



1995 ANNUAL REPORT

**Reimbursement Division
Department of Management and Budget**

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L. BROOKS PATTERSON, OAKLAND COUNTY EXECUTIVE

COUNTY MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET

REIMBURSEMENT DIVISION
Sandra L. McKay, Manager

May 28, 1996

Mr. L. Brooks Patterson
County Executive
1200 N. Telegraph Road
Pontiac, MI 48341

OAKLAND COUNTY
JUN 21 1996
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UNITS:
CIRCUIT COURT (810) 858-0506
PROBATE COURT (810) 858-1130
CHILD SUPPORT BANKING (810) 858-0466
CHILD SUPPORT ACCOUNTING (810) 858-1418

Dear Mr. Patterson:

Nineteen ninety-five was a year of continued improvements as we became more proficient with our new technology. Thank you for your vision and leadership in providing the tools necessary for our employees to do a better job.

Because of office automation, we have developed many forms and other processes. Financial statements are now completed through the Access software program, which allows multiple documents to be generated from the data drawn from the statement. The process is much faster, duplicate data entry is eliminated, and a more professional looking product is produced. This has resulted in better service to the public and better utilization of staff.

In the Child Support Units, several things were done to increase productivity and increase efficiency. To speed the process of opening the enormous amount of mail, we installed a new high-speed machine. All mail is now opened and ready for receipting in a fraction of the time previously required. Programming was developed that allows for faster processing of payments on accounts with multiple payees and special handling needs. This process has vastly improved the efficiency and speed of handling these payments, thereby allowing the staff to direct their attention to other duties.

After concerted effort by many individuals inside and outside Oakland County, the Child Support Unit began transmitting some wage assignment payments and data by EFT/EDI (Electronic Funds Transfer/Electronic Data Interface). This new method ensures twenty-four hour processing and availability of child support and alimony payments. This method is being used on a limited basis now while the process is being improved, but we hope to soon expand its usage.

We started a new program in May of 1995. We are now charging sentenced inmates at the Oakland County Jail for board and care. To have more control over our work flow, an administrative procedure was developed to streamline the litigation process. First year collections were \$105,201 (Oakland County Sheriff personnel collected \$36,605 of these funds for the weekender program). We anticipate that collections will increase to approximately \$180,000 in 1996.

Collections for the Circuit Court Unit were \$3,652,945, Probate Court Unit \$1,792,316, plus miscellaneous revenue of \$5,683 for a total of \$5,450,944. This amount represents an increase of \$71,939 more than 1994 collections. Total child support payments in 1995 were \$131,521,251, an increase of \$9,286,203 over the previous year.

The activities of this Division for the year of 1995 are presented for your review.

