

Nov 2023 Revenue Estimating Conference

Nov 6, 2023

Additional Agency Questions and Responses

Additional Agency Questions (CCU, DMV, DLT) [Agencies to provide written responses only, no testimony required unless follow-up requested by conferees]

Department of Revenue: Central Collections Unit

1. Please provide an update on the status of collections by the new Central Collections Unit. (DOR-CCU)
 - a. Please provide a summary of Traffic Tribunal receivables by year.
 - b. How much, if any, of the Traffic Tribunal receivables have previously been referred to outside collections services?

Please see below documents:



REVENUE ESTIMATING CONFERENCE

NOVEMBER 2023



Background

The Central Collections Unit ("CCU") was established within the Department of Revenue by the General Assembly through Rhode Island Gen. Laws § 42-142-8, effective July 1, 2018, for the purpose of assisting state agencies in the collection of delinquent debts. These debts are made up of unpaid fines, fees, penalties, restitution, invoices, statements, plus unpaid wages due from private entities to their former employees for violations of state wage laws -all of which have been levied upon individuals and entities by Rhode Island state agencies. CCU assists state agencies in the collection of these delinquent debts owed to the state utilizing the most efficient collection methods and adhering to the highest professional standards.

Pursuant to Rhode Island Gen. Laws § 42-142-8(p), the Department of Revenue shall "assess the performance, effectiveness, and revenue impact of the collections associated with [the Central Collections Unit] including, but not limited to, the total amounts referred and collected by [or on behalf of] each referring agency during the previous state fiscal year.

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Outline

Agency Executed Memoranda of Understanding	20
Delinquent Debt Collected by Fiscal Year	
Fiscal Year 2019 (Jan -Jun)	\$103,039
Fiscal Year 2020	\$743,968
Fiscal Year 2021	\$2,173,490
Fiscal Year 2022	\$2,813,120
Fiscal Year 2023	\$2,716,468
Fiscal Year 2024 (as of 10/27/23)	\$875,680
Total Collected	\$9,425,766
Total Active Litigation cases	98
Total Settled Litigation cases	59
Total Collected from Settled Litigation cases	\$318,746
Total Collected from Wage Restitution to Employees cases	\$429,845

Data as of 10/27/2023

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Fiscal Year 2024 - July 2023 to October 27, 2023

Agency	Total Debt Referred	FY 2024 - Principal Collected	FY 2024 - Interest/Fees Collected	FY 2024 - Total Collections
BOE - Rhode Island State Board of Elections	\$23,521	\$0	\$0	\$0
DBR CRB- Department of Business Regulation Contract Registration Board	\$1,179,481	\$6,100	\$433	\$6,533
DCYF - DCYF-Rhode Island Department of Children, Youth and Families	\$123,807	\$0	\$0	\$0
DEM - Rhode Island Department of Environmental Management	\$512,250	\$2,700	\$0	\$2,700
DLT - Rhode Island Department of Labor and Training	\$8,014,266	\$148,772	\$1,085	\$149,857
DMV - Rhode Island Department of Motor Vehicles	\$1,595,225	\$57,147	\$1,656	\$58,803
DOA - Rhode Island Department of Administration	\$83,587	\$1,584	\$223	\$1,807
DOH - Department of Health	\$3,750	\$0	\$0	\$0
DOR Tax- Rhode Island Department of Revenue, Division Taxation	\$1,136,767	\$0	\$0	\$0
EOHHS - Executive Office of Health and Human Services	\$514,133	\$20,000	\$0	\$20,000
Ethics - Rhode Island Ethics Commission	\$151,149	\$200	\$0	\$200
RICHR - Rhode Island Commission for Human Rights	\$18,800	\$0	\$0	\$0
RIPTA - Rhode Island Public Transportation Authority	\$18,986	\$0	\$0	\$0
RISP - Rhode Island State Police	\$2,027	\$0	\$0	\$0
RITBA - RI Turnpike & Bridge Authority	\$1,172,349	\$18,356	\$23	\$18,379
RITT - Rhode Island Traffic Tribunal	\$37,805,365	\$617,401	\$0	\$617,401
SOS - Secretary of State	\$4,509	\$0	\$0	\$0
Total	\$52,359,971	\$872,260	\$3,420	\$875,680

