

155442

TRIAL
COURT
PROGRAMS
DIVISION

Office of the State Court Administrator

Oregon Judicial Department

2970

155442

**AN ANALYSIS AND EVALUATION OF
THE JACKSON COUNTY
PILOT PROJECT**

NCJRS

AUG 9 1995

ACQUISITIONS

REPORT

March 19, 1993

155442

**U.S. Department of Justice
National Institute of Justice**

This document has been reproduced exactly as received from the person or organization originating it. Points of view or opinions stated in this document are those of the authors and do not necessarily represent the official position or policies of the National Institute of Justice.

Permission to reproduce this copyrighted material has been granted by
Oregon Judicial Department

to the National Criminal Justice Reference Service (NCJRS).

Further reproduction outside of the NCJRS system requires permission of the copyright owner.

**Peter C. Kiefer
Director**

**Susan G. Dye
Trial Court Programs
Analyst**

**Trial Court Programs Division
Office of the State Court Administrator
Oregon Judicial Department**

Table of Contents

| Section | Topic | Page |
|---------|------------------------------------|------|
| One | Introduction | 3 |
| Two | Project Background | 7 |
| Three | Methodology. | 13 |
| Four | Analysis and Conclusions | 17 |
| Five | Summary of Conclusions | 31 |
| Six | Recommendations | 33 |
| | Appendix A | 35 |

SECTION ONE: INTRODUCTION

The Problem of Collections

The Oregon Judicial Department (OJD) has long struggled with the problem of collecting court imposed financial obligations. Many critics, both within and outside of the OJD, have opined that possibly millions of dollars are being forfeited because of nonexistent collection efforts. The OJD has never kept comprehensive statistics on information such as number of accounts outstanding, lengths of time accounts remain outstanding, or number of payments per account. At the end of 1992, the amount of money owed in receivable accounts statewide totalled over \$144,700,000. This figure includes over \$75,030,000 owed in restitution and over \$69,685,000 in agency and General Fund assessments.

Over the years different individuals and groups within the justice system have attempted to enhance revenue and increase obligation compliance.

- In 1988, Chief Justice Peterson issued a Judicial Department Policy stating that it was the Department's duty to pursue collection of fines, costs, and assessments and to ensure the sentence or judgment be fulfilled. This policy was verbally reconfirmed in 1992, by the new Chief Justice Wallace P. Carson, Jr.
- Several trial courts, most notably Yamhill, Coos, and Lincoln, have conducted collection efforts or projects.
- The Office of the State Court Administrator's (OSCA) Information Systems Division (ISD) has programmed the Oregon Judicial Information Network/Financial Integrated Accounting System (OJIN/FIAS), the statewide court computer system, to assist in some accounts receivable functions.
- The Oregon Criminal Justice Council is currently engaged in a grant project with the Josephine, Malheur, Coos, and Marion trial courts to enhance collection through the use of "day fines" which matches the financial obligation to an offender's ability to pay.

The Jackson County Project

In May 1992, the First Judicial District (Jackson County) implemented a collection pilot project. The project, "modeled" after a Colorado court collection program, targets infractions, violations, and misdemeanors assessed a financial obligation at sentencing by the district court.

The goal of the Jackson County project is to increase offender accountability regarding compliance with court ordered financial obligations. The plan is to restructure and improve the management and collection of financial obligations by achieving the following specific objectives:

1. Increase the amount of gross revenue (fine, costs, assessment, and restitution) collected per case.
2. Increase the overall amount of gross revenue collected by the court.
3. Implement and manage the collection system in a cost efficient manner by maintaining a positive cost/benefit ratio.
4. Increase the percentage of cases which pay in full or make partial payments on day of sentencing.
5. Decrease the time that obligations are outstanding.
6. Obtain more accurate and reliable information regarding an offender's ability to pay.
7. Improve the quantity and quality of information the court gives offenders regarding payment requirements.
8. Improve the match between the payment method and offenders' means.
9. Increase the average regular payment amount.
10. Enhance courtroom efficiency during sentencings by moving the task of payment analysis to non-judicial personnel (e.g., collection specialists).
11. Improve clerical efficiency in receipting and posting payments.
12. Enhance the efficiency of the management and enforcement of receivables by using existing technologies and data bases.
13. Increase the percentage of delinquent cases on which the court takes notice and enforcement actions.

Project Team

Trial Court Programs Division (TCPD) joined the project as the evaluation component in November of 1991. The project team was made up of the following individuals:

Julie Traverse - Accounting Supervisor, Jackson County
Scott Crampton - Director, Management Services Div., OSCA
Susan Dye - Trial Court Programs Analyst, OSCA
Donna Bishop - Trial Court Programs Analyst, OSCA

TCPD attended several planning meetings with the project team throughout the winter of 1992. TCPD's evaluation is limited to offenders sentenced for the first time to either a misdemeanor, infraction, or violation between May 1 and December 31, 1992.

Finally, TCPD has researched some of the statutory requirements regarding this project and has examined some aspects of its legality. Readers should not consider this research to be definitive or, in any way, a legal opinion endorsed by legal counsel from the OSCA. Questions regarding the OSCA's legal position on this program should be directed to the OSCA's legal counsel.

SECTION TWO: PROJECT BACKGROUND

Sentencing

The first significant element of the Jackson County pilot project occurs at sentencing. See Figure 1. The judges in Jackson specifically order all offenders to pay their financial obligation in full on the day of sentencing. The court distributes notices to defendants at arraignment emphasizing this policy.

The judge may impose a financial obligation, which may include a fine, restitution, compensatory fine, court appointed attorney costs, and state and local assessments, as all or part of the sentence. Once the financial obligation is imposed, the judge is largely removed from the process of analyzing the offender's financial situation, establishing payment dates, and collecting the obligation. Jackson County's District Court Judges are very satisfied with the new system. See Appendix A.

Financial Affidavits

Offenders who cannot pay in full at sentencing may request a payment schedule by completing a financial affidavit and meeting with a collection specialist. The affidavit asks for financial information including the offender's income, sources of income, expenses, debts, other court debts, and assets.

