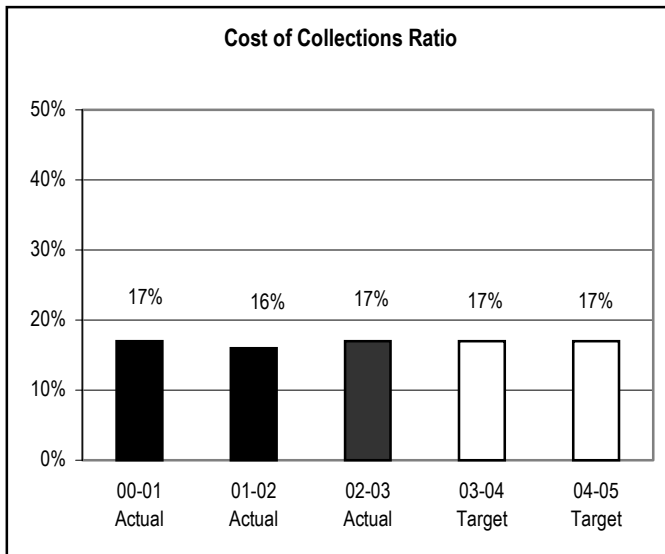
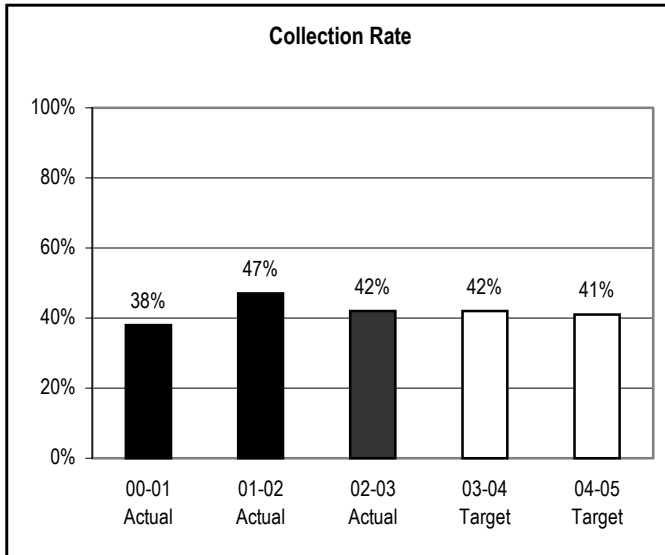


Revenue Services Collections Unit (1741P)

Program Outcome Statement

The Collections Unit provides billing and revenue debt collection services to County departments in a cost-effective manner to maximize revenue recovery.

Headline Measures



Story Behind Baseline Performance

The Collections Unit has consistently met both its revenue and expenditure goals. Over the past eight years, annual revenue has increased from \$6,000,000 to \$18,400,000. The Collection Unit has achieved a revenue to expenditure ratio of less than 20%. Over the last 18 months, the Unit has:

- Completed a cost benefit analysis to evaluate the feasibility of scheduling collection activities in the evening and on the weekends.
- Developed and implemented a pay for performance program to reward increased collections.
- Completed a feasibility study for use of an automatic dialer for collection calls.
- Bar-coded payment coupons and purchased scanners to support check posting activity.
- Developed a Revenue Services web page.
- Implemented a windows-based upgrade to the Revenue Collection System.

The challenge for the Collection Unit is to maintain collections in an economic downturn by exploring and implementing new technologies and collection tools.