Robert J. Daddow

Robert J. Daddow, Director
Department of Management and Budget

Sandra L. McKay
Sandra L. McKay, Manager
Reimbursement Division

SLM/kas

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STATEMENT OF RECEIPTS

For the Years Ended December 31, 1995, 1994, 1993

	Amount Received		
	1995	1994	1993
Circuit Court:			
Restitution	\$1,582,321	\$1,657,236	\$1,397,745
Court Costs	1,066,189	1,085,595	1,124,037
Attorney Fees	692,516	700,940	738,759
Fines	134,151	146,714	137,772
Victim Rights Fees	101,539	98,276	88,810
Inmate Board and Care	68,596	7,115	
Forensic Lab Fees	4,211		
Extradition Fees	1,910	3,972	7,359
Paternity Blood Test Fees	1,338	764	770
Psychological Testing	174	141	
Total	\$3,652,945	\$3,700,753	\$3,495,252
Probate Court - Juvenile:			
Board & Care (Juvenile Maintenance)	\$620,968	\$606,810	\$637,610
Government Benefits (Juvenile Maintenance)	204,160	163,317	196,881
Collection Offset (Board & Care)	220,636	219,466	226,877
Attorney Fees	194,899	192,672	204,113
Probation Service Fees	186,539	161,980	204,383
Restitution	131,582	95,591	107,423
Vocational Schools & Group Homes	89,467	90,875	77,515
Clinical Evaluations	28,743	31,511	16,678
Court Costs	25,362	13,425	11,965
Probate Support	14,468	15,794	38,024
Traffic Service Fees	13,156	14,381	14,367
Juvenile Victim Rights Fees	11,840	1,331	
Sec. of State - Traffic Service Fees	1,434	1,209	885
State of Michigan-Aid to Dependent Children	557	17,525	6,029
Interpreter Fees	315	402	443
Total	\$1,744,126	\$1,626,289	\$1,743,193
Probate Court-Mental Health/Medical Care:			
Attorney Fees	\$46,692	\$43,387	\$52,749
Independent Medical Evaluations	473	1,358	4,398
Oakland County Medical Care	678		
Community Mental Health	347	140	
Total	\$48,190	\$44,885	\$57,147
Miscellaneous:			
Land Sales/Building Fund			\$11,506
Filing Fees	\$1,977	\$1,160	113
Lien Interest	1,284	4,836	3,102
Miscellaneous	1,164		
Recovery Fees for Returned Checks	749	720	768
Witness and Mileage Fees	509	362	16
Total	\$5,683	\$7,078	\$15,505
Grand Total	\$5,450,944	\$5,379,005	\$5,311,097

REPORT OF TRANSACTION ACTIVITY

For the Years Ended December 31, 1995, 1994, and 1993

	Number of Transactions		
	1995	1994	1993
Circuit Court:			
Restitution	8,199	7,676	6,931
Court Costs	12,790	12,313	12,881
Attorney Fees	11,169	11,464	12,305
Fines	1,454	1,543	1,301
Victim Rights Fees	8,352	4,181	2,960
Inmate Board and Care	551	5	
Forensic Lab Fees	123		
Extradition Fees	12	12	9
Paternity Blood Test Fees	9	12	18
Psychological Testing	10	8	
Total	42,669	37,214	36,405
Probate Court - Juvenile:			
Board & Care (Juvenile Maintenance)	12,227	11,517	11,927
Government Benefits (Juvenile Maintenance)	915	816	893
Collection Offset (Board & Care)	12,302	11,671	12,166
Attorney Fees	4,080	3,835	4,554
Probation Service Fees	2,967	2,622	3,174
Restitution	1,051	806	967
Vocational Schools & Group Homes	1,717	1,396	1,528
Clinical Evaluations	634	535	263
Court Costs	788	417	383
Probate Support	76	70	98
Traffic Service Fees	448	525	460
Juvenile Victim Rights Fees	595	69	
Sec. of State - Traffic Service Fees	88	86	61
State of Michigan-Aid to Dependent Children	75	154	239
Interpreter Fees	2	6	2
Total	37,965	34,525	36,715
Probate Court-Mental Health/Medical Care:			
Attorney Fees	647	587	604
Independent Medical Evaluations	4	21	53
Oakland County Medical Care	2		
Community Mental Health	1	1	
Total	654	609	657
Miscellaneous:			
Land Sales/Building Fund			1
Filing Fees	198	96	8
Lien Interest	16	44	79
Miscellaneous	6		
Recovery Fees for Returned Checks	231	230	248
Witness and Mileage Fees	92	73	5
Total	543	443	341
Grand Total	81,831	72,791	74,118