Collection Specialists

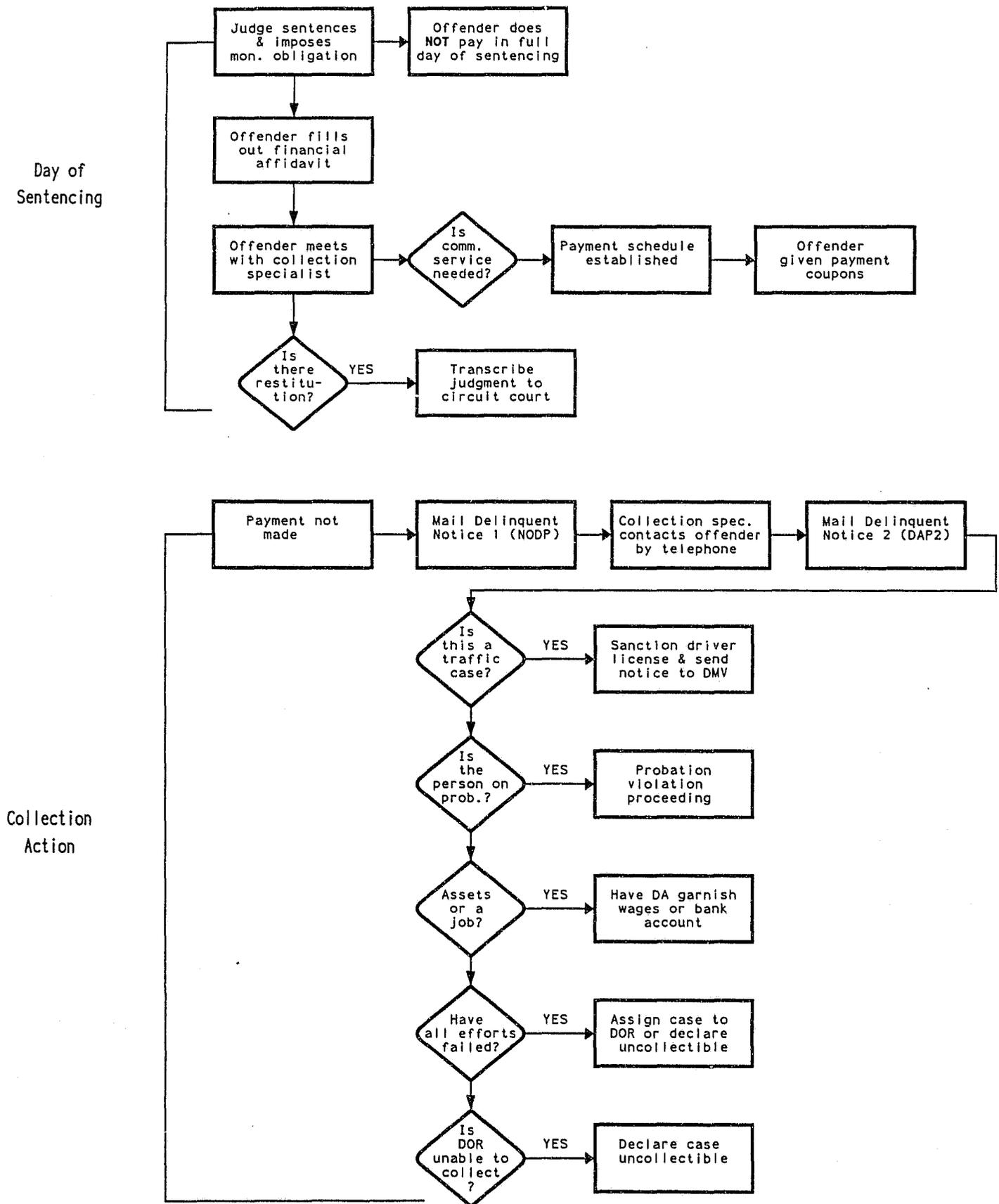
Another significant element of the project is Jackson County's collection specialists. Jackson hired two specialists as employees of the Judicial Department. The specialists had previous experience in accounts receivable management and collection, and are familiar with state and federal debt collection laws.

Interviews

After completing the financial affidavit, the offender meets with a collection specialist. The specialist evaluates the information on the affidavit for inconsistencies. If the specialist determines the offender can pay in full immediately, the specialist authorizes no payment schedule.

If the offender cannot pay in full, the specialist may allow the offender to establish a payment schedule and regular payment amount based on the offender's ability to pay. After allowing for all reasonable expenses, a specialist generally seeks to collect about one half of an offender's monthly disposable income in a regular payment.

Figure 1: Steps in the Collection Process



The financial affidavit is not placed in the case file where documents are considered public information. The affidavit is confidential and kept in the collection office. Few personnel are authorized access to the affidavits.

Incarcerated Offenders

The collection specialists do not interview incarcerated offenders at sentencing. These offenders are instructed to report to a collection specialist within 48 hours of release. Only about fifty percent of the incarcerated offenders are reporting to a collection specialist after release. Offenders failing to appear within 48 hours are sent a letter instructing them to appear at the collection office or a motion to show cause will be filed with the court requiring the offender to appear before a judge regarding the failure to pay.

Conversion of the Obligation

The court also affords indigent and unemployed offenders the opportunity to convert some or all of their financial obligations into non-monetary sanctions by participating in the county's community service program.

A fine can be "worked off" at the general rate of \$4.00 credit for each hour of uncompensated community service work completed. The community service program is monitored by the county probation department. Pursuant to ORS 161.665 (4), this alternative addresses the varying financial circumstances of defendants. At this time, 205 cases within the project have been approved for community service. Restitution cannot be worked off through community service.

Payment Agreement

Offenders who qualify for a payment schedule sign a payment agreement which includes the payment interval (weekly, bi-weekly, or monthly, etc.), and payment amount required at each interval. The specialist matches the payment amount and interval with how often and how much the offender is paid.

Payment Coupons

To remind offenders of their payment agreement, the specialist prepares payment coupons that include the payment amount, the due date of each payment, the case number, and the address and phone number of the court. The coupons are easily printed by computer and available upon conclusion of the interview.

Multiple Receivable Accounts

Approximately a fourth of the offenders with pending financial obligations carry more than one receivable account stemming from a previous sentencing. The court has established an account payment priority policy, allowing offenders to pay on only one account at a time. Diversion accounts must be paid first because diversions must be completed within one year; all other accounts are generally paid in reverse chronological order from oldest to most recent.