Program Priorities

The Collections Unit will meet performance targets by doing the following:

Increase Revenue for County Departments (Funding Adjustment 2)

- Complete the contract with Franchise Tax Board which will allow Revenue Services to use State resources and capabilities for increased collections
- Purchase and implement an automatic dialer system to increase collections

Improve the Use of Technology to Support Division Goals

- Continue to work with the Probation Department to automate the account referral process
- Pilot a direct payment deposit program with the Treasurer's Office

Performance Measures Summary Table

Performance Measures	FY 2000-01 Actual	FY 2001-02 Actual	FY 2002-03 Actual	FY 2003-04 Target	FY 2004-05 Target
What/How Much We Do					
Dollar amount of accounts received	\$38.7M	\$38.8M	\$42.9M	\$42.5M	\$44.0M
Number of accounts received	76,038	59,420	62,125	60,700	62,800
How Well We Do It (Quality)					
Percent of debtors contacted within five days of receipt	100%	100%	100%	100%	100%
Percent of accounts collected	44%	55%	51%	50%	50%
Is Anyone Better Off? (Outcome)					
Dollars collected	\$14.8M	\$18.4M	\$18.1M	\$17.8M	\$18.2M
Total cost of collections	\$2.5M	\$2.9M	\$3.1M	\$2.9M	\$3.1M
Collections rate	38%	47%	42%	42%	41%
Cost of collections ratio	17%	16%	17%	17%	17%

Revenue Services Collections Unit (1741P) Resource Allocation Summary

	Actual 2001-02	Actual 2002-03	Revised 2002-03	Adopted 2003-04	Change 2003-04	Adopted 2004-05
Salary Resolution	35.0	33.0	33.0	33.0		33.0
Funded FTE	35.0	33.0	33.0	33.0		33.0
Total Requirements	1,103,863	1,433,119	1,123,273	1,316,527	193,254	1,342,431
Total Sources	1,663,745	1,577,397	1,209,874	1,427,079	217,205	1,452,983
Net County Cost	(559,882)	(144,278)	(86,601)	(110,552)	(23,951)	(110,552)
NCC Breakdown						
Non-Mandated Services			(86,601)	(110,552)	(23,951)	(110,552)

Program Net County Cost

This Program has a negative Net County Cost of \$110,552. Revenues received from charges to users exceed direct operational costs, and are used to offset overhead budgeted in other programs.

FY 2003-04 Program Funding Adjustments

The following are significant changes from the FY 2002-03 Revised Budget to the FY 2003-04 Adopted Budget:

1. Adjustments to Provide Current Level of Services

Budget adjustments have been made as follows: inclusion of merit increases and negotiated labor increases, Extra Help and Overtime and reduction in Postage, Software, Furniture, Employee Training and Fixed Assets. Revenue is projected to increase based on the current and projected collection rate, mostly for the San Mateo Medical Center.

Revenue/Sources	Appropriations	Intrafund Transfers	Reserves	Net County Cost	Positions
192,227	225,636	(57,360)	0	(23,951)	0

2. Technology Improvement

Based on an audit recommendation from the Controller's Internal Audit Division, Revenue Services will purchase a Columbia Ultimate Call Center, an automatic dialing system that integrates with the County's existing collection system. In other agencies that have used this system the number of debtor contacts has increased by 200-300% per agent, primarily by eliminating the unproductive time spent between calls and in dialing and connecting new calls more rapidly and accurately. In these agencies increased connections to debtors has increased their collections rates on accounts.

Revenue/Sources	Appropriations	Intrafund Transfers	Reserves	Net County Cost	Positions
24,978	71,365	(46,387)	0	0	0

TOTAL FY 2003-04 PROGRAM FUNDING ADJUSTMENTS

Revenue/Sources	Appropriations	Intrafund Transfers	Reserves	Net County Cost	Positions
217,205	297,001	(103,747)	0	(23,951)	0

FY 2004-05 Program Funding Adjustments

The following are significant changes from the FY 2003-04 to the FY 2004-05 Adopted Budget:

3. Adjustments to Provide Current Level of Services

Budget adjustments have been made as follows: annualization of negotiated labor increases, as well as merit increases and higher benefit costs; expenditures in conjunction with the completion of the installation of the automatic dialing system. Revenue is projected to increase based on the current and projected collection rate.

Revenue/Sources	Appropriations	Intrafund Transfers	Reserves	Net County Cost	Positions
25,904	65,429	(39,525)	0	0	0