CIRCUIT COURT ACCOUNTS

STATEMENT OF RECEIPTS

For the Years Ended December 31, 1995, 1994 and 1993

	<u>1995</u>	<u>1994</u>	<u>1993</u>
ACCOUNTS:			
Court Costs	\$1,066,189	\$1,085,595	\$1,124,037
Attorney Fees	692,516	700,940	738,759
Fines	134,151	146,714	137,772
Inmate Board and Care	68,596 *	7,115	
Forensic Lab Fees	4,211		
Extradition Fees	1,910	3,972	7,359
Paternity Blood Test Fees	1,338	764	770
Psychological Testing	174	141	
TOTAL	<u>\$1,969,085</u>	<u>\$1,945,241</u>	<u>\$2,008,697</u>
TRUST ACCOUNTS:			
Restitution	\$1,582,321	\$1,657,236	\$1,397,745
Victim Rights Fees	101,539	98,276	88,810
TOTAL	<u>\$1,683,860</u>	<u>\$1,755,512</u>	<u>\$1,486,555</u>
TOTAL FUNDS RECOVERED	<u>\$3,652,945 **</u>	<u>\$3,700,753</u>	<u>\$3,495,252</u>

This Division is responsible for collection of all funds ordered by the Circuit Court for court costs, attorney fees, restitution, fines, and victim rights fees.

On October 30, 1989, Public Act 196 became effective requiring each defendant to pay a fee for the Victim Rights Fund. These funds are collected on behalf of the State and the County is authorized to retain an administrative fee. On May 1, 1994, the Act was amended to increase the fee from \$30 or \$20 to \$40 or \$30 respectively if convicted of a felony or serious misdemeanor. The administrative fee retained by the County was increased from 5% to 10% of the amount collected.

In 1995, there were 5,118 restitution payments made to the victims of crime for a total of \$1,502,954 including \$23,402 recovered for Oakland County.

*Collections for Inmate Board and Care fees began in May, 1995. An additional \$36,605 was collected at the Oakland County Jail for the weekender program.

**A program requiring a defendant's bond to be applied toward costs assessed by the Court resulted in the recovery of \$260,996 of the above funds. In addition, \$28,274 was collected from the defendants on the Work Release Program with the assistance of the Oakland County Sheriff's Department.

CIRCUIT COURT PROGRAMS

COURT-APPOINTED ATTORNEY PROGRAM

	<u>1995</u>	<u>1994</u>	<u>1993</u>
Cost to Oakland County:			
Regular Cases	\$5,569,222 *	\$5,229,919 **	\$4,142,544 ***
Appellate Cases	<u>393,403</u>	<u>434,399</u>	<u>424,465</u>
Total	<u>\$5,962,625</u>	<u>\$5,664,318</u>	<u>\$4,567,009</u>
FUNDS RECOVERED	<u>\$692,516</u>	<u>\$700,940</u>	<u>\$738,759</u>

*This amount includes \$1,079,778 in expenses from prior years.

**Includes \$1,017,234 in expenses from prior years.

***Includes \$685,920 in expenses from prior years.

COURT COMMUNITY SERVICE PROGRAM

	<u>1995</u>	<u>1994</u>	<u>1993</u>
Court Costs	\$80,953	\$139,787	\$152,939
Attorney Fees	65,978	105,561	95,068
Fines	<u>1,170</u>	<u>2,090</u>	<u>3,323</u>
TOTAL CREDITS RECOVERED	<u>\$148,101</u>	<u>\$247,438</u>	<u>\$251,330</u>

The Court Community Service Program has provided the courts with an alternative means of enforcing monetary orders from indigent defendants rather than imposing costly jail sentences.