As long as an offender is current in payment on the designated account in a timely manner, the remaining accounts are deferred and not considered delinquent. In order to distinguish the primary account designated to receive payment from the deferred accounts, a new payee status of deferred (DFR1) has been added to OJIN/FIAS.

Transcribed Judgments

The sentencing clerk transcribes all district court money judgments with restitution to circuit court as a lien against real property by forwarding a certified copy of the money judgment to the civil department for transcription.

Delinquent Accounts

The court considers an account delinquent when it has not received a full regular payment as of the prescribed due date denoted on the payment agreement.

First Notices

When the collection specialists determine an account is delinquent, they have an account clerk enter the event code Notice of Demand Payment (NODP) into the OJIN case register. The data processing technician regularly runs a Query transfer over the OJIN data base searching for this event code. The technician then transfers the essential data on each selected case into Paradox (a personal computer data base software application) and produces a notice reminding the offender of the financial obligation and demanding payment. An account clerk sends the notice to the offender's most recent address in OJIN.

Some notices return because an offender's address has changed and there is no forwarding address. The specialist refers accounts with returned notices under \$200 to the Department of Revenue (DOR) for collection. The specialist initiates warrant proceedings on returned notice accounts with balances over \$200.

Telephone Calls

If the offender responds to the delinquent notice and brings the account current, no further action is taken. If the offender does not respond, the specialist attempts to telephone the offender. If the specialist makes contact, he discusses when and how the offender will bring the account current. If the offender is unable to make payments because of indigence, unemployment, etc., the specialist offers community service as an alternative.

Second Notices

If the specialist is unable to contact the offender by telephone within thirty days, the account clerk enters the OJIN event code for a second delinquency notice (DAP2) which is produced in the same manner as the first notice. If there is no response to either notice or the telephone call, the specialist takes one or more of the following actions:

Department of Revenue Referral

The specialists refer accounts over \$200.00 to DOR for collection.

License Suspension

If the account stems from a traffic offense, an account clerk enters a Drivers License Sanction FTC (LSFC) event code into OJIN. This code automatically sanctions the offender's driver's license with the Motor Vehicles Division through an automated OJIN report.

Probation Violation

If the offender is on probation, the specialist initiates an order to show cause for probation violation. The specialist provides an account clerk with delinquent account information such as: if the offender was interviewed, the dates notices were sent, the dates of any telephone contacts, the delinquent amount, and any other outstanding receivable accounts. The account clerk then draws up the order and supporting affidavit. The order requires the offender to appear before the court and explain why he or she is up to date in payments. If the offender is on supervised probation, the account clerk notifies the supervising authority (state probation, county probation, etc.) of the scheduled court appearance.

Contempt of Court

If the offender is not on probation, the specialist initiates remedial contempt of court proceedings. The account clerk draws up paperwork similar to the probation violation show cause hearing. If the offender appears and contests the allegations, the specialist then works with the district attorney who appears at the subsequent hearing.

Garnishments

The Jackson County District Attorney's Office may issue Writs of Garnishment on severely delinquent accounts where the offender is employed or has assets. A Writ of Continuing Garnishment by an Attorney is prepared by an account clerk and signed by a Deputy District Attorney for Jackson County.

Uncollectible Accounts

An account is considered uncollectible if it meets one or more of the following criteria:

1. The account has been returned from the Department of Revenue as uncollectible.

2. The account balance is under \$50.00. Accounts with balances under \$50.00 cannot be referred to the Department of Revenue for collection.

3. Probation has expired and all other attempts to locate the defendant have failed.

SECTION THREE: METHODOLOGY

Revenue

In order to accurately calculate, compare, and forecast the estimated revenue generated by the pilot project, TCPD identified and analyzed three groups of cases: a baseline (or control) group, a project group, and a test group.

Baseline Group

The baseline group consisted of all misdemeanors, violations, and infractions sentenced for the first time between September 1, 1991, and November 30, 1991. The group numbered 710 misdemeanors, 682 violations, and 2,274 infractions, 3,666 cases in total. These cases were sentenced between six and eight months prior to the start of the collection project. To ensure the statistics on these cases were not tainted by the effect of the collection project, payments, money transfers in and out of trust, conversions to community service, and collection enforcement data on these cases were tracked only through April, 1992. This gave TCPD at least seven months of valid baseline financial data on cases in this group.

Project Group

Jackson County began its collection program in April, 1992. The project group consists of all cases sentenced between April 1, 1992, and December 31, 1992. The group numbered 1,692 misdemeanors, 1,856 violations, and 5,437 infractions -- 8,985 cases in total. Statistical data on payments, transfers, conversions, and collection activity was tracked on this group through December, 1992 on a monthly basis.

Test Group

The test group consists of all misdemeanors, violations, and infractions, sentenced for the first time in May, June, and July, 1992. The group numbered 661 misdemeanors, 647 violations, and 2,334 infractions -- 3,642 cases in total. Payments, transfers, conversions, and collection data was tracked through December, 1992. Tracking through December gave TCPD a directly comparable time period with which to evaluate the test group with the baseline group.

Data Base Queries

TCPD collected data on every case during the designated time periods from OJIN/FIAS through queries. A query is a computerized search of the data base. TCPD requested data that fit specified criteria. For this study, criteria included: sentencing within a specified time frame, financial activity within a specified time,

cases that had one or more of a specified list of collection events within the case register within a specified time period.

Costs

TCPD estimated personnel costs by obtaining appraisals from the project team on the percentage of time each employee spent on the project and calculating that time by the salaries and benefits for that position at the second step of the salary range plus 37% fringe. TCPD obtained the actual purchase prices of the court's personal computers and estimated supply costs based upon standard business supply prices.

Collection Process

TCPD spent a great deal of time, as part of the project team, in discussions on collection operations. In addition, TCPD informally interviewed both collection specialists and the data processing technician. Some of the results of these interviews have already been reported in the background section. Additionally, TCPD used these discussions and interviews to qualitatively evaluate many aspects of the collection process.

Caveats

During the evaluation period several occurrences impacted the project; they must be acknowledged.

