

The Commission makes all regulations governing races and through its stewards and judges, officiates races. It may also regulate the size of a purse, the price of admission, or the charge made for any article or service sold at the meets. All of the participants, from the track itself to the jockeys to the concessionaires who provide the food and drink at the racetrack, are licensed by the Maryland Racing Commission, which ensures proper distribution of wagering dollars and regularly reviews the financial statements of the racing associations.

The commission is also responsible for collecting the state taxes owed by the industry, which currently stands at 0.32% of all winnings. These funds are remitted to the Comptroller of Maryland.

Race Track Locations

Maryland has five (5) Thoroughbred tracks and two (2) harness track locations. The Thoroughbred race track locations are:

1. Laurel Park, Laurel MD.
2. Pimlico Race Course, Baltimore MD.
3. Timonium Race Course, Timonium, MD.
4. Fair Hill Races, Elkton MD.
5. Ocean Downs, Berlin MD.

The Harness Tracks can be found at:

- Rosecroft Raceway, Fort Washington MD.
- Ocean Downs, Berlin MD.

The Racing commission also regulates any Off-track betting (OTB) and the facilities that conduct OTB's within the state. These facilities can sometimes be a race track location when live racing is not going on.



The Commission regulates six (6) Off-track betting facilities, namely:

- Hollywood Casino Perryville, Perryville MD
- Horseshoe Casino, Baltimore MD
- Riverboat on the Potomac, Colonial Beach VA
- Pimlico Race Course, Baltimore MD
- Timonium Fair Grounds, Lutherville MD
- G. Boone Restaurant, Boonsboro MD

In addition, there are 7 account wagering entities that operate in the state of Maryland, namely:

- Twin Spires
- Express Bet
- Watch and Wager
- Penn National
- Philadelphia Park
- NYRA Bets
- TVG

These companies have contracts with the racetracks and they are required to abide by the Commission regulations. They establish and maintain accounts for individuals, which enable them to wager on any race that the racetracks offers wagering on. Proceeds from successful wagers are then deposited directly into the individuals' personal accounts.

All wagering and payouts related to Horse racing in the state of Maryland are essentially managed and processed through a central database.

Technology

The betting systems that operate within the racetracks are owned and operated by AmTote International, a company that specializes in the wagering industry's technological needs. It is noteworthy that these betting systems are not directly regulated by the State, but are designed and installed to the specifications and/or requirements of the racetracks, which are regulated by the Maryland Horse Racing Commission.

Under the AmTote system, there is a central database that all racetracks and OTB's connect to. Data flows between the central database and all locations allowing for all transactions to be executed and recorded in real time. As such, payouts to clients at a racetrack, OTB site, or other account wagering entity, are dependent on the local systems receiving the requisite approval from the central database.



Conclusions

Restitution

The State of Maryland does not have a single process by which restitution is collected, managed and disbursed. The agencies involved in restitution all have their own processes and strategies for collecting monies from offenders and disbursing to victims. However, if unsuccessful at collecting owed restitution, these agencies turn to the CCU to intercept the earnings of the offender, thereby allowing CCU to include fees to the offenders' debt.

Child Support

The Department of Human Resources (DHR) – Child Support Enforcement Administration (CSEA) has its own processes and methods for collecting child support from compliant Non-custodial parents and intercepting the earnings of non-compliant, Non-custodial parents. CSEA does not employ the services of the CCU for Intercepts, although they use similar intercept programs.

The methods and technologies used by the CSEA are guided and regulated by Federal mandates and guidelines as well as those of the State of Maryland.

Intercepts

The most efficient and effective way of performing an Intercept in the State of Maryland is by referring the debt to the CCU. Intercepts are the core competency of this organization and they will have the best technologies and processes in place to be successful.

Taking over a debt collection means the CCU can charge a fee for their services, but it removes the need for agencies that are not be in the business of debt collection to perform such activities.



Effectiveness of current Interfaces

The current interfaces used by the State for child support enforcement and restitution collection are reasonably effective, in that monies are collected and distributed. Efficiencies can be gained by reducing the duplication of efforts amongst agencies and developing capabilities.

As examples, CSEA and CCU both conduct Intercepts of default accounts- in some cases using the same Intercept programs. DPSCS and DJS both collect monies for non-default restitution, when this is not a core competency of either agency.



