



MICHIGAN SUPREME COURT
State Court Administrative Office

Michigan Hall of Justice • PO Box 30048 • Lansing, MI 48909

**Michigan Supreme Court
Court Collections Advisory Committee
Interim Report
January 2007**

**Prepared by:
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Collections Advisory Committee Chair**

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**MICHIGAN SUPREME COURT  
COURT COLLECTIONS ADVISORY COMMITTEE  
INTERIM REPORT  
JANUARY 2007**

**INTRODUCTION**

In May of 2004, then-Chief Justice Maura D. Corrigan authorized the State Court Administrative Office (SCAO) to create a Court Collections Advisory Committee to develop recommendations concerning ways to improve the collection of court-ordered financial sanctions. The committee membership, as appointed, remains virtually intact today.

One of the first tasks of the committee was to inventory the status of collections practices in Michigan courts. A comprehensive series of questions was developed and sent to all courts in the state. Every court answered and returned its questionnaire. As previously reported to the Court in December 2004, the results demonstrated fairly consistent responses, highlighted by these findings:

- There is no uniform system of standards for reporting uncollected levies or for writing off uncollectible assessments.
- More than half of Michigan courts have no written collection policies.
- The use of private sector collection services is underutilized.
- Courts universally favor increased training programs for judges and staff, enhanced statutory and court rule authority, and the acquisition and use of technological tools to assist in the collection effort.
- District courts tend to prioritize collections efforts more than other courts.

Armed with this information, the committee next attempted to assess the collection efforts of other states. Believing Arizona to be well along on statewide implementation of court collection efforts, the committee interviewed court officials from Maricopa

County, as noted in our report of May 11, 2005. Unfortunately, we learned that efforts in Arizona were in no greater state of development than ours.

Rather than spend more time examining the efforts of other states, the committee utilized the services of an organizational consultant, Mr. Kerry Laycock, to assist the committee in arriving at a consensus adoption of a goals/options matrix that helped the committee identify its priorities and suggested avenues to achieve them. As a result, the committee devised a plan to develop mandated SCAO collections and reporting policies, to identify new statutory and court rule provisions to assist in the collections effort, to establish priorities for payment plans and the application of monies received, and to require the mandatory adoption and implementation of collection plans by all courts after the examination of the results of pilot projects. The committee also developed a rational timeline for phased implementation. **See Appendix A.**

With Supreme Court approval, regional subcommittees were created involving judicial, court administrative, and elected officials who represented a cross section of each judicial region in the state. The makeup of the current subcommittees is found in **Appendix B.** These subcommittees are chaired by members of the committee and have diligently met on a continuing basis in Lansing and elsewhere in the state. They have been charged with the responsibility of making recommendations to the committee on matters regarding suggested court rule and statutory amendments, and the updating of the SCAO manual on court collections.<sup>1</sup> Of at least equal importance was the charge to

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<sup>1</sup> This 43-page SCAO manual, with appendices, is entitled “Michigan Trial Court Collections: A Design and Implementation Guide for Court Collections.”

develop and initiate court collection pilot projects throughout the state in the several court types.

The committee also met with high-ranking officials of the Michigan Department of Corrections (MDOC) to discuss areas of mutual concern. Of particular note was the discussion concerning the use and success of so-called “prison sweep” orders to collect court assessments, including victim restitution, from inmate accounts. While it is clear that MDOC supports and participates in our collections efforts, its resources are finite. Nonetheless, the committee especially notes and appreciates the MDOC spirit of cooperation evident from its meeting.

### **CURRENT INITIATIVES AND PROJECTS**

Within this setting, the committee is moving forward with the following initiatives:

#### **A. STATUTORY AMENDMENTS**

The committee met with Mr. Mark Gates, Deputy Supreme Court Counsel, to discuss political realities regarding potential statutory amendments to enhance court collections efforts. The committee, subcommittees, and SCAO staff have generated the suggestions for these amendments. He has, in turn, provided us with realistic assessments of the probabilities of success. Some of the recommendations have already been adopted as part of other legislative packages.