- Case filings and sentencings in infractions dropped about 137 cases per month since the project began. The average infraction case has a financial obligation of about \$60.00. The loss of 137 cases per month represents a decline in potential revenue for the court of about \$8,000 each month. The drop was started in June and July, and the case count has remained constant at the lower level. Jackson County began operating a justice court at about that time. It is possible that this new court is primarily responsible for the decline in infractions in the district court because these cases were cited into the justice court.
- Any case filed after July 1, 1992, is assessed a financial obligation upon sentencing under the new unitary assessment system. Unitary assessment eliminates several small court fees charged on cases and combines these into one court fee. An impact of unitary assessment is that the total financial obligation on certain types of cases, such as infractions, has increased some.

The distribution priority of money also changed with unitary assessment. Prior to unitary assessment, restitution had to

be paid in full before court fees were paid. Now, court fees are paid simultaneously with restitution. A payment is divided equally between court fees and restitution.

- For purposes of this report only, a specified portion of cases were studied. In order to fall within the project group, a case had to be sentenced for the first time between April 1 and December 31, 1992. A case which was sentenced before April, but had a later sentence modification or a probation violation disposition was excluded from this study. Jackson County undertook collection activities on many more cases than were included in this study group. Many older cases were targeted for letters. Cases that returned to court for a later sentencing were also expected to receive payment in full at the time of that sentencing. Consequently, many of these persons have completed an Affidavit for Collection, have been interviewed by a collection specialist, and are now being tracked for payment by the court.
- Jackson County has implemented an aggressive collection system for just over six months. The learning curve regarding the capabilities of OJIN and the personnel in running a collection program for a court has been steep. Throughout the course of implementation there have been changes in how the collection system would operate. It has been refined and improved.
- For this report however, TCPD must assume that the collection project has been functioning at the same level throughout the analysis and into the future. TCPD cannot make estimates of the amount of improvement that will continue to occur as Jackson County becomes more proficient at collection. To this extent, all projections in this report are probably underestimations. For the purposes of this evaluation, cases sentenced in April have been treated just like cases sentenced in December.
- For purposes of projecting revenue, TCPD assumed that the court's sentencing practices, in regards to the average amount of a financial obligation imposed has not changed and would not change in the future. Sentencing practices have remained relatively constant for misdemeanors and violations; however, the dollar amount of infraction sentences has increased since the start of the project.
- For this report, it is assumed that the average number of sentencings per month in Jackson County will remain constant. Comparing the baseline data and the pilot project data, the number of misdemeanor and violation sentencings has remained steady. Allowance has been made for the previously described decline in infractions sentencings.

SECTION FOUR: ANALYSIS AND CONCLUSIONS

Measure One: Gross Revenue Collected per Case.

Revenue Projections based on Increased Case Receipts

TCPD calculated the total gross revenue collected for each case type in both the baseline group and the test group and then divided by the number of cases in that group to obtain the average gross revenue collected per case. TCPD then determined the average increased gross revenue per case by comparing the average baseline group revenue with the average test group revenue.

Table 1: Average Gross Revenue Collected per Case by Case Type

| | Baseline Group (Sept - Nov., 1991) | Test Group (May - July, 1992) | Increase | Percentage Increase |
|-------------|---------------------------------------|----------------------------------|----------|------------------------|
| Misdemeanor | \$113.67 | \$159.36 | \$45.69 | 40.2% |
| Violation | \$38.76 | \$56.52 | \$17.76 | 45.8% |
| Infraction | \$47.01 | \$53.47 | \$6.46 | 13.7% |

Conclusion: Jackson has increased the amount of gross revenue collected per case. Misdemeanor gross revenue collected per case increased in gross revenue collected to \$159.36. Violations per case revenue increased \$17.76, and infraction revenue increased \$6.46. If other factors remain constant, TCPD sees no reason why this increase in gross revenue per case will not continue into the future.

Measure Two: Overall Revenue Collected by the Court.

Estimated Gross Revenue

To estimate overall gross revenue, TCPD performed the following steps.

1. Determine the average number of sentencings per month by calculating total number of sentencings occurring in the project group and dividing by the number of months TCPD has analyzed the project.
2. Determine average increase in monthly gross revenue by multiplying the difference in the average gross revenue for each case type between the baseline group and the test group by the average number of sentencings per month.

3. Estimate the annual increased gross revenue by multiplying the monthly average increase by twelve months.

Table 2: Estimated Gross Revenue Based on Increased Revenue per Case

| | Misdemeanor | Violation | Infraction | Total Revenue |
|--|--------------|-------------|-------------|---------------|
| Test Group, Average Revenue per Case | \$159.36 | \$56.52 | \$53.47 | |
| Baseline Group, Average Revenue per Case | \$113.67 | \$38.76 | \$47.01 | |
| Difference (Test Group Average - Baseline Group Average) | \$45.69 | \$17.76 | \$6.46 | |
| Average Number of Sentencings per Month | x 212 | x 232 | x 621 | |
| Estimated Increased Revenue per Month | \$9,686.28 | \$4,120.32 | \$4,011.66 | \$17,818.26 |
| Estimated Increased Revenue per Year (x 12) | \$116,235.36 | \$49,443.84 | \$48,139.92 | \$213,819.12 |
| Estimate Increase Revenue per Biennium (x 24) | \$232,470.72 | \$98,887.68 | \$96,279.84 | \$427,638.24 |

Conclusion: Jackson County should increase its overall gross revenue collected. Extrapolating out the differences in average revenue between the baseline group and the test group shows that the court can expect an average of over \$213,800 more revenue annually.

Net Revenue

To estimate how much money would go to the general fund, TCPD relied solely upon the general fund revenue reports from Jackson County. These reports include general fund revenue on all cases, beyond those exclusively in either the baseline, test, or project groups. This estimate, therefore, does not directly coincide with the previous gross revenue estimate.