Recommendations

Intercepting Horse Race Winnings

Having analyzed the various restitution, child support collection and intercept processes within the State of Maryland, the recommendations for intercepting winnings within the Horse Racing Industry are as follows:

1. Allow the CSEA to implement their Intercepts process as described in Appendix C, Process Diagram 5. This would add the Horse race track locations, OTB sites and account wagering entities to the list of organizations that could be required to withhold funds from winners' earnings for forwarding to the Custodial parent. This is the same process currently used to intercept Lottery and Casino earnings within the State of Maryland and has proven effective while keeping the CSEA within the guidelines prescribed by both State and Federal regulations.
2. Allow the CCU to implement their Intercepts process as described in Figure 2. This would add the Horse race track locations, OTB sites and account wagering entities to the list of organizations that could be required to withhold funds from winners' earnings for forwarding to the CCU and eventually to requesting agencies. The CCU uses a Lottery Offset and Casino intercepts program which has proven effective at intercepting winnings in a gambling environment. In addition, the CCU modernization effort will streamline the intercepts process and allow for more real-time updates to the relevant databases.
3. Explore the development of a centralized restitution database that would reduce the duplication of efforts by agencies. DPSCS has conducted research into the framework of such a database and how it might interface with agencies that have interests in Restitution.

The fact that the Horse Race tracks, OTB sites and Account wagering entities operate through a central database, provides a focal point for possible intercepts. AmTote International, in its capacity as manager of the Horse Racetrack betting systems would simply retrieve files containing details of intercepts and ensure that winners above a defined dollar amount are cross referenced against the files before payouts are made.

The CCU makes this all the more efficient in the long term. Part of their modernization effort allows for an interface, which will provide more up to date and accurate cross-referencing, thus reducing, if not removing the possibility of error in terms of whose earnings and how much needs to be intercepted.



APPENDICES

Appendix A – CCU Debt Referral Form

DEBT REFERRAL

Central Collection Unit
300 W. Preston Street, Room 500
Baltimore, Maryland 21201
Tel: (410) 767-1228

Bankruptcy (Complete if applicable Information attached)
Case Number
Date Filed
State where filed
Chapter 7 13 11

1. CCU Client# (REQUIRED ENTRY)
2. Debtor (LAST NAME) (Business Name) (FIRST NAME) MI
3. Debtor Address Bad Address City State Zip Code
4. Telephone Number 5. Date of Birth
6. Type of Debtor (Check Box) Individual Partnership Corporation
7. Social Security Number (If #2 above is an individual)
8. Maryland Driver's License Number (If Known)
9. Taxpayer Identification Number (FEIN) (If Applicable)
10. Debt Amount a. Principal b. Interest c. Collection Fee of 17% will be computed by CCU d. Other
11. Agency Account Number (Client Reference)
12. Interest Rate (If Applicable) % 13. Effective Date Mo. Day Yr.
14. Nature/Cause of Debt (Include Date of Debt/Service)
15. Agency Contact Person Name Date of Referral Phone Number

Check here if additional information is on back. DBM-CCU-33-97



Appendix B – CCU New Client Form

NEW CLIENT FORM

Central Collection Unit
300 W. Preston Street, Room 500
Baltimore, Maryland 21201