PROBATE COURT - JUVENILE ACCOUNTS

STATEMENT OF RECEIPTS

For the Years Ended December 31, 1995, 1994 and 1993

	1995	1994	1993
ACCOUNTS:			
Board and Care (Juvenile Maintenance)	\$620,968	\$606,810	\$637,610
Government Benefits (Juvenile Maintenance)	204,160	163,317	196,881
Collection Offset (Board and Care)	220,636	219,466	226,877
Attorney Fees	194,899	192,672	204,113
Probation Service Fees	186,539	161,980	204,383
Clinical Evaluations	28,743	31,511	16,678
Court Costs	25,362	13,425	11,965
Traffic Service Fees	13,156	14,381	14,367
Interpreter Fees	315	402	443
TOTAL	\$1,494,778	\$1,403,964	\$1,513,317
TRUST ACCOUNTS:			
Restitution	\$131,582	\$95,591	\$107,423
Vocational Schools and Group Homes	89,467	90,875	77,515
Probate Support	14,468	15,794	38,024
Juvenile Victim Rights Fees	11,840	1,331	
Sec. of State - Traffic Service Fees	1,434	1,209	885
State of Michigan-Aid to Dependent Children	557	17,525	6,029
TOTAL	\$249,348	\$222,325	\$229,876
TOTAL FUNDS RECOVERED	\$1,744,126 *	\$1,626,289	\$1,743,193

The Reimbursement Division is responsible for collection of the cost of care of court wards, attorney fees, restitution, court costs, service fees, victims rights, and clinical evaluations as ordered by the Juvenile Court. A financial statement is taken, and an order is entered based on the parents' ability to pay according to the State Court Administrator's guidelines.

The Juvenile Code provides for a 25% administrative fee (Collection Offset) to cover the cost of collecting funds as the result of an order for board and care.

This Division collects the service fees for juvenile traffic cases. Probate Court assesses the parents of juveniles charged with delinquent acts a monthly service fee when the child is placed on probation or in their home under supervision. This office is also responsible for the collection of clinical evaluations ordered by the Court at the Psychological Clinic.

Effective May 1, 1994, MCLA 780.901 required the courts to order juveniles to pay a \$20 assessment to the Crime Victims Rights Fund for orders of disposition on juvenile offenses. The Department of Treasury receives 90% of this fee and the County is entitled to retain 10% of collections.

This Division acts as the collection agent for monies ordered by Juvenile Court for restitution. In 1995, there were 777 restitution payments made to the victims of crime for a total of \$131,220.

*A program which requires a child's bond to be applied towards costs assessed by the Court resulted in the recovery of \$34,270 of the above funds.

PROBATE COURT - JUVENILE ACCOUNTS

WARDS OF THE STATE OF MICHIGAN
BOARD AND CARE, GROUP HOMES, HALF-WAY HOUSES,
VOCATIONAL SCHOOL ACCOUNTS

	<u>1995</u>	<u>1994</u>	<u>1993</u>
Cost to Oakland County	<u>\$3,405,428</u>	<u>\$4,032,079</u>	<u>\$3,226,458</u>
FUNDS RECOVERED	<u>\$89,467 *</u>	<u>\$90,875</u>	<u>\$77,515</u>

* This amount includes \$46,819 which represents one-half of the governmental benefits collected by the Department of Social Services and credited to the County for children placed in State facilities.

REIMBURSEMENT FOR COURT-APPOINTED ATTORNEYS

	<u>1995</u>	<u>1994</u>	<u>1993</u>
Cost to Oakland County	<u>\$722,421</u>	<u>\$713,184</u>	<u>\$750,484</u>
FUNDS RECOVERED	<u>\$194,899</u>	<u>\$192,672</u>	<u>\$204,113</u>

If the Probate Court appoints an attorney to represent a child, parent, guardian or custodian, an order is entered requiring the responsible individual to repay the funds in accordance with their ability to pay.

PROBATE COURT-MENTAL HEALTH/MEDICAL CARE ACCOUNTS

REIMBURSEMENT FOR COURT-APPOINTED ATTORNEYS

	<u>1995</u>	<u>1994</u>	<u>1993</u>
Cost to Oakland County	<u>\$294,724</u>	<u>\$334,242</u>	<u>\$273,522</u>
FUNDS RECOVERED	<u>\$46,692</u>	<u>\$43,387</u>	<u>\$52,749</u>

Every individual who is the subject of a petition for involuntary hospitalization is entitled to be represented by legal counsel.