Table 3: Monthly Revenue Forwarded to State by Jackson County

| | 1991 Gross Revenue | 1992 Gross Revenue | Increase | Percentage Increase |
|--------------|--------------------|--------------------|------------------|---------------------|
| April | 110,255 | 138,203 | 27,948 | 25.3% |
| May | 111,306 | 129,494 | 18,188 | 16.3% |
| June | 103,844 | 138,460 | 34,616 | 33.3% |
| July | 127,103 | 137,747 | 10,654 | 8.4% |
| August | 140,479 | 151,211 | 10,732 | 7.6% |
| September | 127,408 | 153,015 | 25,607 | 20.1% |
| October | 125,564 | 151,404 | 25,840 | 20.6% |
| November | 105,341 | 120,036 | 14,695 | 13.9% |
| December | 97,069 | 131,764 | 34,695 | 35.7% |
| Total | \$1,048,369 | \$1,251,334 | \$202,975 | 19.4% |

Conclusion: Jackson County should increase its annual net revenue to the state general fund. Based upon pure net revenue collection, Jackson County is expected to send more than \$270,000 more to the state general fund in 1992 than it did in 1991. This increase has occurred despite the previously mentioned decline in infraction sentencings starting in August, 1992. Even without these infractions, Jackson County sent \$202,975 more to the state general fund in 1992 than in 1991. This is a 19.4% increase from 1991 to 1992.

Measure Three: Cost/Benefit Analysis

Costs of the Collection Program

TCPD calculated the personnel costs for two years. In Year 1, two collection specialists, a half time account clerk, and fifteen percent of the time of a data processing technician, are assigned to the collection program. In Year 2, the time the data processing technician devotes to the collection program decreases to 7%. Eventually, as the collection program becomes more automated, the time commitment of the data processing technician will decrease to zero. TCPD used steps II and III of the pay scales for these calculations. Table 4 shows the breakdown of these costs.

The remaining ongoing costs for this project are supplies such as, postage, envelopes, and paper. TCPD estimates a cost of about \$.35 to send each letter. Based on the first several months of this pilot project, about 5,000 letters will be sent a year at a cost of \$1,750 a year.

Jackson County also spent \$6,971 in one-time start up costs to purchase two personal computers, software, and one printer. TCPD estimates the computers to be usable for five years. Based on a five year life, the yearly cost of the computers is \$1,394.20.

Table 4: Personnel Costs of Collection Program

| | Collection Specialist | Collection Specialist | Data Proc. Technician | Account Clerk | Total |
|------------------------------|-----------------------|-----------------------|-----------------------|--------------------|---------------------|
| Salary-Step II | \$22,470 | \$22,470 | \$22,470 | \$20,400 | |
| Benefit-37% | \$8,313.90 | \$8,313.90 | \$8,313.90 | \$7,548 | |
| Total | \$30,783.90 | \$30,783.90 | \$30,783.90 | \$27,948 | |
| % Time Collection | 100% | 100% | 15% | 50% | |
| Year 1 Adjusted Total | \$30,783.90 | \$30,783.90 | \$4,617.59 | \$13,974 | \$80,159.39 |
| Salary-Step III | \$23,595 | \$23,595 | \$23,595 | \$21,407 | |
| Benefits-37% | \$8,258.25 | \$8,258.25 | \$8,258.25 | \$7,920.59 | |
| Total | \$31,853.25 | \$31,853.25 | \$31,853.25 | \$29,327.59 | |
| % Time Collection | 100% | 100% | 7% | 50% | |
| Year 2 Adjusted Total | \$31,853.25 | \$31,853.25 | \$2,229.73 | \$14,663.80 | \$80,600.03 |
| Biennium Total | \$62,637.15 | \$62,637.15 | \$6,847.32 | \$28,637.80 | \$160,759.42 |

Conclusion: Total costs for two years to run Jackson County's collection program are \$167,749.42, or about \$7,000 a month. TCPD estimates personnel costs for the biennium to be \$160,759.42. In Year 1 the cost is \$80,159.39, and in Year 2 the cost is \$80,600.03. The two year cost for dunning letters is \$3,500. Over the biennium, the cost equipment is \$2,788.40.

The total biennium cost for the collection program is \$167,047.82. For Year 1, the cost is 83,303.59; in Year 2 the cost is 83,744.23. See Table 5. It costs about \$7,000 a month to operate Jackson County's collection program.

Table 5: Total Cost of Collection Program

| | Year 1 Costs | Year 2 Costs | Biennium Costs |
|--------------------|--------------------|--------------------|---------------------|
| Personnel | \$80,159.39 | \$80,600.03 | \$160,759.42 |
| Supplies | \$1,750.00 | \$1,750.00 | \$3,500.00 |
| Computer | \$1,394.20 | \$1,394.20 | \$2,788.40 |
| Total Costs | \$83,303.59 | \$83,744.23 | \$167,047.82 |

Financial Benefits of the Collection Program

Net Additional Revenue to the State

TCPD estimates that Jackson County's collection program generates, over twelve months, additional net revenue of about \$92,450. This estimate is based on a multi-step analysis. First, over twelve months, the gross additional revenue is about \$210,000. Second, it costs about \$85,000 a year to run this program. Costs include personnel, supplies, and postage.

Third, a portion of the money received by the court is restitution payment. Restitution payments are forwarded by the court to the designated party and never go to the state. Restitution may be as much as 15.5% of the revenue received by the Jackson County District Court. Assuming that restitution is 15.5% of the revenue received by the court, restitution payments would be about \$32,550 annually. Treating restitution as a cost is somewhat misleading. Restitution is a legal obligation owed to the state, but when collected it is paid to the victim by the state. This analysis focuses on revenue to the state general fund and any other benefits (such as restitution payments) are ancillary to this analysis. Fourth, total expenses for the year (costs and restitution) equal \$117,550. Fifth, revenue minus costs equals \$92,450 for the year.

TCPD estimate about 43% of the net revenue collected by the court goes to the state general fund. Courts collect numerous assessments that are forwarded to the county or the city in which the offense occurred. Using 43% as an estimate of the portion of the net revenue that goes to the state general fund, Jackson County is collecting about \$39,750 each year for the state general fund that was uncollected in the past.

Table 6: Net Additional Revenue to the State

| | Revenue | Expenses |
|--|-------------|-----------|
| Gross Additional Revenue (Year) | \$210,000 | |
| Expenses | | |
| Cost of Collection Program | | \$85,000 |
| Restitution Paid (\$210,000 x 15.5%) | | \$32,550 |
| Total Expenses (Cost + Restitution) | | \$117,550 |
| Net Additional Revenue (Revenue - Expenses) | \$92,450 | |
| Net Additional Revenue (Month) | \$7,704.17 | |
| Net Additional Revenue to the State General Fund (43%) | \$39,753.50 | |
| Net Additional Revenue to the State General Fund (Month) | \$3,312.50 | |

Conclusion: Jackson County's collection program has a positive financial benefit to the state. Over one year, TCPD estimates a net additional revenue, after subtracting all costs of the program, of about \$92,450. This is net additional revenue of about \$7,700 per month. Only about 43% of the net additional revenue, however, goes to the state general fund; the remainder is forwarded to counties and cities. Consequently, the net additional revenue to the state general fund is \$39,753.50 a year. This is a positive financial benefit to the state general fund of about \$3,300 a month.