Data as of 10/27/2023

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Collections by Agency and Fiscal Year

Agency	Total Debt Referred	FY 2019 - Collections	FY 2020 - Collections	FY 2021 - Collections	FY 2022 - Collections	FY 2023 - Collections	FY 2024 - Collections	Total Debt Collected	% of collections (Collect / Referred)
BOE - Rhode Island State Board of Elections	\$23,521	\$0	\$2,362	\$1,052	\$1,125	\$1,000	\$0	\$5,539	23.55%
DBR CRB - Department of Business Regulation Contract Registration Board	\$1,179,481	\$0	\$0	\$1,350	31981.2	\$39,463	\$6,533	\$79,328	6.73%
DCYF - DCYF-Rhode Island Department of Children, Youth and Families	\$123,807	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
DEM - Rhode Island Department of Environmental Management	\$512,250	\$10,670	\$75,791	\$52,840	\$84,738	\$28,902	\$2,700	\$255,641	49.91%
DLT - Rhode Island Department of Labor and Training	\$8,014,266	\$90,939	\$541,194	\$129,017	\$172,170	\$108,525	\$149,857	\$1,191,701	14.87%
DMV - Rhode Island Department of Motor Vehicles	\$1,595,225	\$0	\$23,565	\$112,923	\$126,697	\$119,564	\$58,803	\$441,552	27.68%
DOA - Rhode Island Department of Administration	\$83,587	\$0	\$8,875	\$5,068	\$2,627	\$2,030	\$1,807	\$20,407	24.41%
DOH - Department of Health	\$3,750	\$0	\$801	\$1,500	\$0	\$1,018	\$0	\$3,319	88.50%
DOR Tax - Rhode Island Department of Revenue, Division of Taxation	\$1,136,767	\$0	\$16,243	\$0	\$0	\$0	\$0	\$16,243	1.43%
EOHHS - Executive Office of Health and Human Services	\$514,133	\$0	\$0	\$110,843	\$152,121	\$148,658	\$20,000	\$431,622	83.95%
Ethics - Rhode Island Ethics Commission	\$151,149	\$1,430	\$8,035	\$1,145	\$1,286	\$1,000	\$200	\$13,096	8.66%
RICHR - Rhode Island Commission for Human Rights	\$18,800	\$0	\$3,000	\$0	\$0	\$0	\$0	\$3,000	15.96%
RIPTA - Rhode Island Public Transportation Authority	\$18,986	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
RISP - Rhode Island State Police	\$2,027	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
RITBA - RI Turnpike & Bridge Authority	\$1,172,349	\$0	\$0	\$0	\$2,330	\$15,543	\$18,379	\$36,252	3.09%
RITT - Rhode Island Traffic Tribunal	\$37,805,365	\$0	\$63,178	\$1,757,752	\$2,238,044	\$2,250,765	\$617,401	\$6,927,140	18.32%
SOS - Secretary of State	\$4,509	\$0	\$925	\$0	\$0	\$0	\$0	\$925	20.51%
Total	\$52,359,971	\$103,039	\$743,968	\$2,173,490	\$2,813,120	\$2,716,468	\$875,680	\$9,425,766	18.00%

Data as of 10/27/2023

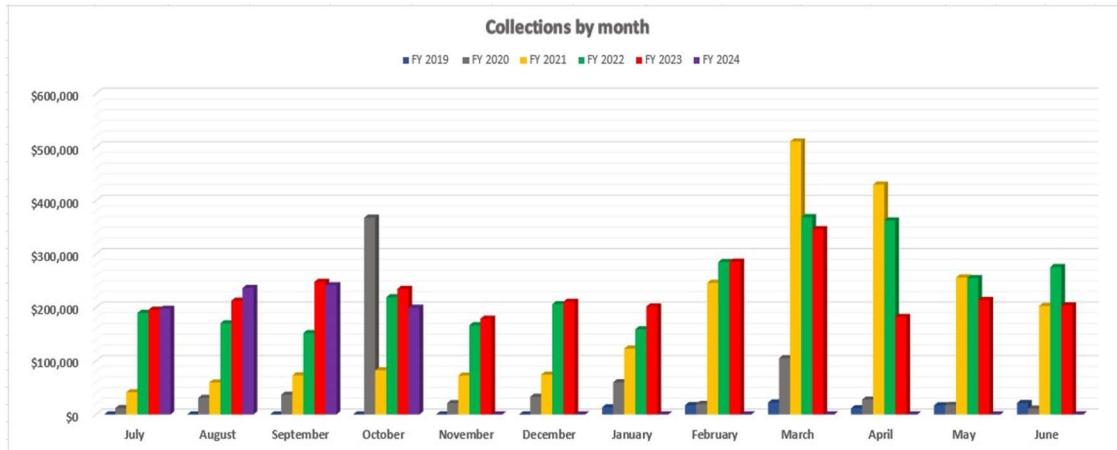
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Collections by month