INDEPENDENT MEDICAL EVALUATIONS

	<u>1995</u>	<u>1994</u>	<u>1993</u>
FUNDS RECOVERED	<u>\$473</u>	<u>\$1,358</u>	<u>\$4,398</u>

The Mental Health Code provides for an independent medical evaluation upon request by persons who have been hospitalized involuntarily.

COMMUNITY MENTAL HEALTH

	<u>1995</u>	<u>1994</u>	<u>1993</u>
FUNDS RECOVERED	<u>\$347</u>	<u>\$140</u>	<u>\$0</u>

In 1990, the Community Mental Health clinics stopped referring delinquent accounts to this office for legal action.

OAKLAND COUNTY MEDICAL CARE FACILITY

	<u>1995</u>	<u>1994</u>	<u>1993</u>
FUNDS RECOVERED	<u>\$678</u>	<u>\$0</u>	<u>\$0</u>

In 1990, the Oakland County Medical Care Facility stopped referring delinquent accounts to this office for collection.

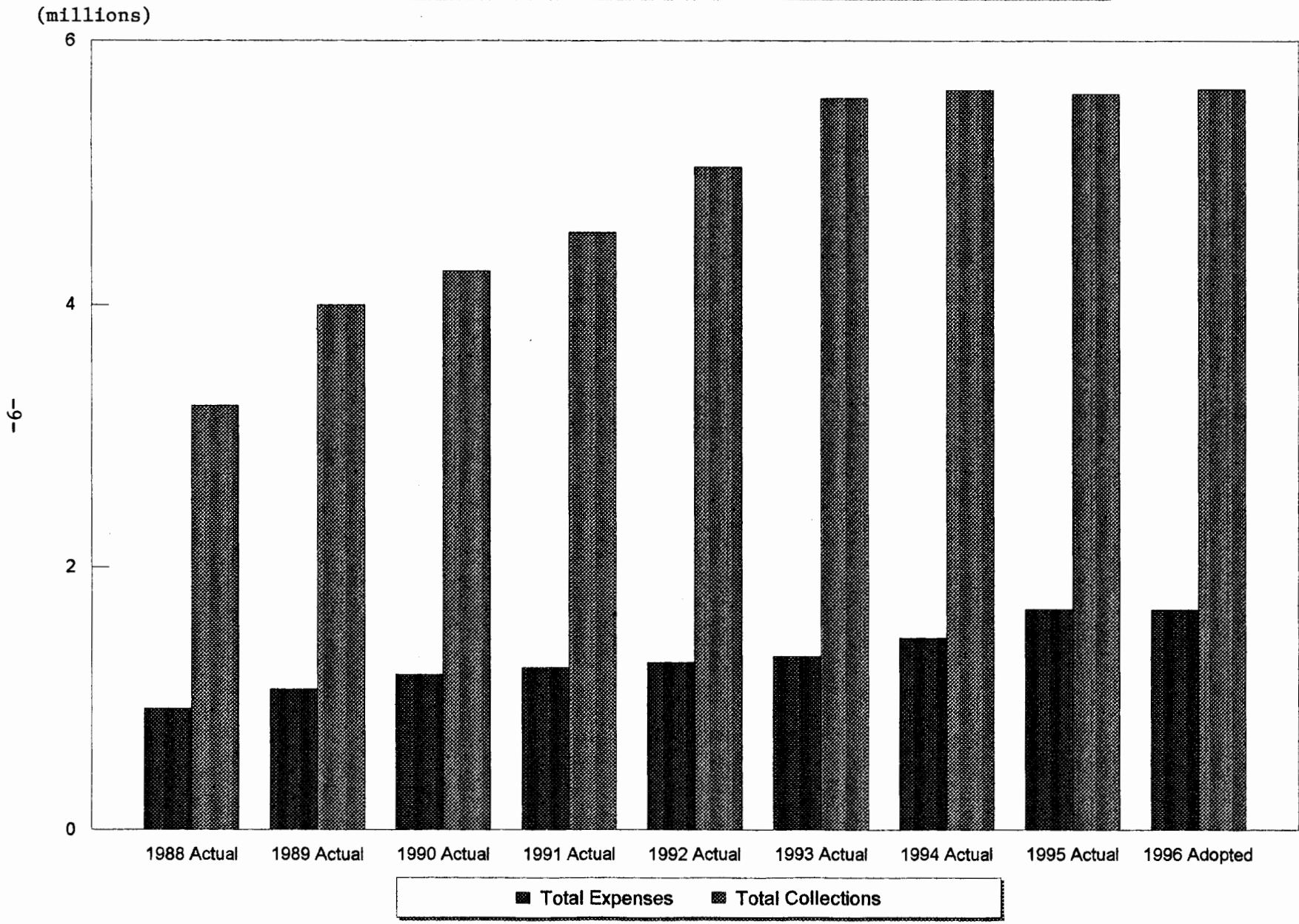
OAKLAND COUNTY REIMBURSEMENT DIVISION
1996-1997 ADOPTED BIENNIAL BUDGET
COLLECTION/EXPENSE COMPARISON STATEMENT