Measure Four: Full or partial payments at time of sentencing.

TCPD analyzed payments made to the court at time of sentencing in two parts: first, payments made within seven days of sentencing, and second, payments made in the same calendar month as the sentence.

Payments Made to the Court at the Time of Sentencing

First, for this analysis, any payment made to the court within seven calendar days of the sentence being imposed was considered payment made at the time of sentencing. A fund transfer by the court of retained security release money was not considered a payment.

Table 7: Payment Within Seven Days of Sentencing

Baseline Period (September - November, 1991)

| | Number of Cases Sentenced | Number with Payment Within 7 Days of Sentencing | Percentage |
|-------------|---------------------------|---|------------|
| Infraction | 2,274 | 1,770 | 77.8% |
| Misdemeanor | 710 | 148 | 20.8% |
| Violation | 682 | 604 | 88.6% |

Pilot Project (May - December, 1992)

| | Number of Cases Sentenced | Number with Payment Within 7 days of Sentencing | Percentage |
|-------------|---------------------------|---|------------|
| Infraction | 4,737 | 3,965 | 83.7% |
| Misdemeanor | 1,708 | 728 | 42.6% |
| Violation | 1,859 | 1,699 | 91.4% |

Conclusion: In all three case types, Jackson County has increased the percentage of cases that receive a payment at the time of sentencing. The most significant increase has been in misdemeanor cases. The percentage of cases that receive payment at the time of sentencing has doubled from 20.8% to 42.6% since implementation of the collection program. Infractions and violations also have a greater percentage of cases with payment at time of sentencing, although the increase is not as great. Table 7 summarizes these results.

Payments Made to the Court in the Same Calendar Month as Sentencing

Prior to the implementation of the collection program (three month baseline period), Jackson County averaged collecting \$45,349.95 in the same calendar month the judge sentenced the person. The money collected during the baseline period ranged from a low month of \$40,375.25 and a high month of \$51,299.98.

Since the inception of the collection program (pilot project period), Jackson County averages collecting \$63,359.68 in the same month the judge assesses the money; ranging from a low of \$53,780.91 to a high of \$83,154.05 in a month.

Conclusion: Jackson County collects more money, today, in the calendar month it is assessed than before the collection program began. Comparing the baseline average collected in the month assessed to the pilot project average, there is an average increase in revenue per month of \$18,009.73. Jackson County's lowest monthly total since the collection program began is higher than the highest month before the program started. See Table 8.

Table 8: Comparisons of Money Collected in Month Assessed

| | Average Collected | High Month | Low Month | Average Percentage Collected |
|----------------------------------|-------------------|-------------|-------------|------------------------------|
| Baseline Period (Sept-Nov, 1991) | \$45,349.95 | \$51,299.98 | \$40,375.25 | 37.5% |
| Pilot Project (May-Dec, 1992) | \$63,359.68 | \$83,154.09 | \$53,780.91 | 45.5% |
| Increase | \$18,009.73 | | | |
| Percentage Increase | 39.7% | | | |

Percentage of Money Assessed Paid to the Court in the Same Calendar Month as Sentencing

In the baseline period, the average amount assessed per month was \$120,908.50 and the average percentage collected that month was 37.5%. Since this program was implemented, the average amount assessed per month by the court is \$139,262.12 and the average percentage collected in the same calendar month was 45.5%. See Table 8 above.

Conclusion: Jackson County now collects a greater percentage of the money assessed in the calendar month it was assessed. Prior to the implementation of this program, Jackson County collected 37.5% of the money it assessed in the month it was assessed. Today, the percentage has increased to 45.5%.

Considering that the average amount assessed by judges has increased, this increase in percentage is even more meaningful. As an example, the average infraction case has an assessment in the pilot period of about \$60.00. During the baseline period, the average assessment was about \$45.00.

Measure Five: Amount of time obligations are outstanding.

At this time, no data is available regarding this measure.

Conclusion: TCPD has no conclusion regarding this measure at this time.

Measure Six: Obtaining Information Regarding an Offender's Ability to Pay.

TCPD learned that, prior to implementation of the collection project, the only information Jackson County received from offenders regarding their ability to pay a court imposed monetary obligation was verbally, from the offender in court during sentencing. As Table 9 shows, over two-thirds of all offenders now complete a financial affidavit and are interviewed by a collection specialist to evaluate the affidavit.

Table 9: Number and Percentage of Cases that Have a Financial Affidavit (Sentencings: May - December, 1992)

| | Number of Cases Sentenced | Number of Financial Affidavits Completed | Percentage |
|-------------|---------------------------|--|------------|
| Misdemeanor | 1,692 | 1,143 | 67.6% |
| Violation | 1,856 | 128 | 1.1% |
| Infraction | 5,437 | 289 | 5.3% |

Conclusion: Jackson County receives substantially more, verifiable, information from offenders with the collection program. Simply having data obtained from the financial affidavit and the interview substantially improves the information the court possesses to determine the offender's ability to pay a financial obligation.

Measure Seven: Quantity and quality of information given to offenders regarding payment requirements.

At the conclusion of the interview, the collection specialist provides the offender with payment coupons which include specific payment information already discussed in the background section. Although exact statistics have not been kept, court personnel estimate they receive up to 200 payments with coupons every month.

As with the affidavits and the interviews, the court did not routinely provide payment schedule information to offenders prior to the collection project.

Conclusion: Jackson County has improved the quality and quantity of information offenders receive regarding payment requirements.

All offenders with a payment schedule receive payment coupons with payment address, payment amount, and due dates.

Measure Eight: Match Payment Method with Offender Means.

Presumably, those offenders who complete the affidavit and are interviewed sign a payment agreement. Prior to the collection project, the court did not have offenders sign such agreements; the judge arranged a payment schedule from the bench during the sentencing hearing.