Month	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Monthly Av g.
July	-	\$11,898	\$41,536	\$189,919	\$195,708	\$197,711	\$127,354
August	-	\$30,946	\$59,706	\$170,574	\$212,863	\$236,608	\$142,140
September	-	\$36,896	\$73,006	\$152,289	\$248,084	\$241,847	\$150,424
October	-	\$368,157	\$82,547	\$219,411	\$234,874	\$199,514	\$220,901
November	-	\$21,200	\$72,618	\$166,860	\$179,054	\$0	\$87,946
December	-	\$33,047	\$74,304	\$206,351	\$210,757	\$0	\$104,892
January	\$13,342	\$60,164	\$123,281	\$159,392	\$201,866	\$0	\$93,007
February	\$17,336	\$19,599	\$246,237	\$285,127	\$285,927	\$0	\$142,371
March	\$22,309	\$105,331	\$510,829	\$369,158	\$346,670	\$0	\$225,716
April	\$11,572	\$27,839	\$430,161	\$363,038	\$182,513	\$0	\$169,187
May	\$16,982	\$17,906	\$256,272	\$255,140	\$214,102	\$0	\$126,734
June	\$21,498	\$10,984	\$202,993	\$275,861	\$204,053	\$0	\$119,232
Total	\$103,039	\$743,968	\$2,173,490	\$2,813,120	\$2,716,468	\$875,680	

Data as of 10/27/2023

FY 2019		FY 2020		FY 2021		FY 2022		FY 2023		FY 2024	
Min.	Max	Min.	Max	Min.	Max	Min.	Max	Min.	Max	Min.	Max
April	\$11,572	March	\$22,309	June	\$10,984	October	\$368,157	July	\$41,536	March	\$510,829
September	\$152,289	March	\$369,158	November	\$179,054	March	\$346,470	July	\$197,711	September	\$241,847



Data as of 10/27/2023

Agency Funds Distribution

Agency	FY 24 Collections	Fund Desc.	Distribution %
BOE - Rhode Island State Board of Elections	\$0	General Revenue	100%
DBR CRB- Department of Business Regulation Contract Registration Board	\$6,100	Restricted Receipts	100%
DCYF - DCYF-Rhode Island Department of Children, Youth and Families	\$0	Other Funds	100%
DEM - Rhode Island Department of Environmental Management	\$2,700	General Revenue	100%
DLT - Rhode Island Department of Labor and Training	\$148,772	General Revenue	100%
DMV - Rhode Island Department of Motor Vehicles	\$57,147	General Revenue	100%
DOA - Rhode Island Department of Administration	\$1,584	Other Funds	100%
DOH - Department of Health	\$0	Restricted Receipts	100%
DOR Tax - Rhode Island Department of Revenue, Division of Taxation	\$0	General Revenue	100%
EOHHS - Executive Office of Health and Human Services	\$20,000	General Revenue	100%
Ethics - Rhode Island Ethics Commission	\$200	General Revenue	100%
RICHR - Rhode Island Commission for Human Rights	\$0	General Revenue	100%
RIPTA - Rhode Island Public Transportation Authority	\$0	Other Funds	100%
RISP - Rhode Island State Police	\$0		
RITBA - RI Turnpike & Bridge Authority	\$18,356	Other Funds	100%
SOS - Secretary of State	\$0	General Revenue	100%
RITT - Rhode Island Traffic Tribunal	\$617,401		
RITT Distribution Fund 1	\$450,703	General Revenue	73%
RITT Distribution Fund 2	\$135,828	Restricted Receipts	22%
RITT Distribution Fund 2	\$30,870	Other Funds	5%