	1988 Actual	1989 Actual	1990 Actual	1991 Actual	1992 Actual	1993 Actual	1994 Actual	1995 Actual	1996 Adopted
Administration Unit									
Salaries & Fringes	\$254,132	\$270,589	\$307,646	\$337,010	\$349,161	\$385,695	\$300,859 *	\$332,488 *	\$354,321 *
Operating Expense	87,587	145,129	151,524	143,549	146,217	126,934	101,007	125,436	102,422
Total Expenses	\$341,719	\$415,718	\$459,170	\$480,559	\$495,378	\$512,629	\$401,866	\$457,924	\$456,743
Collections	\$79,585	\$42,915	\$57,064	\$21,821	\$24,982	\$15,505	\$7,078	\$5,683	
Collection/Expense Ratio	\$0.23	\$0.10	\$0.12	\$0.05	\$0.05	\$0.03	\$0.02	\$0.01	\$0.00
Circuit Court Unit									
Salaries & Fringes	\$145,440	\$153,810	\$174,874	\$191,565	\$198,472	\$219,239	\$354,814	\$390,746	\$416,405
Operating Expense	50,126	82,495	86,130	81,597	83,113	72,153	111,048	147,415	120,368
Total Expenses	\$195,566	\$236,305	\$261,004	\$273,162	\$281,585	\$291,392	\$465,862	\$538,161	\$536,773
Collections	\$2,081,340	\$2,694,678	\$2,818,498	\$3,030,519	\$3,264,536	\$3,495,252	\$3,700,753	\$3,652,945	\$3,818,200
Collection/Expense Ratio	\$10.64	\$11.40	\$10.80	\$11.09	\$11.59	\$12.00	\$7.94	\$6.79	\$7.11
Probate Court Unit									
Salaries & Fringes	\$287,717	\$272,995	\$310,382	\$340,007	\$352,265	\$389,125	\$455,024	\$500,864	\$533,753
Operating Expense	99,161	146,420	152,872	144,826	147,518	128,063	142,248	188,958	154,289
Total Expenses	\$386,878	\$419,415	\$463,254	\$484,833	\$499,783	\$517,188	\$597,272	\$689,822	\$688,042
Collections	\$1,018,033	\$1,139,313	\$1,223,068	\$1,257,312	\$1,496,314	\$1,800,340	\$1,671,174	\$1,792,316	\$1,815,200
Collection/Expense Ratio	\$2.63	\$2.72	\$2.64	\$2.59	\$2.99	\$3.48	\$2.80	\$2.60	\$2.64
Total Division									
Salaries & Fringes	\$687,289	\$697,394	\$792,902	\$868,582	\$899,898	\$994,059	\$1,110,697	\$1,224,098	\$1,304,479
Operating Expense	236,874	374,044	390,526	369,972	376,848	327,150	354,303	461,809	377,079
Total Expenses	\$924,163	\$1,071,438	\$1,183,428	\$1,238,554	\$1,276,746	\$1,321,209	\$1,465,000	\$1,685,907	\$1,681,558
Total Collections	\$3,178,958	\$3,876,906	\$4,098,630	\$4,309,652	\$4,785,832	\$5,311,097	\$5,379,005	\$5,450,944	\$5,633,400
Community Service	\$57,187	\$121,115	\$162,999	\$243,142	\$261,316	\$251,330	\$247,438	\$148,101	\$260,000
Total Collections & Service	\$3,236,145	\$3,998,021	\$4,261,629	\$4,552,794	\$5,047,148	\$5,562,427	\$5,626,443	\$5,599,045	\$5,893,400
Collection/Expense Ratio	\$3.50	\$3.73	\$3.60	\$3.68	\$3.95	\$4.21	\$3.84	\$3.32	\$3.50