Telephone No.: (410) 767-1228

1. CCU Client # (To be completed by CCU)

2. Taxpayer Identification Number (FEIN) If Applicable

3. Client Name

4. Client Address

Street
 City State Zip-Code

5. Telephone Number - Fax Number

6. Client Contact Person

7. Remit Code

8. Budget Code Program Fund Source

9. Fund Source _____ (General, Federal, etc.)

R*STARS - Agency PCA TC Code Comp/Agency Object

10. _____ Form Completed By _____ Date



Appendix C – CSEA Intercept Processes

Diagram 1

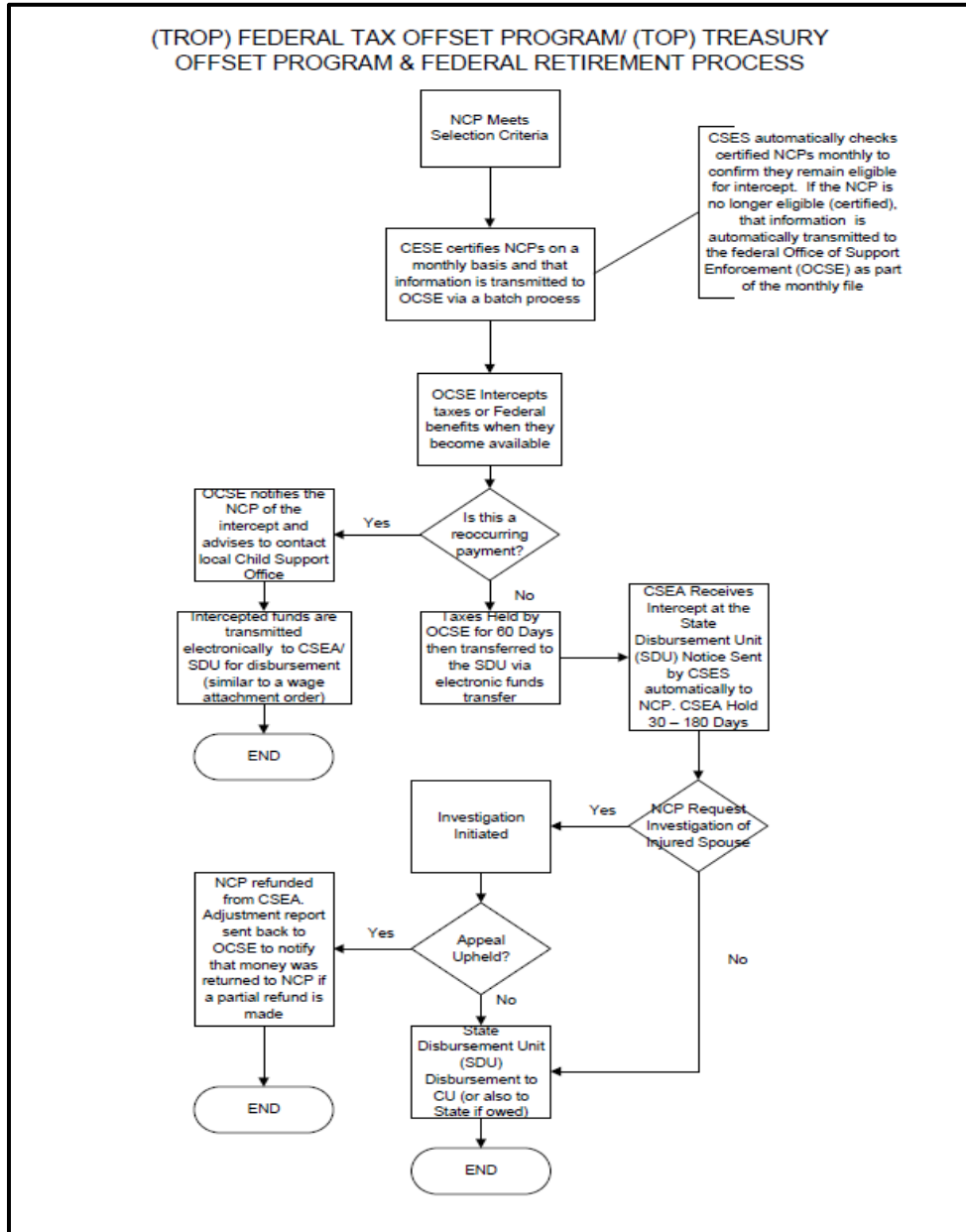




Diagram 2

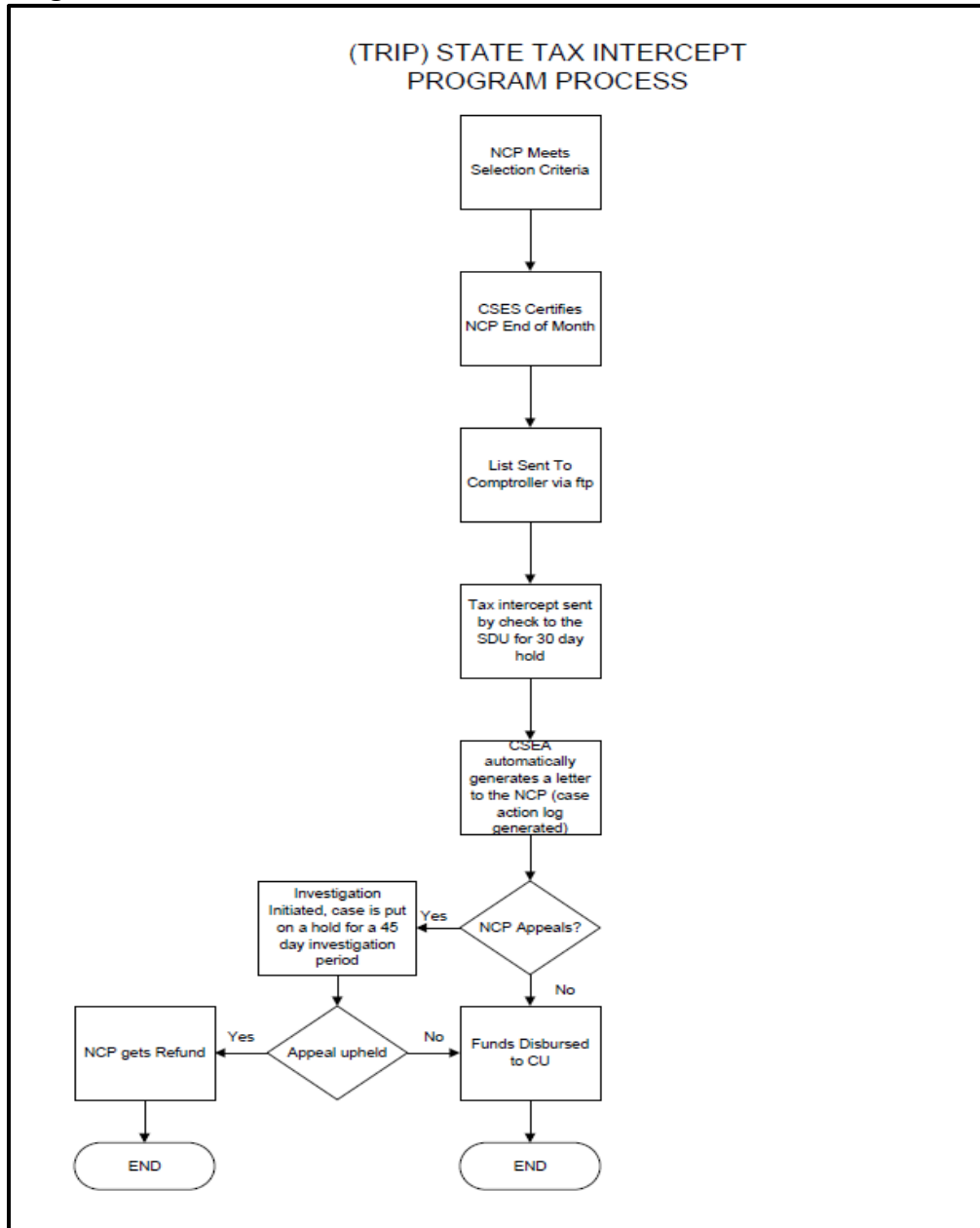




Diagram 3

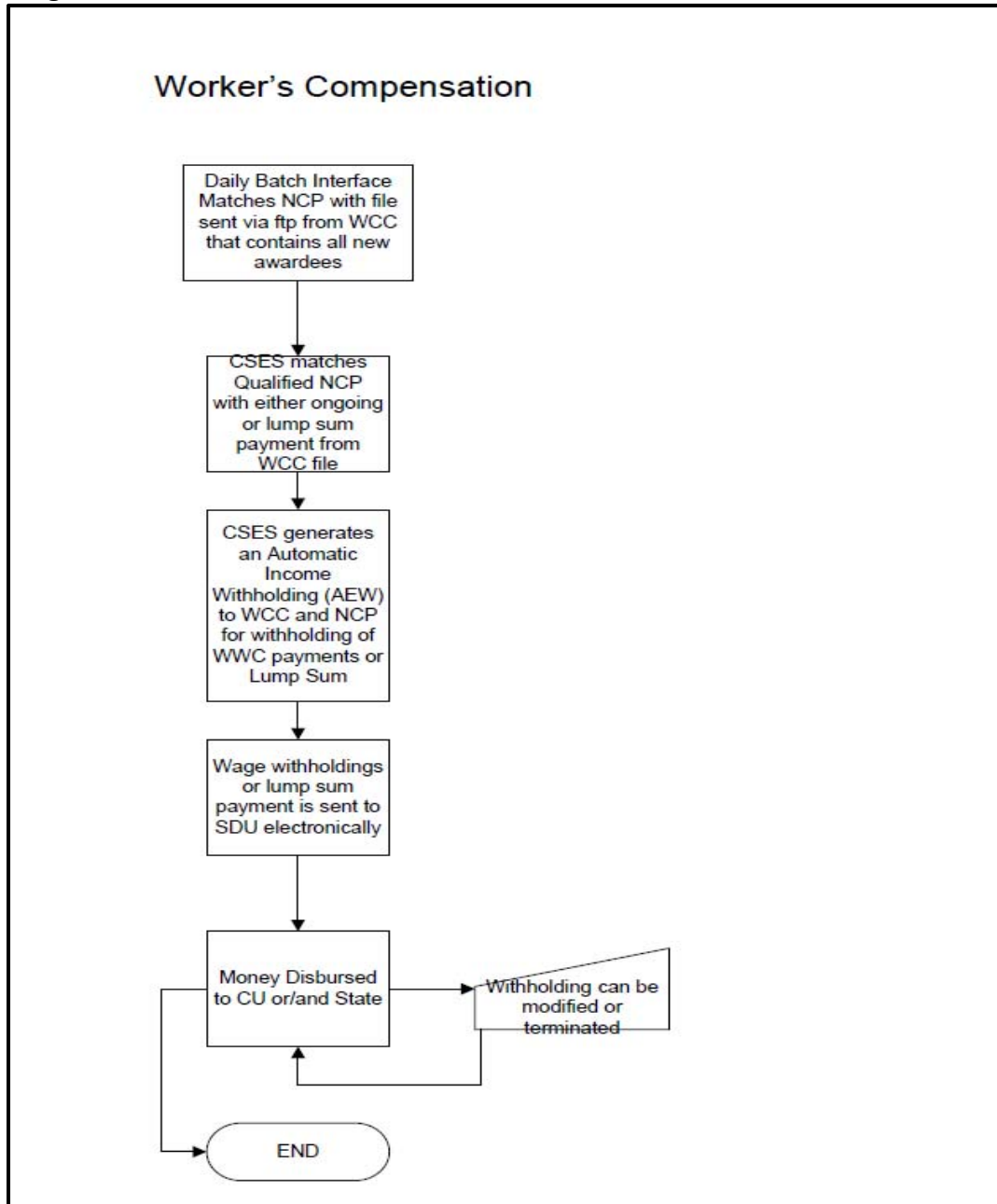