The committee has again met with him to further discuss these issues, particularly in light of the results of the November 2006 general election. He has provided the

committee with a realistic evaluation of all recommendations, which we received at our December 2006 meeting. **See Appendix C.**

Our final report will contain a complete list of suggested legislative changes, whether enacted, or not.

## **B. TRIAL COURT COLLECTIONS MANUAL UPDATE**

As noted above, the committee has thoroughly reviewed the numerous recommendations of the subcommittees with regard to updating the court collections manual. It has reached consensus on these changes and will formally approve them at a meeting in the near future.

## **C. PILOT PROJECTS**

One of the more obvious early observations of the committee was the concept that “one size does not fit all” in the area of court collections. We work in a state judicial system that is extremely diverse in terms of local established practices, population concentrations, legal cultures, and local economies. As noted, one of the purposes of creating the regional subcommittees was to encourage the creation of pilot projects to identify best practices in light of varying conditions in the several regions. This process has been infectious and our courts have taken good advantage of the opportunity. While an effort to identify all pilot projects is not completed, a partial list is attached. **See Appendix D.**

A highlight of some of these pilot projects emphasizes that with ingenuity and dedication, it is possible to generate substantial amounts of money. Some of these include:

- **7<sup>th</sup> 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.
- **56<sup>th</sup> 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.
- **26<sup>th</sup> 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, implementing and enforcing payment plans, driver’s license revocations, and other similar sanctions.
- **47<sup>th</sup> District Court, Farmington Hills.** This collection program actually 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 addressed 9,012 cases resulting in total collections of \$1,040,413. Additionally, the court generated \$257,111 in contempt payments over that time period. Presently, the court has an uncollected backlog of \$599,525.
- **8<sup>th</sup> District Court, Kalamazoo County.** 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!

#### **D. CONTINUING EDUCATION**

As we continue to digest the experience of the courts’ pilot projects, it is apparent that several have identified practices worthy of emulation. To that end, we have collaborated with Michigan Judicial Institute (MJJI) to tape these experiences and best practices for presentation at the Annual Judicial Conference and at court training seminars. These presentations will be court specific to address the needs of the circuit, family, and district courts.

In conclusion, the committee expresses its appreciation for the level of cooperation and support supplied by SCAO, especially through the efforts of Carl Gromek and Beth Barber. We are well served by them. We also appreciate the continuing support of the Supreme Court in these important efforts. Our courts have already demonstrated a commitment to developing a collection effort worthy of emulation, and we believe that Michigan courts are now among the leaders in the nation in this effort.

**APPENDIX A  
COLLECTIONS ADVISORY COMMITTEE'S  
STATEWIDE COLLECTIONS STRATEGY  
TENTATIVE IMPLEMENTATION SCHEDULE**

**Phase 1 – Complete by June 30, 2006**

- Update policy.
- Refine standard report.
- Set system capability requirements.
- Define and implement communication strategy.
- Develop and implement technical support and training.

**Phase 2 – Complete by June 30, 2007**

- Voluntary participation.
- Refine policy and systems; identify best practices throughout the State.
- Communication and education for jurisdictions not in the initial (voluntary) implementation.
- Develop plan for statewide implementation.

**Phase 3 – Complete by June 30, 2009**

- Mandatory statewide implementation.
- Advisory Committee to continue to guide/review pilots and implementation.