Conclusion: Offenders' input in the agreement shows an improvement in the match between the payment schedule and offenders' means to pay the obligation. TCPD noted from its observation of various sentencing hearings, that if an offender offered any input into the payment schedule, it was primarily based upon the schedule given to the offender sentenced immediately beforehand. Although critics could contend that offenders are under some compulsion when they sign this agreement, a valid argument also exists that the agreement shows the offender's independent input as to his or her perception of ability to pay the financial obligation owed.

Measure Nine: Average Payment Amount

TCPD divided the total amount paid to the court by the number of payments made for both the baseline group and the project to obtain the average payment amount for both groups.

Table 10: Average Payment Amount Received by the Court

| | Baseline Average Payment Amount (Sept-Nov, 1991) | Pilot Project Average Payment Amount (May-Dec, 1992) | Increase | Percentage Increase |
|-------------|--|--|----------|---------------------|
| Infraction | \$49.01 | \$59.36 | \$10.35 | 21.1% |
| Misdemeanor | \$70.82 | \$86.91 | \$16.09 | 22.7% |
| Violation | \$40.05 | \$60.53 | \$20.48 | 51.1% |

Conclusion: Jackson County has increased the amount of the average payment made to the court since the inception of the collection program. Comparison of receipted amounts during the baseline period and since the collection program began shows that for all case types the average receipt is larger since the collection program began. Infraction payments have increased \$10.35, and misdemeanor payments have gone up \$16.09. The largest

increase has been payments on violation cases, which are up \$20.48. See Table 10.

Measure Ten: Courtroom efficiency

TCPD discussed courtroom operations with court staff to determine the effect of the collection project on sentencing and post-sentencing hearings.

Conclusion: Judges can complete sentencings more quickly because collection specialists have the ability to efficiently establish the payment schedule. Prior to the implementation of the collection program, the sentencing judge set the payment amount the offender paid during the sentencing hearing. Valuable court time was used. Now, the judge assesses the monetary obligation and leaves the determination of the payment schedule to the collection specialist. The collection specialist has training and expertise in the process of determining ability to pay.

Conclusion: Judicial time is reserved for those accounts that have not responded to usual efforts to bring the payment up to date. Also, most delinquent accounts are brought current without judicial intervention. The collection specialist takes several steps before a non-paying account returns to court for judicial action.

Measure Eleven: Receipting and posting payments.

Although no exact statistics were kept, court staff estimate that the court receives over 200 payments every month with coupons.

Conclusion: The receipting process is more efficient and more accurate. The payment coupons provide offenders with more information regarding payment of their court obligation and provides court personnel with improved information. The payment coupon includes the case number for posting the money. The clerk does not have to search an OJIN index looking for an offender's cases and then decide which case to post the money. This decision has already been made, and the clerk refers to the coupon for this information. Money is consistently posted to the correct case. This reduces the need for later adjustments to move the money to the correct case.

Measure Twelve: Management and Enforcement of Receivables through the Existing Technologies and Data Bases.

Jackson court staff estimate they are sending out about 5,000 first and second dunning notices per year since the project began. The notices are produced through a combination of OJIN data base

queries and downloads to Paradox. In addition, the court identifies lead accounts expecting payments and transmits license suspensions through OJIN/FIAS programs.

Conclusion: The new system of tracking cases is more efficient because more cases are tracked through OJIN/FIAS and these cases are tracked in a significantly automated fashion. Jackson County has, through the use of queries and paradox scripts, automated the collection process to a significant extent. It would be impossible to manage the number of cases the court is tracking manually. This level of automation is the result of the efforts of the data processing technician. OJIN/FIAS, as stated elsewhere in this report, is not primarily an accounts receivable system.

Prior to the implementation of this program, any collection effort by the court was done manually and sporadically.

Measure Thirteen: Notice and Enforcement Actions Taken.

Delinquency Notices

Prior to the implementation of the collection program, Jackson County sent almost no delinquency notices. Delinquency notices are a prominent element in the collection program, and 1,353 of these notices were sent in 1992.

Table 11: Notice and Enforcement Action by the Court

| | Number of Actions 1991 | Number of Actions 1992 | Percentage Change |
|--------------------|---------------------------|---------------------------|-------------------|
| Delinquency Notice | 10 | 1,353 | +13,430.0% |
| Referral to DOR | 384 | 724 | +88.5% |
| License Sanction | 1,146 | 1,020 | -11.4% |

Conclusion: With the inception of the collection program, Jackson County has dramatically increased the number of delinquency notices sent by the court.

Referral to the Department of Revenue

The number of cases the court is referring to the Department of Revenue has increased by over 300.

Conclusion: Jackson County is referring more cases to the Department of Revenue for collection. Jackson County now knows which cases it is unable to collect and is referring those cases to the Department of Revenue.

License Sanctions

The number of driver license sanctions by the court declined in 1992 compared to 1991. In 1991, the court undertook a cleanup effort of unpaid traffic cases. Traffic cases that were unpaid had a license sanction added. Many of these cases were pre-1991 cases, but the license sanction did not occur until 1991 during the court's cleanup effort. In 1992, the license sanctions are on only 1992 cases.

Conclusion: Jackson County is now up to date on license sanctions.

SECTION FIVE: SUMMARY OF CONCLUSIONS

- Conclusion: Jackson has increased the amount of gross revenue collected per case.
- Conclusion: Jackson County should increase its overall gross revenue collected.
- Conclusion: Jackson County should increase its annual net revenue to the state general fund.
- Conclusion: Total costs for two years to run Jackson County's collection program are \$167,749.42, or about \$7,000 a month.
- Conclusion: Jackson County's collection program has a positive financial benefit to the state.
- Conclusion: In all three case types, Jackson County has increased the percentage of cases that receive a payment at the time of sentencing.
- Conclusion: Jackson County collects more money, today, in the calendar month it is assessed than before the collection program began.
- Conclusion: Jackson County now collects a greater percentage of the money assessed in the calendar month it was assessed.
- Conclusion: Jackson County receives substantially more, verifiable, information from offenders with the collection program.
- Conclusion: Jackson County has improved the quality and quantity of information offenders receive regarding payment requirements.
- Conclusion: Offenders' input in the agreement shows an improvement in the match between the payment schedule and offenders' means to pay the obligation.
- Conclusion: Jackson County has increased the amount of the average payment made to the court since the inception of the collection program.
- Conclusion: Judges can complete sentencings more quickly because collection specialists have the ability to efficiently establish the payment schedule.

