TEXAS MUNICIPAL COURTS EDUCATION CENTER

Designing a Collections Improvement Program

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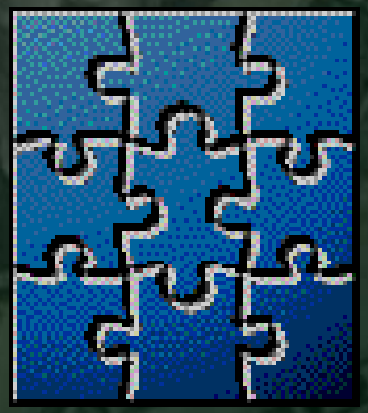
Texas Office of Court Administration

- **State agency**
- **Created in 1977**
- **Chief Justice**
- **- Texas Supreme Court**
- **Provides administrative & technical support**
- **Serves approximately 2,600 courts in the state**
- **(512) 463-1625**

Four Part Presentation

- The Real Issue
- Court Collections Overview
- Proactive Strategies
- Collection Methods



The Issue

"Lack of compliance in paying court fines and fees denies a jurisdiction revenue and, more important, calls into question the authority and effectiveness of the court and the justice system."

The Impact of Unpaid Fines

- Loss of Public Revenues
- Decrease In Services
- Increase In Taxes
- Weaker Government

The Need To Change

National Collections Rate Averages

- ACA 90%
- D&B 85%
- MED 70-80%
- Texas 61-65%

"Not everything that is faced can be changed, but nothing can be changed until it is faced."

-James Baldwin

Private Sector Characteristics

- Purpose Well Defined
- Clear Line of Responsibility/Accountability
- Significant Investment in Quality Staffing
- Significant Investment in Strategy/Planning
- Creativity is Encouraged
- Commitment to Technology

Court Collections Management

- Current - 60 Days
- 60 - 180 Days
- 180 Days plus

- 25 % Collected
- 65 % Collected (Warrant)
- 10 % Collected

Private Sector Account Management

- Current - 30 Days
- 31 - 60 Days
- 61 - 120 Days
- 120 Days Plus

- 85% Collected
- 10% Collected
- 3% Collected
- 2% Collected - Charge Off/Write Off

"A Pro-Active Private Sector Approach."

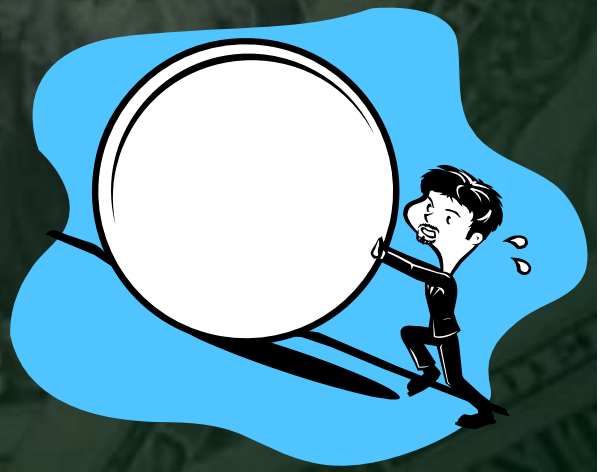
- Proper Prioritization of Fines/Costs.
- Uniform Collection Policy.
- Clear Line of Responsibility.
- Firm Realistic Goals & Targets.
- Immediate Response to Default.
- Severe & Timely Sanctions for Default.
- Realistic Enforcement Options.

Benefits

- Enforces Compliance
- Increases Respect for Judicial System
- Increases Revenue
- Promotes Efficiency

Obstacles

- Resistance to Change
- Territorial/Boundary Issues
- Legitimacy Challenges
- Proof of Success