## **APPENDIX B COLLECTIONS ADVISORY SUBCOMMITTEES**

### **Region I Collections Advisory Subcommittee**

- The Honorable Julie A. Nicholson, D52-3 Rochester Hills, Oakland County –  
Chair  
Collections Advisory Committee Member
- The Honorable James M. Alexander, C6 Oakland County
- The Honorable Marilyn E. Atkins, D36 Detroit, Wayne County
- Mr. Keith Beasley, Court Administrator, C16 Macomb County
- Ms. Renee Boggemes, Court Administrator, D45B Oak Park, Oakland County
- Mr. Dan Dwyer, Court Administrator, C22 Washtenaw County
- The Honorable Edward Ewell, Jr., C3 Wayne County
- Ms. Lynda A. Hammerstein, Court Administrator, D52-3 Rochester Hills, Oakland  
Co.
- Ms. Elena Kerasiotis, Collections Coordinator, C3 Wayne County
- The Honorable Joseph Longo, D43 Ferndale, Oakland County
- The Honorable Kathleen J. McCann, D16 Livonia, Wayne County
- Ms. Barbara A. Menear, Circuit and Family Division Administrator, C7 Genesee  
County
- Mr. Kevin Oeffner, Court Administrator, C6 Oakland County
- Ms. Stacy Parke, Deputy Court Administrator, D47 Farmington Hills, Oakland  
County
- Ms. Lori K. Shemka, Court Administrator, D38 Eastpointe, Macomb County

### **Region II Collections Advisory Subcommittee**

- The Honorable Donald A. Johnston III, C17 Kent County – Co-Chair  
Collections Advisory Committee Member
- Mr. Michael J. Dillon, Court Administrator, D12 Jackson County – Co-Chair  
Collections Advisory Committee Member
- Ms. Pattie Bender, County Clerk, C45 St. Joseph County
- Mr. Mark Fetzer, Court Administrator, D2A Lenawee County
- Ms. Deborah B. Frederick, Traffic/Reimbursement Referee, C30 Ingham County
- The Honorable John R. Holmes, D10 Calhoun County
- Mr. Jim Koetsier, Deputy Court Administrator, C17 Kent County
- Ms. Tina Leary, County Clerk, C36 Van Buren County
- Ms. Linda Lenahan, Court Administrator, D57 Allegan County
- The Honorable Donald H. Passenger, D61 Grand Rapids, Kent County
- Mr. Brian E. Ray, Trial Court Administrator, Berrien County
- The Honorable Philip D. Schaefer, C9 Kalamazoo County  
Collections Advisory Committee Chair

### **Region III Collections Advisory Subcommittee**

- The Honorable Paul H. Chamberlain, Isabella County Trial Court – Chair  
Collections Advisory Committee Member
- The Honorable Craig D. Alston, D74 Bay County  
Collections Advisory Committee Member
- Mr. David Cable, Court Administrator, C10 Saginaw County
- The Honorable Kim David Glaspie, D71B Tuscola County
- The Honorable David A. Hoort, C8 Ionia and Montcalm Counties
- Ms. Barbara C. Jennings, Office Manager, Isabella County Trial Court
- Mr. Jerome Kole, Trial Court Administrator, Midland County
- Ms. Marge Marchlewicz, Family Division Administrator, C18 Bay County
- Ms. Carol A. Vernon, County Clerk, C29 Gratiot County

### **Region IV Collections Advisory Subcommittee**

- The Honorable David L. Stowe, Grand Traverse County Probate Court – Chair  
Collections Advisory Committee Member
- Ms. Belinda A. Cole, Court Administrator, D93 Schoolcraft County
- Ms. Diane S. Cork, County Clerk, C50 Chippewa County
- The Honorable Alton T. Davis, Court of Appeals  
(Formerly Chief Judge, C46 Trial Court, Crawford, Kalkaska & Otsego Counties)  
Collections Advisory Committee Member
- Mr. Rudi Edel, Court Administrator, C46 Trial Court, Crawford County
- Ms. Bonnie Friedrichs, County Clerk, C26 Alpena County
- The Honorable Garfield W. Hood, C12 Baraga, Houghton, & Keweenaw Counties
- Ms. Elaine L. Richardson, County Clerk, C28 Wexford County
- Ms. Carol Stocking, Court Administrator, D86 Antrim, Grand Traverse, &  
Leelanau Cos.
- Ms. Lori Ann Willman, Trial Court Administrator, Iron County Trial Court

