

Summary

Shared Services of Alaska (SSoA) was established in the FY18 budget with the overarching goal to standardize and streamline business processes, reduce costs, increase efficiencies, and drive higher quality service. SSoA's Aged Accounts Receivable (A/R) and Debt Recovery program provides portfolio management of aged A/R and a collection process for State of Alaska agencies. As of FY24, the program manages seven portfolios and continues to expand its support to statewide agencies.

MISSION

To provide efficient, cost-effective, and customer-focused aged accounts receivable portfolio management and debt recovery services to Alaska

Core Services

- Portfolio management
- Master Vendor (MV)/Private Collection Agency (PCA) Partnership

Value Added

Enterprise-wide management of aged A/R and debt recovery through SSoA provides value to the State in a variety of ways, including:

- Standardization of processes across the State.
- Centralization of aged A/R collection data.
- Automation of processes.
- Enhanced data stewardship and safeguards.
- Enterprise-wide data reporting and analysis.
- Consistent compliance / audit reviews.
- Increased statewide revenue collected.
- Greater return and reduced cost through utilization of a Master Vendor contract.

Collection Methods

The AARDR Program utilizes the following debt recovery mechanisms.

1. Master Vendor with a Private Collection Agency

Upon receiving letters, calls, or emails from Private Collection Agencies, debtors voluntarily repay their debt

owed to the State of Alaska. Currently, these collection efforts are provided for seven portfolios for four client agencies.

2. Alaska Permanent Fund Garnishment

Debtors have their Alaska Permanent Fund Dividend garnished as result of debt owed in a minor offense, criminal, or civil case. This involuntary debt collection effort is provided for two portfolios, which transferred over to the AARDR Program from the Department of Law.

3. Liens

Lien are filed with DNR to recover debts from individuals with judgements when they sell real property.

Debt Recovered

The AARDR program resolves debts either by fully recovering the debt or by closing accounts due to other situations (i.e. debt is discharged due to bankruptcy or deceased debtor).

Fiscal Year	Accounts Closed
FY19	45,499
FY20	47,398
FY21	32,378
FY22	36,399
FY23	54,164

In FY21, the component closed 32% fewer accounts (recovered less debt) when the Permanent Fund Dividend paid out early. In late FY22, SSoA transitioned from contracting with two private collection agencies to contracting with a Master Vendor who currently manages a single private collection agency. In FY23, the component closed 49% more accounts (recovered more debt) with the larger PFD disbursement and energy relief payment. The PFD's timing and disbursement amount significantly impact recoveries and account closures.

Debt Recovery Management Goal

SSoA continues to expand the program through the onboarding of additional agencies, evaluating statutory authority to create policies for enhanced recovery efforts, and exploring additional collection services (i.e., litigation, post judgement services, and intercepting state payments and services).