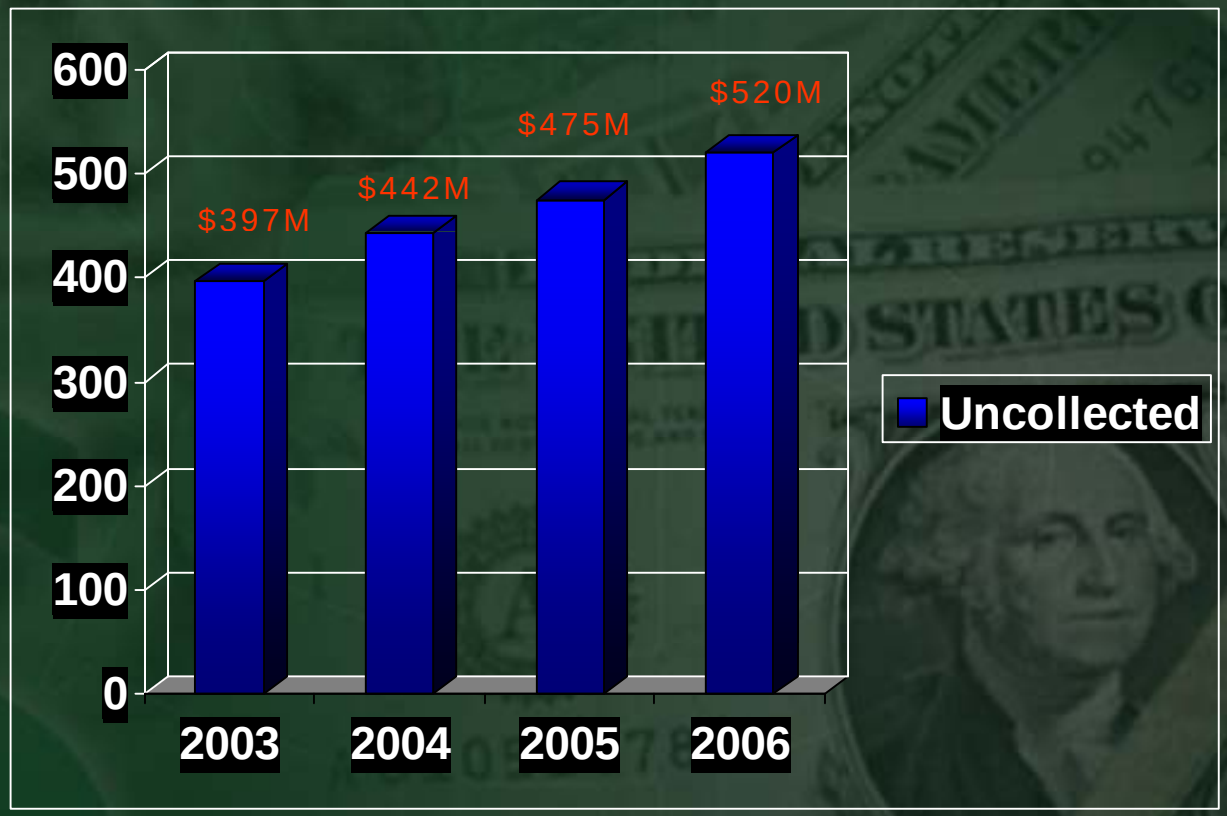


OCA'S VOLUNTARY PROGRAMS

- **The Office of Court Administration (OCA) became involved in the search for a solution to this issue in the mid-1990s.**

- **By the end of the decade the agency had adopted a collections model based on the program used in Dallas County, which employs proactive, private sector techniques with great success.**

Estimated Uncollected Court Costs, Fees, and Fines



Based on 65% Collections Rate

79th Legislature

2005 Senate Bill 1863

Collection Improvement Programs (78)

- Counties 50,000 54
- Cities 100,000 24
- Half by 04/06
- Half by 04/07

Results

- Seventy (70) of the Seventy-eight (78) mandated locations are compliant or will be by Sept. 2007
- State revenues increased in FY 06 approximately $7.2 million, $1.4 million over the amount originally forecasted with less that full participation.
- 120 Active Programs; 42 Voluntary.