**APPENDIX C  
PROPOSED LEGISLATIVE/COURT RULE CHANGES**

**Action Taken**

1. Allow courts to add to amounts owed reasonable costs charged by a third party that the court has contracted with to assist in collecting unpaid court-ordered financial obligations. **HB 6100 introduced 5/23/06. Bill needs a lot of work.**
2. Allow costs to compel appearance for criminal violations. MCL 257.729 allows costs to compel appearance for traffic violations. **2006 PA 655 took effect 1/9/07.**
3. Allow for pro-rata distribution of monies collected when using third-party collections. Currently, the local funding unit absorbs 100 percent of the costs. **Not necessary if #1 passes.**
4. Amend MCL 780.766a, 780.794a, and 780.826a to allow for distribution of restitution as directed by payer or pursuant to MCL 780.766, 780.794, and 780.826 (wage assignment); MCL 780.767a, 780.796b, and 780.830a (jail sweeps); and MCL 780.767a and 780.796b (prison sweeps). **2006 PA 461 took effect 1/1/07.**

**Action Required and/or Possibility of Sponsorship**

5. Amend MCL 257.908 to provide for \$30 credit per day for commitment for civil contempt for nonpayment of a traffic civil fine, to make it consistent with MCL 600.8729 and 600.8829.
6. Service issues – Is personal service required? A warrant for contempt of court could be issued for failing to appear after any reasonable notice to the debtor, which should include phone, e-mail, regular mail, newspaper, or any other reasonable means. Service of documents should be made by first class mail or, if not acceptable, U.S. mail proof of delivery.
7. Allow courts to assess a “time payment” fee if the defendant is making installment payments over a specified period of time rather than paying in full at the time of sentencing. **Look at in conjunction with HB 6100 (see #1).**
8. Garnishment, execution, or other collection fees should not be paid by the court.
9. Amend MCL 600.4805 and 600.4815 to allow for money judgments and civil collection remedies. **Possibly slip into bill.**
10. Allow a lien against real estate for nonpayment of fines and costs. **Not necessary if #9 passes.**
11. Consider statutory language or court rule change providing the court with the authority for the collection of fines and costs. Prosecutor’s office has

responsibility for collection (MCR 3.605). However, most courts have taken on the responsibility for collection of fines and costs. Courts should have express concurrent authority to collect amounts, as do the prosecutors. **Not necessary if #9 passes.**

12. Use crime victim rights funds to support use of tax intercept and/or collections agencies to collect restitution. **Look into after 1/1/07.**
13. Allow for impounding trucks when fines and costs for commercial motor vehicle violations are not paid. **Public Service Commission not interested; look at moving to Michigan Vehicle Code.**
14. Allow courts to appoint special court officers with arrest authority to effect arrest on failure to pay and probation violation warrants. Also, include legislation to allow for a “warrant fee” that would be passed along to the court officer.
15. Amend MCL 791.236 to require that the parole order contain a condition requiring the parolee to pay any unpaid assessments the prisoner was ordered to pay. Currently, the only assessments required to be ordered as a condition of parole are restitution, crime victim rights assessment, minimum state costs, reimbursement ordered under MCL 769.1f, and parole supervision fees. **Need to work with DOC.**

#### **Priority with Limited Chance of Sponsorship**

16. Amend MCL 257.219 to prohibit renewal of vehicle registration if the registered owner’s driver’s license has been suspended because of failure to appear in court or failure to comply with judgment.
17. Allow suspension of all licenses (i.e., professional, recreational, etc.) for nonpayment of fines and costs. All state licenses, license registrations, and privileges should be suspended for failure to pay court-ordered assessments. Judges would remain involved in any decision making. **Complicated: Several statutes would have to be amended or created, and there are system and implementation issues; currently, this is not an easy or automated process for FOC.**
18. Need new legislation requiring trial courts to report debt to credit bureaus, including reporting debt when a probationer is terminated unsuccessfully.
19. Allow community service for civil infractions.

