

Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

October 15, 2018

The Honorable Cameron Henry, Chairman
Joint Legislative Committee on the Budget
P. O. Box 44294
Baton Rouge, LA 70804



Dear Representative Henry:

Act 745 of the 1995 Regular Session requires that all state agencies and component reporting units report to the Commissioner of Administration, on a quarterly basis, information on accounts receivable and debt owed the state. The Commissioner is charged with the responsibility of developing the format for state agencies to report this information and also for compiling this information and reporting the results to the Joint Legislative Committee on the Budget.

Attached is the Accounts Receivable Report for the quarter ended **June 30, 2018**. Not included in the report are the Judiciary and the Legislature. In a letter dated March 6, 1997, from the Second Circuit Court of Appeal, Louisiana Revised Statute (LRS) 39:4 (B) is cited, that the Judiciary and the Legislature do not fall under the jurisdiction of the Division of Administration. The House of Representatives and the Senate have cited LRS 39:2(2) which gives the definition of a state agency. Both the House of Representatives and the Senate contend that the reporting requirement is not applicable to them, as they are not state agencies.

With the creation of the Office of Debt Recovery (ODR) pursuant to Act 399 of the 2013 Regular Legislative Session, state agencies are required to submit their delinquent accounts receivables and debt owed to the state for aggressive collection to this new agency, unless they had an agreement for debt collection with the Office of Attorney General as of January 1, 2014. In order for agencies to report their receivables over 180 days to ODR, the "write-off" column on the quarterly Accounts Receivable report was changed on the Summary page and on the Schedule of Long-Term Receivables Activity by Agency pages to show amounts "Transferred to the ODR" and "Transferred to the Attorney General" for a more aggressive collection using enhanced collection tools. These transferred amounts represent amounts that are uncollectible by the agency and/or exceed the 3 year reporting requirements of the receivable's report.

A total of 123 state and local agencies have signed a Letter of Participation. Ninety-one (91) of those state and local agencies have debt placed with ODR.

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- a. Total account receivables in Collections comprises the following: ODR – Non-tax debt: \$368,808,245 – 596,543 accounts (State agency \$359,166,043 – 581,026 accounts, Higher Education \$2,926,907 – 2,757 accounts, and Municipalities \$6,715,295 – 12,760 accounts) and AG – Non-tax debt – \$143,880,498 (State Agency – \$21,459,408 and Higher Education – \$122,421,090).
- b. LDR has collected \$34,108,396 in Tax Refund Offsets for FY 2018: AG – \$5,339,232; Federal Agencies – \$7,869,254; ODR – \$9,253,040; and Other Local and State Agencies – \$11,616,869.
- c. ODR has collected a total of \$124,254,314 since inception:
 - FY 2015 \$ 96,474 (as adjusted, NSF's)
 - FY 2016 \$ 50,781,585 (as adjusted, NSF's)
 - FY 2017 \$ 41,427,463
 - FY 2018 \$ 31,948,792

The attached quarterly report consists of: a Schedule of Accounts Receivable for the State, a Schedule of Current Receivables Activity by Agency, a Schedule of Long-Term Receivables Activity by Agency, a Schedule of Accounts Receivable Disposition by Agency, a Schedule of Number of Accounts by Agency, and a Schedule of Detail Account Balances by Agency for Beginning Balance, Collections, and Ending Balance. These schedules are explained in the “notes to the account receivable report section” of this report.

If you have any questions concerning the information presented in this report, please contact Mr. Afranie Adomako at (225) 342-0708.

Sincerely,


Jay Dardenne
Commissioner of Administration

JD/AA

Enclosure

cc: Desiree Honoré Thomas, CPA, CGMA
Assistant Commissioner of Statewide Services
Afranie Adomako, CPA
Director of Management and Finance DOA
Kimberly Lewis Robinson, JD, Secretary
Louisiana Department of Revenue
Elizabeth Murrill, Civil Division Director
Office of Attorney General