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# Congress of the United States

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### Opening Statement Congressman Todd R. Platts June 17, 2003

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A priority of this Subcommittee is the responsibility to ensure that Federal agencies are managing their finances wisely. An important part of solid financial management effort is the collection of debts owed to the government. This Subcommittee, under the leadership of former Chairman Steve Horn and my colleague and current Member of this Subcommittee, Representative Carolyn Maloney (D-NY-14), developed legislation that was enacted as the Debt Collection Improvement Act of 1996, a law that made sweeping reforms to the way the Federal government manages debt. Since that time, the Subcommittee has held numerous hearings focusing on the implementation of the Act.

Today's hearing will look at debt collection successes and challenges at the Veterans Administration and the Department of Education's Office of Federal Student Aid. We'll also hear from the Treasury Department's Financial Management Service for a look at government-wide progress in implementing the Debt Collection Improvement Act.

I am very pleased to note that both the Veterans Administration and the Department of Education have done much to improve debt collection. Our witnesses will testify that their departments are giving debt management a high priority in their strategic planning, and that such focus has paid off.

In terms of all Federal agencies, implementation of the Debt Collection Improvement Act is also improving. Federal agencies are now referring almost all their eligible debts to the Financial Management Service, whose collection results continue to improve each year. FMS has collected about \$15 billion dollars in delinquent debt through its offset program and \$100 million dollars through its contracts with private collection agencies. During fiscal year 2002 alone, collections by private contractors amounted to \$43 million dollars. This represents more than a 60 percent increase over fiscal year 2001.

At the same time, more may need to be done before the Debt Collection Improvement Act will realize its full potential, and we will examine those issues as well.

Today, the Subcommittee will hear from Mr. Richard Gregg, Commissioner of the Financial Management Service at the Department of Treasury; The Honorable William Campbell, Assistant Secretary for Management and Chief Financial Officer at the Department of Veterans Affairs; Ms. Theresa Shaw, Chief Operating Officer of Federal Student Aid at the Department of Education; and Ms. Deanne Loonin, Staff Attorney at the National Consumer Law Center in Boston, Massachusetts. Thank you for being here, today. I look forward to your testimonies.