#### **Limited Support and Chance of Sponsorship**

20. Amend MCL 600.4803 to put the 20 percent late penalty into a “collection fund” that is restricted for only collection purposes as opposed to having this amount go into the funding unit’s general fund. **Funding units will adamantly oppose.**

21. Amend MCL 765.15, 765.6c, 780.66, 780.67, and 6.106 to allow courts to apply 3<sup>rd</sup> party bonds to payment of fines and costs without permission from poster. **May affect jail overcrowding.**
22. Allow courts to apply bonds to payment of fines and costs on any of a defendant's outstanding cases, regardless of the case for which the bond was posted.
23. Any restitution amounts awarded to a corporate entity should immediately become a civil judgment that is not recorded on the courts books and the corporate entity should be responsible for collecting those judgments. Collection of those judgments should not be the responsibility of the court. **Priority already different for 3<sup>rd</sup> party victims.**
24. Probation supervision fees should be paid directly to the court rather than to DOC. If fees cannot be paid directly to the court, another change will be necessary to ensure compliance with priority of payment (MCL 775.22). **Don't want to fight this battle with DOC.**
25. Need legislation allowing trial courts to have full access to computer databases (i.e., employment databases, financial institutions) for collection purposes. FOC tools should be available to the courts (i.e., consumer reporting, license suspensions, financial institution data match, new hire information, etc.).
26. Allow judges the discretion to forgive/discharge minimum state costs, without placing on probation, in circumstances deemed necessary (i.e., indigency). Allow time served or community service in lieu of minimum state costs.
27. Allow judges the discretion to forgive/discharge crime victim rights in circumstances deemed necessary (i.e., indigency). Allow time served or community service in lieu of crime victim rights.
28. Allow judges the discretion to forgive/discharge driver's license reinstatement fees in circumstances deemed necessary (i.e., indigency). Allow time served or community service in lieu of driver's license reinstatement fee.
29. Provide authority to sweep jail accounts. **Tried and failed.**
30. DOC probation field operation personnel should be employees of the court.

### **Policy Issue**

31. A defendant can only be found in contempt of court for nonpayment of fines and costs one time in any specific case.
32. Only cash bonds should be expressly authorized on failure to pay warrants.
33. Set forth the priority that restitution be collected on older cases first.
34. Clarify the procedures for the collection of restitution as a civil judgment. Allow a victim to collect on an Order of Restitution before the expiration of

probation. The responsibility for informing victims of rights under the crime victim rights act should be statutorily addressed to ensure that the crime victims advocate is responsible for advising the victim of all of his/her rights (including pursuing as a civil judgment). **Possible policy issue for prosecutors.**

35. Need court rule requiring judges to always set “next payment date” when time payments are authorized.
36. Need legislation requiring court to send defendant to community service if debt not paid immediately.
37. MCR 2.002 should be changed to define indigency and should require final payment waivers to be brought before the judge prior to “writing off” a payment.

## APPENDIX D PILOT PROJECTS

**Prisoner sweeps.** The 17<sup>th</sup> Circuit Court in Kent County initiated this effort. Prisoner 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 notification software was developed by the 8<sup>th</sup> District Court in Kalamazoo County and is being made available to JIS district and circuit court system users by SCAO. 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            | Mailables Sent | Amount Collected | Est. Costs <sup>2</sup> |
|------------------------|-------------------|----------------|------------------|-------------------------|
| 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. Their first show-cause docket resulted in \$3,760 being paid in full, payment plans being set up with \$2,350 collected on those payment plans, and wage assignments being issued with \$275 collected on those wage assignments. Bench warrants were issued for those that failed to appear.