Conclusion: Judicial time is reserved for those accounts that have not responded to usual efforts to bring the payment up to date.

Conclusion: The receipting process is more efficient and more accurate.

Conclusion: The new system of tracking cases is more efficient because more cases are tracked through OJIN/FIAS and these cases are tracked in a significantly automated fashion.

Conclusion: With the inception of the collection program, Jackson County has dramatically increased the number of delinquency notices sent by the court.

Conclusion: Jackson County is referring more cases to the Department of Revenue for collection.

Conclusion: Jackson County is now up to date on license sanctions.

SECTION SIX: RECOMMENDATIONS

Recommendation Number 1: The court should increase its efforts to interview incarcerated offenders and to have incarcerated offenders complete a financial affidavit. This will potentially increase the percentage of cases where the court receives more complete and accurate information.

Recommendation Number 2: Jackson County should experiment with monthly billing and evaluate the rate of collection between billed offenders and offenders who receive coupons. The court has experienced great success with the coupons, but experimenting with different forms of billing provides the court with more information with which to compare and evaluate different methods.

Recommendation Number 3: The OJD should improve OJIN/FIAS automation of the collection of unpaid receivable accounts. This should include automated dunning letters based on an established overdue date, the ability to link multiple cases of one offender, automated transfer of accounts to the Department of Revenue, and automated entry of collection event codes when dunning letters are sent.

Recommendation Number 4: The OJD should develop statewide policies regarding accounts receivable collection. This should include:

- a. Developing definitions to allow statewide statistical analysis,
- b. Defining an overdue account,
- c. Developing standards for collection and enforcement by case type that allows local court discretion,
- d. Establishing which trial court personnel are authorized to create and modify a payment schedule, and
- e. Defining the role of the State Court Administrator to coordinate management of accounts receivable collection and to generate comparative statewide statistics.

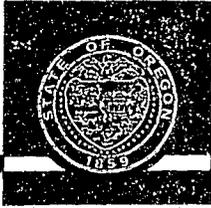
Recommendation Number 5: Set a date to start the collection project and do not attempt to collect accounts created prior to that date. Trying to collect old receivable accounts can rapidly overwhelm staff, and the rate of return is minimal.

Recommendation Number 6: Develop and implement training for all persons involved in accounts receivable collection regarding appropriate and legal collection activities. Ensuring that a trial court conduct collection efforts in a legal and appropriate manner is always a problematic issue.

APPENDIX A:

LETTER FROM JACKSON COUNTY DISTRICT COURT PRESIDING JUDGE

FEB 25 1993



State of Oregon
Jackson County District Court

February 19, 1993

MARK SCHIVELEY, District Judge

RECEIVED

FEB 25 1993

OSCA

R. William Linden, Jr.
State Court Administrator
Supreme Court Building
1163 State Street
Salem, OR 97310

Dear Mr. Linden:

The Jackson County District Court Judges wholeheartedly support a pilot program we began a little less than a year ago regarding enhancement of the Court's collection enforcement policies. I am sure that your office is aware of the details of the policies. The purpose of this letter is to express the Court's unqualified support for the policies, and the gratification we each feel for the value we have received in implementing these policies.

I understand that the limitations of OJIN and FIAS do not allow us to present all of the documentary data we would like to at this time. However, I can advise that, subjectively, each of the Jackson County District Court Judges have sensed a very positive impact on the Court system as a result of this program. First and foremost, it adds to judicial efficiency at the arraignment and sentencing proceedings. In the past, almost every time a fine or other financial obligation was imposed by the Court, the Court had to take time to attempt to set up a reasonable payment plan with the offender. Without proper information, and with no way to verify the information that was provided, the Court invariably set the payment schedule at a very low rate. Candidly, other offenders in the courtroom at the time would pick up on the Court's comments and rulings and would usually use that as a starting point in hopes to convince the Court to lower their payment plan even further. Not only was this extremely time consuming, but we each felt that the decisions themselves were ill informed and, in essence, were providing almost free credit to the defendants. Now, we instruct the defendants that their financial obligations are due immediately. If they express an inability to take care of that, we direct them to the accounting department for a thorough and verifiable review of their financial circumstances by our accounting employees. We

therefore feel, at the outset, that a more informed decision is made in regards to the defendants ability to take care of the financial obligation.

Thereafter, the collection enforcement officers make an effort to follow up on defendants who are not maintaining their financial obligations. If a defendant truly is unable to pay the fine, it is possible for the defendant to then be directed to our County Probation Department to do community service in lieu of some portion of the financial obligation. The Judges, therefore, can feel very confident that the court system has made every effort to accommodate a defendant in regards to his or her financial obligations. That, in turn, leads to the Court's confidence when the defendant has to be cited back into court for non-payment. The general rule, then, is that when a defendant appears before the Court for a probation violation or contempt proceedings as a result of an allegation of non-payment, the Court can feel confident that the defendant has been offered every opportunity to clear the matter prior to judicial involvement. Here again, judicial efficiency comes into play. Previously, when the Court was doing all of its own enforcement, the Judges were understandably susceptible to the defendants "excuses". Frequently, the defendant would merely be told to start over again and make a better effort. Now, the Court can feel confident that all efforts have been made and appropriate sanctions can be imposed in the case then, hopefully, closed. It is also obvious to the Court that these problem cases are being cited back into court much more quickly than we were able to under the old system, again leading to increased judicial efficiency.

As the Judges become more and more confident in this procedure, a financial obligation can be looked upon with more confidence as an alternative to a sanction of incarceration. Additionally, and perhaps more importantly, the credibility of the court within the community is increased when defendants know that, having been told to pay a financial obligation, the Court will see to it that they do. I think it is fair to say that in previous years a sentence involving a financial obligation was viewed by many defendants as mere words with no practical interference with their life style. Our hope is that this program will allow the Court to constantly increase its credibility, so that the defendant knows that the obligation must be taken care of and taken care of promptly.

Page 3.

Please let me know if I can answer any further questions or allay any fear or concerns you may have regarding this program and how it is working here in Jackson County. Thank you for taking into consideration our views on this particular issue.

Very truly yours,


Mark Schiveley
Presiding Judge

MS:gg