

BEST PRACTICES AND PILOT PROJECTS

While an effort to identify all best practices and pilot projects is not completed, a partial list follows.

Prisoner Sweeps. The 17th Circuit Court in Kent County initiated this effort. Orders for prison account sweeps are now being done statewide. In approximately two years, circuit courts in 48 counties have issued 16,525 sweep orders. These courts have collected \$1.1 million on 36 percent of the orders issued.

COLLECT Software. This account delinquency notification software was developed by the 8th District Court in Kalamazoo County and is being made available by SCAO to JIS district and circuit court system users. The software is implemented in 51 district court locations and 17 circuit court locations. Below is a sample of some of the results.

Court	Period	Mailers Sent	Amount Collected	Est. Costs ¹
D16 Livonia	09/14/05-03/31/06	4,291	\$313,471	\$5,211
D30 Highland Park	05/05/04-03/31/06	50,961	\$1,043,208	\$39,663
D33 Woodhaven	09/26/05-03/31/06	969	\$210,862	\$2,919
D54B East Lansing	05/05/05-03/31/06	3,916	\$420,295	\$4,952
D68 Flint	09/13/04-03/31/06	26,097	\$988,651	\$22,507
D92 Mackinac County	08/21/05-03/31/06	1,569	\$70,124	\$2,631
D93 Luce County	08/16/05-03/31/06	403	\$16,533	\$962
D93 Schoolcraft County	10/21/05-03/31/06	560	\$18,140	\$1,214
D93 Alger County	10/26/05-03/31/06	353	\$14,488	\$784
C40 Lapeer County	04/13/05-03/31/06	996	\$211,980	\$687

Iron County Trial Court. The circuit court began holding monthly show cause hearings. Its first show cause docket resulted in \$3,760 paid in full, payment plans were set up with \$2,350 collected on those payment plans, and wage assignments were issued with \$275 collected on those wage assignments. Bench warrants were issued for those that failed to appear.

¹ Estimated costs include postage (\$0.39/mailer), mailers (\$0.30/mailer), and initial investment for the installation and training. Installation and training, which is provided by DMC Consulting, is DMC's current hourly rate for travel time and on-site installation and training plus travel costs.

Isabella County Trial Court. Employed defendants are required to complete a wage assignment at the time payment plans are established. The court will not submit the wage assignment to the employer if the defendant makes payments as agreed. If a payment is missed, the court will send the wage assignment to the employer rather than send a delinquency letter to the defendant. The court implemented this procedure January 10, 2007, and sufficient time has not elapsed to evaluate the results.

3rd Circuit Court, Wayne County. The court developed a collections website to provide the public with information on how, where, and when to pay outstanding obligations.

7th Circuit Court, Genesee County. After convening a “financial summit” to address uncollected levies, the court focused on the enforcement and collection of court-ordered financial sanctions. Comparing the first eight months of 2005 and 2006, the court collected \$653,494 and \$953,045 respectively, which is a 46 percent increase in revenues. Prison account sweep orders were issued beginning October 2005. As of August 2006, the court had collected \$104,000 on 45 percent of the orders issued. In addition, the court began using COLLECT software in February 2006. In the 45-day period following the initial noticing campaign, the court received \$40,300. In the same time frame in 2005, the court had collected only \$4,900 in payments.

16th Circuit Court, Macomb County. A collection agency is being used as a last resort. For the period January to October 2006, the court sent 2,115 cases to the collection agency and collected \$9,000. Tax garnishments were filed in 2006. Results will not be available until mid 2007. Sweep orders were issued beginning April 2006. In seven months, the court collected \$28,000 from prisoners.

26th Circuit Court, Alpena County. In cooperation with the county clerk, the court has established monthly show cause hearings against criminal defendants. The program began on June 19, 2006, and as of October 2006, the court had collected \$45,167 through regular court hearings, implementation and enforcement of payment plans, driver’s license revocations, and similar sanctions.

27th Circuit Court, Oceana County. Efforts made by the circuit court to assist in successful collections include:

- Placement of a sign in the courtroom that states that fines and costs are due at time of sentencing.

- Defendants receive a bright yellow 3”x 5” card with court address, phone number, and amount owed.
- Defendants receive a copy of judgment of sentence with the total fines and costs due, as well as highlighted notification of the 20 percent late fee assessment due if the obligation is not paid.
- After 56 days, the court assesses the 20 percent late fee and sets the case for show cause or issues a sweep order.
- For those defendants going to jail or prison, the show cause is set shortly after their release. The court obtains the release date from jail authorities or a parole date from the Department of Corrections OTIS system.
- If defendants fail to appear for the show cause, a \$100 contempt fee is added and a bench warrant is issued.
- The court periodically checks OTIS for released prisoners and their parole dates. For those not returning to Oceana County, contact is made with their probation/parole agents for updated address and employment information. The defendants are sent a letter reminding them of the amount owed. If no response is received a show cause hearing is scheduled. Most probation/parole agents have been cooperative.
- If the defendant appears for the show cause and is unable to pay the full amount, the court tries to set up an installment payment plan or a wage assignment if the defendant is employed.

28th Circuit Court, Wexford County. Delinquency letters were issued on cases before 1997. Of the 60 letters sent, there was no response to 39; nine defendants requested payment plans and \$475 has been collected on those payment plans; and \$729 was paid in full on 12 cases. Results are good given the ages of the cases, but the court concluded that resources would be better spent on more recent cases.

46th Circuit Court, Crawford, Kalkaska, and Otsego Counties. An annual delinquency mailing is sent to those that owe money and a bench warrant for nonpayment has already been issued. The cost is approximately \$600 on a tricounty basis and has brought in anywhere from \$5,600 to \$33,000. The court has found that approximately 30 to 35 percent of the notices are returned because of incorrect addresses.