**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

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<sup>2</sup> 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.

implemented this procedure January 10, 2007; therefore, there are no results to report yet.

**3<sup>rd</sup> Circuit Court, Wayne County.** The court developed a collections website. The intent of the website is to provide the public with information on how, where, and when to pay.

**7<sup>th</sup> Circuit Court, Genesee County.** Sweep orders were issued beginning October 2005. As of August 2006, they had collected \$104,000 on 45 percent of the orders issued. In addition, the court began using the 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 collected only \$4,900 in payments.

**16<sup>th</sup> 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.

**27<sup>th</sup> Circuit Court, Oceana County.** Successful collection efforts include:

- A sign in the courtroom stating fines and costs are due at time of sentencing.
- Defendant receives a bright yellow 3"x5" card with court address, phone number, and amount owed.
- Defendant receives copy of judgment of sentence with the total fines and costs and 20 percent late fee assessment after 56 days language highlighted.
- After 56 days, assess late fee and set for show cause or issue sweep order.
- For those defendants going to jail or prison, the show cause is set shortly after their release (must get out date from jail or parole date from OTIS).
- If defendants fail to appear for show cause, a \$100 contempt fee is added and a bench warrant issued.
- Periodically check OTIS for released prisoners and where they are paroled. For those not returning to Oceana County, contact their probation/parole agent and request a current address and employment information. Send the defendant a letter reminding them of the amount owed. If no response, set show cause. Most probation/parole agents are cooperative.



- If defendant shows for show cause and is unable to pay the full amount, the court tries to set up installment payment plan or wage assignment if employed.

**28<sup>th</sup> Circuit Court, Wexford County.** Delinquency letters were issued on cases before 1997. Of the 60 letters sent, there was no response to 39; 9 requested payment plans with \$475 collected on those payment plans; and \$729 was paid in full on 12 cases. Results are good given the ages of the cases; however, resources would be better spent on more recent cases.

**46<sup>th</sup> Circuit Court, Crawford, Kalkaska, and Otsego Counties.** An annual delinquency mailing is sent to those that owe money and where there is a bench warrant for nonpayment. The cost is approximately \$600 on a tricounty basis and brought in anywhere from \$5,600 to \$33,000 on a tricounty basis. The court gets approximately 30 to 35 percent of the notices returned because of incorrect addresses.

**8<sup>th</sup> District Court, Kalamazoo County.** In 2005, 880 tax garnishments were filed. 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.

**36<sup>th</sup> District Court, Detroit.** The court has contracted with a collection agency (GC Services in Houston, Texas). The court had 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, inability to reconcile accounts, and the state disbursed collections to multiple agencies. 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 from the court (payments, dismissals, bond postings, 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.

**38<sup>th</sup> District Court, Eastpointe.** Cases are referred to a third-party collection agency after all of the court's 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 due to jail time served, bankruptcy, or death.

**46<sup>th</sup> District Court, Southfield.** The court has successfully used the COLLECT software for the past several years to generate reminder notices, collect outstanding receivables, and increase compliance with court orders. Their 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, spent approximately \$35,000 for mailers and postage. The court has not added any additional staff, and has not taken up any judge or docket time.

**52<sup>nd</sup> 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.

**67<sup>th</sup> 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.

**13<sup>th</sup> 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:

- Communication is stressed as being a major key 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 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 Accurant (on-line locator service) are used to find people.
- 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 a bench warrant being issued.
- Upon request by payee, a financial statement may be completed and, based upon established criteria, including wages and number of persons in household, a reduction may be authorized.
- Although there are exceptions, a juvenile is required to have his/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.

**25<sup>th</sup> Circuit Court, Family Division, Marquette County.** The county sheriff's department has a jail reimbursement officer that 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 the monthly statements. This letter is on sheriff's department letterhead and seems to get more reaction from people than any other communication. She has collected directly from some clients and has turned some larger, older debts over to a collection agency.