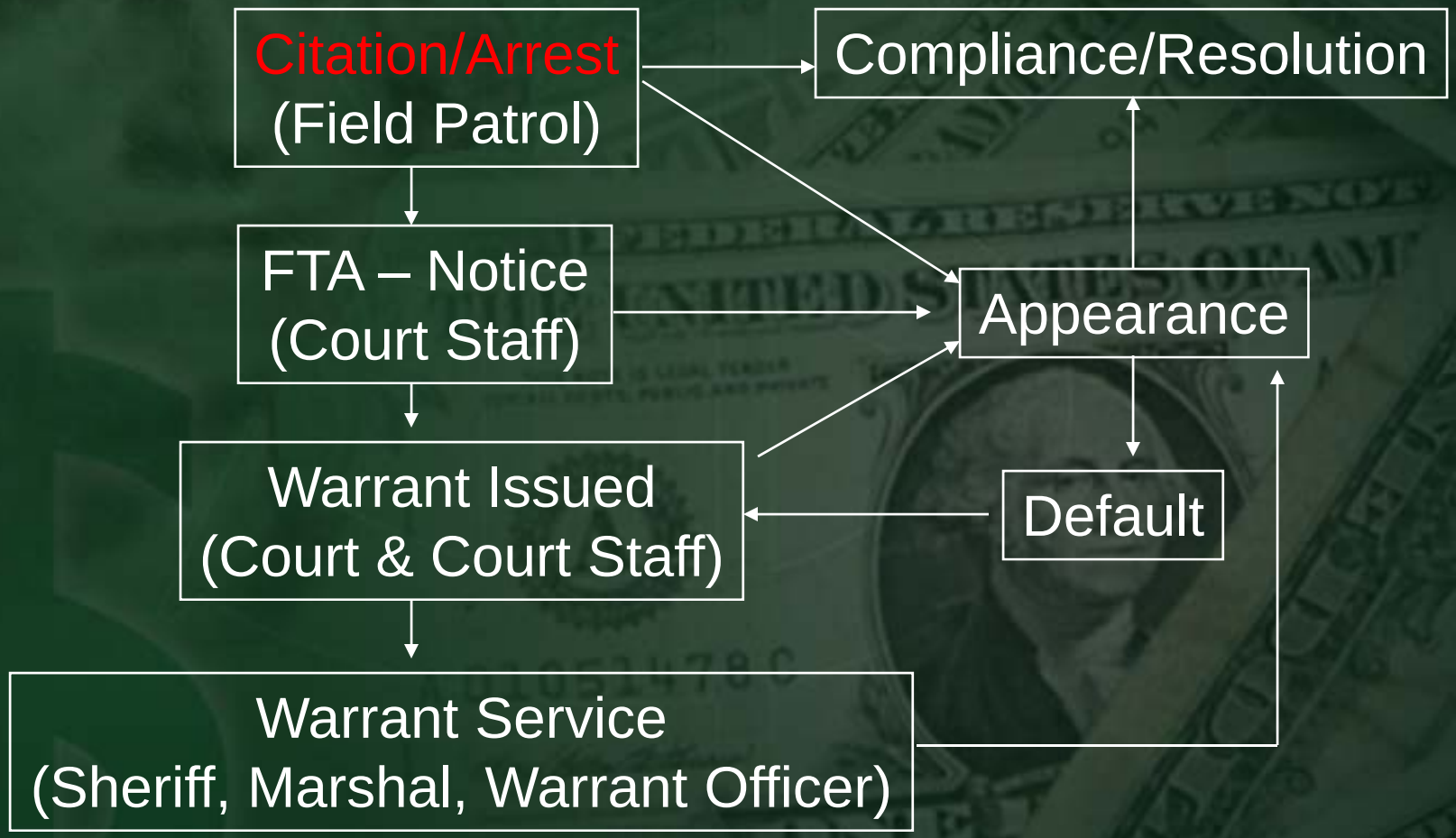
Action Plan

- Discovery
- Strategy

- Implementation
- Evaluation

- Find out where you really are.
- Develop a plan to put you where you want to (should) be.
- Just Do It!
- Don't be afraid to make changes.

The Enforcement Process

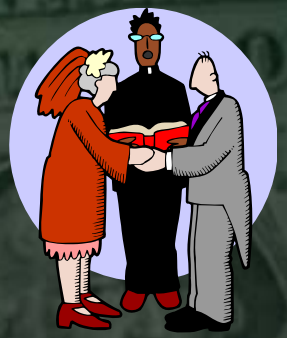


Collection Windows & Remedies

- Pre-Appearance
- Appearance
- Pre-Capias Pro Fine
- Incarceration
- Post Incarceration

- Phone Calls
- Notices (letters/postcards)
- Warrants
- Amnesty Programs
- Warrant Round Ups
- Non-renewal of DL
- Denial of Vehicle Reg.
- Inmate Trust Attachment
- Tax Intercepts
- Civil Remedies

IT WORKS BETTER TOGETHER

IN-HOUSE	OUTSOURCE	IN-HOUSE + OUTSOURCE
		
$54,000	$30,000	$66,000

GREATEST SIMILARITY:

"Both provide goods and services."

GREATEST DIFFERENCES:

"One is driven by profit, the other by politics."

"One is about commission, the other about compliance."

"One usually serves multiple entities, the other only one."

Common Plan Issues

- Uniform Collection Policy
- Program/Project Supervision & Management
- Targets & Goals
- Participation
- Staff selection, criteria, qualifications
- Functional Logistics- physical location(s), furniture, equipment, forms, supplies, etc.
- Funding and/or Budget Issues

Goal Identification & Prioritization

- Identify you goals
- Prioritize goals
- Identify factors that will facilitate achievement
- Identify those factors which would impede

Be Smart About Setting Goals

- Specific
- Measurable
- Action-oriented
- Reachable
- Time-Bound

Benefit Projections

Gross Benefit	Cost	Net Benefit
10K x 225 x 10% = $225,000	$19,600	$205,400
10K x 200 x 10% = $200,000	$19,600	$180,400
10K x 175 x 10% = $175,000	$19,600	$155,400
5K x 175 x 10% = $ 87,500	$19,600	$ 67,900

Keys to Success

- Judicial Understanding & Commitment
- Simplicity *(kiss)*
- Internal Communication & Cooperation
- Quality Staffing
- Investment in & Efficient Use of Technology

A Fine Is Punishment

Only If It Is Collected!

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