



# **Adjudication Fee Concept**

## **Administrative Costs Presentation**

**Environmental Quality Council**  
**Adjudication Funding Alternatives Working Group**

June 7, 2004

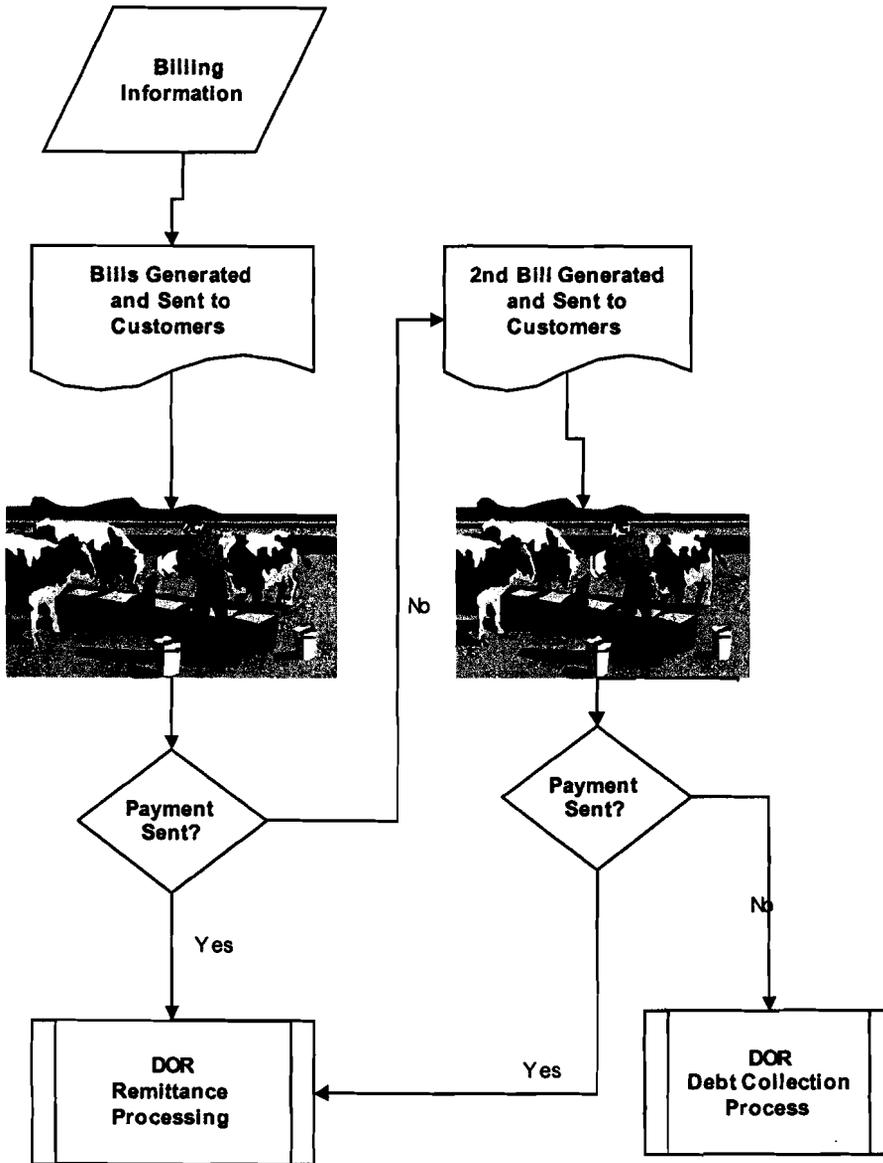


# Current Billing and Remittance Processing Activities at DOR

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- ❑ **Department of Livestock**
  - **Billing and Remittance Processing of Livestock Per Capita Fees**
  - **2.0% Administrative Fee of dollars processed**
  - **Bills sent to approximately 30,000 livestock owners totaling approximately \$3,000,000**
  
- ❑ **Contractor Selection**
  - **Billing and Remittance Processing of Hail Insurance Premiums**
  - **2.0% Administrative Fee of dollars processed**
  - **Bills sent to approximately 500 totaling approximately \$400,000**
  - **Collection of delinquent accounts for a 10% administrative collections fee**

# Billing and Remittance Processing Flowchart





# Estimated Administrative Costs

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- ❑ **Estimated total bills = 115,000**
- ❑ **OTO costs = \$50,000**
  - **Programming**
    - IRIS
    - Scanner
- ❑ **Ongoing costs = \$147,000/year**
  - Printing, envelopes, postage
  - Mail handling, cashiering, records retention
  - System maintenance/changes
  - **Initial bills – 115,000**
  - **Follow-up bills (10%) – 11,500**
- ❑ **Debt collection costs**
  - **10% of dollars collected**
  - **3-4% delinquency rate**



# Questions/Answers

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