Data as of 10/27/2023

RITT – Receivables

- The information contained on the chart was gleaned from the citations that were referred by RITT to CCU
- The chart reflects all the receivables referred by RITT to CCU
- As of March 31, 2023, collection letters have been sent primarily to businesses for the period 2000 through 2022
- Collection letters have been sent to individuals for the period 2001 through 2022

Disposition Date by Calendar Year	Total Debt Referred	Total Collections	No. of Tickets
Unknown date	\$927,085	\$176,220	1,701
Prior to 2000	\$5,945	\$5,736	41
2000	\$216,011	\$75	670
2001	\$470,564	\$3,131	1,476
2002	\$1,083,372	\$9,539	3,275
2003	\$1,143,925	\$31,737	3,283
2004	\$1,021,678	\$38,147	3,122
2005	\$1,011,767	\$37,866	3,169
2006	\$869,314	\$43,517	3,014
2007	\$811,304	\$37,691	2,609
2008	\$996,608	\$37,950	2,495
2009	\$1,064,671	\$48,806	2,597
2010	\$1,101,107	\$43,373	2,307
2011	\$920,941	\$59,106	2,224
2012	\$792,128	\$84,896	2,534
2013	\$1,010,077	\$77,015	2,873
2014	\$1,221,130	\$127,172	3,507
2015	\$1,173,730	\$151,467	3,367
2016	\$1,606,383	\$271,285	4,530
2017	\$1,801,932	\$341,337	4,785
2018	\$2,380,685	\$491,496	6,029
2019	\$2,648,402	\$76,196	7,164
2020	\$3,002,598	\$1,164,000	8,347
2021	\$4,234,345	\$1,346,064	13,418
2022	\$3,793,040	\$1,183,144	13,168
2023	\$2,496,625	\$320,166	8,914
Total	\$37,805,361	\$6,927,141	\$110,615

Disposition date– date Rhode Island Traffic Tribunal (court) makes a final ruling in the case

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RITT – Outside collection services

How much, if any, of Traffic Tribunal receivables have previously been referred to outside collection services? In researching a response to this question, the CCU has spoken to representatives of the RITT, the Supreme Court Administrator and the Supreme Court’s Assistant Administrator for Finance and Budget.

- The Traffic Tribunal was established in 1999, pursuant to Rhode Island Gen. Laws Chapter 8-8.2
- The Traffic Tribunal, as currently constituted, has never retained an outside collection agency and the referrals recently made to the CCU are the first time the Traffic Tribunal has referred its debts to an outside entity for collection
- The Administrative Adjudicative Court was extinguished in 1999
- The Supreme Court’s Assistant Administrator for Finance and Budget recalls that the Administrative Adjudicative Court retained an outside collection agency many years ago, but there is no documentation that can be found concerning any interactions between the Administrative Adjudicative Court and that collection agency

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Department of Revenue: Department of Motor Vehicles

- ~~1. Please provide an update on the impact of Real ID on license fees. (DOR-DMV) (removed 10/27/23 via email)~~

Department of Labor and Training

1. Please provide an update on the status of the misclassification task force and collections stemming from its work. (DLT-Employer Tax)

RESPONSE:

FY2024 (7/1/23 -10/31/23) Completed Employer Tax Audits				
	# of Audits	# of Individuals Misclassified	Under Report Wages	Tax, Interest & Penalty
Task Force Audits	16	334	1,896,653.31	55,070.01
Verification/Request Audits	266	240	4,207,695.33	176,461.28
Totals	282	574	6,104,348.64	231,531.29
*There are 49 outstanding Task Force audits currently scheduled or in progress (not included in the above figures).				
FY2023 (7/1/22 - 6/30/23) Completed Employer Tax Audits				
	# of Audits	# of Individuals Misclassified	Under Report Wages	Tax, Interest & Penalty
Task Force Audits	59	550	6,039,220.78	179,846.49
Verification/Request Audits	732	597	8,622,937.22	268,307.28
Totals	791	1,147	14,662,158.00	448,153.77