Diagram 4

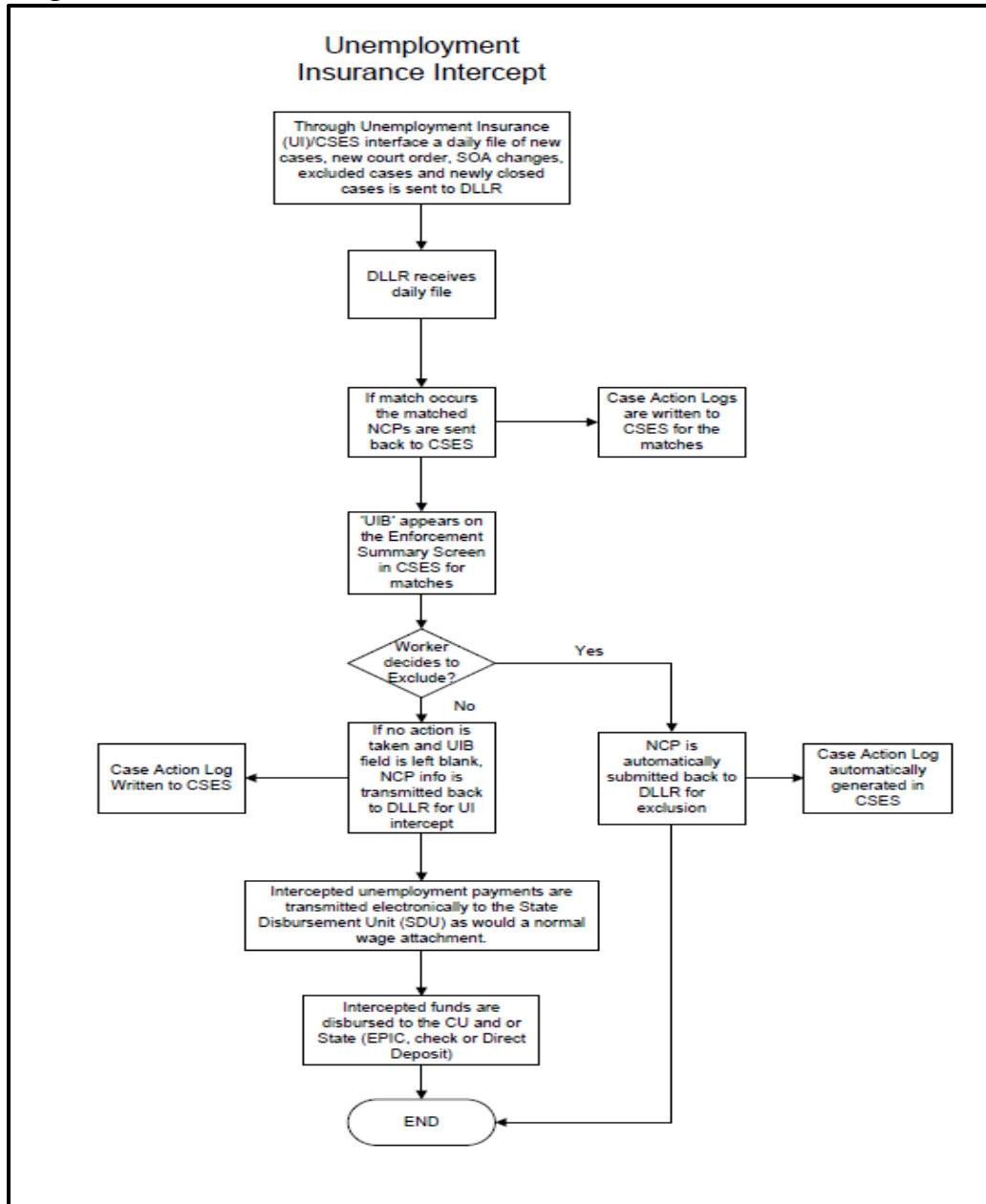




Diagram 5

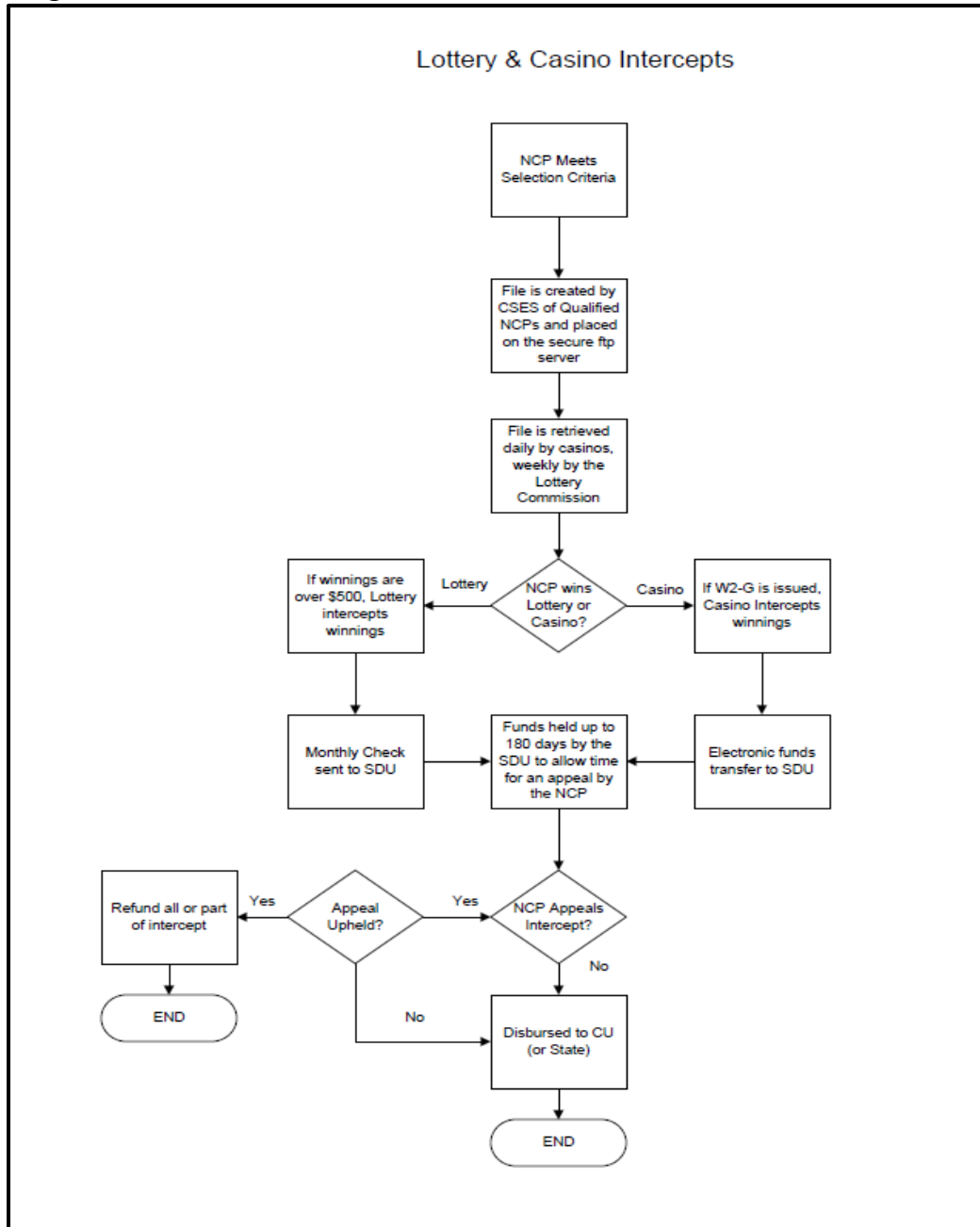
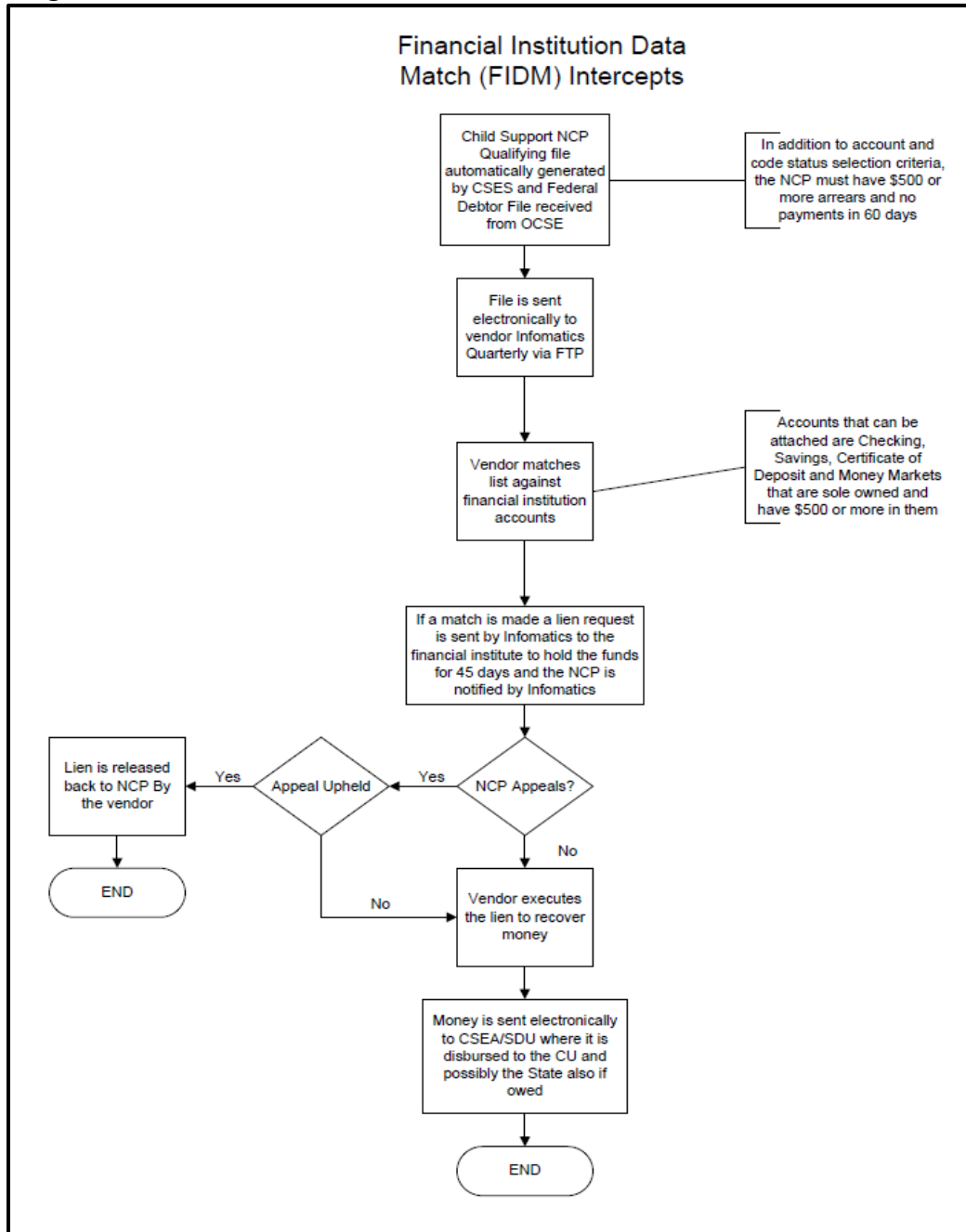