8th District Court, Kalamazoo County. In 2005, 880 tax garnishments were filed in cases in which there were delinquent payments. Of the \$679,614 owed, \$37,776 was collected and \$27,828 was waived. The court paid \$5,280 in processing fees. In 2006,

1,011 tax garnishments were filed. These results are not yet available. Beginning in 2006, the court began to show cause all persons having more than five unpaid parking tickets in the City of Kalamazoo. As of December 2006, the court had collected over \$130,000 of previously uncollected monies. One man agreed to the entry of a wage assignment to pay \$400 per month to the court toward a liability of slightly over \$40,000 in unpaid parking tickets!

36th District Court, Detroit. The court has contracted with a collection agency (GC Services in Houston, Texas). The court previously used the State of Michigan debt referral (tax intercept) program for collections, but encountered many problems, including lack of programming support from the state, infrequent data transfers, and difficulty reconciling accounts. Because of these issues, the court determined a change was needed. Accounts are now referred to the collection agency 60 days after default by daily electronic transfer. Payments can be made at the court or to the collection agency. Changes in the court's accounts because of receipt of payments, entering of dismissals, and posting of bonds, etc., and payments received by the agency are transmitted daily. The collection agency mails notices, calls delinquent payers, and has read-only access to the court's automated system. Agency referrals began in May 2006. Agency collections have grown from under \$10,000 in May 2006 to nearly \$190,000 in August 2006.

38th District Court, Eastpointe. Delinquent cases are referred to a third-party collection agency after all collection efforts have failed. For the period July 24 through September 16, 2006, \$537,053 was referred to the collection agency. \$8,014 was collected, and \$5,951 was suspended because of jail time served, bankruptcy, or death.

46th District Court, Southfield. The court has successfully used COLLECT software for the past several years to generate reminder notices, collect outstanding receivables, and increase compliance with court orders. Its approach has proven to be successful, efficient, cost effective, flexible, and simple. In the last 3 years, the court has collected over \$2 million in outstanding fines and costs and has spent approximately \$35,000 for mailers and postage. The court has not added additional staff, and the effort has not required an additional judge or docket time.

47th District Court, Farmington Hills. This collection program began in 2003 and has been enhanced regularly since. As of October 2006, through monthly show cause hearings and sanctions such as bench warrants, the court had handled 9,012 cases resulting in total collections of \$1,040,413. Additionally, the court generated \$257,111 in

contempt payments over the same time period. The court presently has an uncollected backlog of \$599,525.

52nd District Court, Rochester Hills, Oakland County. MCR 1.110 has been enforced since its inception in 2002. Because of the court's expectation of payment at the time of assessment, the court has far fewer payment plans for their collections clerk to establish and monitor. Their full-time collections clerk, who has been with the court for ten years, now only spends approximately 25 percent of her time on collection activity.

67th District Court, Genesee County. The court tried an amnesty program and warrant sweep. For a month-long period, people with warrants had a chance to come to court, work out payment plans, and clear up warrants. After the amnesty period, law enforcement officers began picking people up at home and work. The warrant sweep began at 3 p.m. and courtrooms were kept open late (one until 9 p.m. and another until 4:30 a.m. the next morning). At 9 p.m., a lock-up area was kept open at the downtown courtroom so officers could continue to arrest people overnight. The county board approved overtime for the night court, which was intended to show the courts were serious. By 9 p.m., one judge had arraigned 30 people on 42 misdemeanors and felonies and collected \$6,000. An additional 16 people were arraigned on 23 warrants the next morning. By 4:30 a.m. the next morning, another judge had arraigned 42 people on 61 warrants, collected \$7,000, and set bonds totaling \$370,000. In one of the communities, many residents came to observe the night court proceedings. One of the local restaurants even offered a "Night Court Special" – a Coney Island, fries, and drink for \$4.

13th Circuit Court, Family Division, Grand Traverse County. Effective July 1, 2001, the court created a reimbursement and collections policy that requires reimbursement for all services provided to the family once the court acquires jurisdiction. Successful procedures include:

- Open communication is emphasized as a major component in the program.
- At the onset of a petition, the juvenile and parents are provided a letter of explanation that lists all potential services for which the juvenile and parent(s) may be responsible. Payment is requested in full at the time of billing unless a monthly payment plan has been established, executed by the payee, and is in the file.
- Monthly invoices are prepared and mailed. Post office inquiries and Accurint (on-line locator service) are used to find addresses.
- Failure to pay results in a show cause hearing being scheduled. Failure to show at

such hearing or to meet the conditions of a show cause order results in issuance of a bench warrant.

- A reduction may be authorized at the request of a payee after completion of a financial statement. Reductions are based upon established criteria, including wages and the number of persons in a household.
- Although there are exceptions, a juvenile is required to have his or her account paid in full before termination from court jurisdiction.

Successful collections tools include:

- Wage assignments.
- Tax intercept.
- Tribal per cap intercept.
- Show cause hearings.
- Bench warrants.

25th Circuit Court, Family Division, Marquette County. The county sheriff's department has a jail reimbursement officer who dedicates a portion of her time to family division collections. A letter stating that unpaid accounts will be turned over to internal collections with the sheriff's department is included with monthly statements. This letter is on sheriff's department letterhead and seems to get more positive responses from people than any other communication. The reimbursement officer has collected directly from some clients and has turned some larger, older debts over to a collection agency.

56th Circuit Court, Family Division, Eaton County. Using the services of a private collection agency, the court collected net revenues of \$40,639 on just nine files for child care reimbursements.