Diagram 6





Appendix D – CCU Modernization Effort Details

The Systems and Applications Risk Assessment (SARA) project that completed in FY07 identified significant limitations of the current technology to satisfy business requirements. These limitations have resulted in inefficient processes which are adversely affecting both internal operations and external customer service. Because the current technology is critical to the core business of CCU, there is the risk that a system failure will adversely impact CCU's ability to manage the collection of monies owed to the state by delinquent debtors.

The modernization implementation effort is structured into a two-step process; first, the release and award for a core debt collection software product and to conduct a post-award evaluation of the product on State infrastructure and second, the configuration of the core debt collection software to meet CCU business needs in addition to conducting multiple procurements for the selection and implementation of peripheral systems such as document management, IVR and other capabilities. This approach reduces risks to the project by allowing CCU flexibility to select the desired software from a larger pool of candidates. This will provide the flexibility for the team to select a software solution that is not limited to what an implementer would be able to offer.

Technology:

The proposed core COTS debt collection information system (DCIS) consists of an industry standard system architecture that provides web portal access for debtors and clients, configurable workflows, an extendable database, a business rules engine, web services for exchanging data within systems in addition to standard and custom reporting capabilities.

The core COTS DCIS includes an Extract, Transform and Load (ETL) product for interfaces and data conversion. Additional software components planned in the overall implementation include a document management solution for scanning, storing and retrieving documents, an Interactive Voice Response System (IVR) solution for debtors to obtain account information, an Integrated Predictive Dialer solution for call campaigns and improved system capabilities supporting accounting and legal business processes. The scope of the CCU project has increased to include the upgrade to FICO DM9 version 9.8 for case management functionality to reduce manual processes in addition to the implementation of DoIT's VoIP system to address the existing telephone system being obsolete.

Modernization Program's Strategic Goals:

This project directly supports CCU's MFR goal of maximizing returns on debt collection. Today,



CCU manages over 2.4 million debt accounts for the collection of monies owed to the State. The CCU expects to achieve the following quantifiable targets one full year after final implementation of the new solution: a 15% to 20% increase of net profits on debt accounts, a 15% to 20% increase of debt accounts collected on in part or in full, and a 5% to 10% decrease in the cost for paper, printing, and mailing.

Critical Success Factors:

The CCU System Modernization will be considered a success if the following occurs once the new system is implemented: increased CCU revenue, improved business operations, resolved security risks (identified in the application security risk assessment) and mitigated audit exposures (identified in the 2009 audit). Specifically, the new system will:

- Resolve significant functional and data gaps which result in missing or inaccurate account balance and status data available to CCU collectors and clients
- Automate process to target most delinquent accounts with the highest probability to collect resulting in increased revenue, improved time efficiencies and strategic alignment of resources
- Ensure real-time system-to-system data exchanges to timely record and properly account for all funds
- Reduce the need to post transactions to the clearing account and automate the reconciliation process