* Salary and fringe benefit expenses for administrative staff have been adjusted to reflect responsibilities in the Child Support area.

OAKLAND COUNTY REIMBURSEMENT DIVISION

Collection/Expense Comparison



CHILD SUPPORT DIVISION

1995 AND 1994 COLLECTIONS REPORT

	<u>1995</u>	<u>1994</u>
TOTAL RECEIPTS COLLECTED	\$131,521,251	\$122,235,048
LESS FEES COLLECTED:		
SERVICE FEES	\$498,962	\$500,380
PROCESSING FEES	65,941	58,746
JUDGMENT FEES	5,110	6,620
PSYCHOLOGICAL EVALUATION	18,026	11,498
COURT COSTS	52,542	49,294
BLOOD TEST	1,317	7,075
GUARDIAN AD LITEM	7,187	5,197
MEDICAID, CONFINEMENTS	806,675	586,075
	<u>1,455,760</u>	<u>1,224,885</u>
TOTAL SUPPORT RECEIPTS	<u>\$130,065,491 *</u>	<u>\$121,010,163</u>
COURT ORDERS AND CORRESPONDENCE		
SUPPORT ORDERS	6,900	8,559
JUDGMENTS	3,643	4,006
DEFAULTS	2,477	2,822
INCOME WITHHOLDING ORDERS	12,078	12,247
MISCELLANEOUS DOCUMENTS	17,042	30,209
TOTAL PROCESSED	<u>42,140 **</u>	<u>57,843</u>

In 1994, the Child Support Unit was transferred from the Accounting Division to the Reimbursement Division. This Unit is responsible for establishing and maintaining child support accounts based on court order on behalf of the Friend of the Court. The Unit also receipts and disburses child support and alimony payments. Currently, this Unit is responsible for maintaining over 62,000 active Friend of the Court cases.

Currently, 35% of all payments are processed by an automated payment processing program, the Lockbox Operation, at National Bank of Detroit. A new receipting system was implemented within the Division to streamline the operation.

Currently, 37% of all disbursements are electronically transmitted to the payee. The number of payees on EFT (Electronic Funds Transfer) continues to increase each year.

*Included in this amount are payments made to ADC in the amount of \$11,046,274.

**Imaged court orders and correspondence are used as a measure of child support activity. In 1995, certain types of correspondence were omitted from the scanning process reducing the number of miscellaneous documents.

**CHILD SUPPORT
1996-1997 ADOPTED BIENNIAL BUDGET
REVENUE/EXPENSE COMPARISON STATEMENT**

	1994 Actual	1995 Actual	1996 Adopted
Child Support			
Salaries & Fringes	\$936,690 *	\$941,866 *	\$993,667 *
Operating Expense	612,005	566,383	637,943
Total Expenses	\$1,548,695	\$1,508,249	\$1,631,610
Total Revenues**	\$1,586,051 ***	\$1,692,149	\$1,706,696
Revenue/Expense Ratio	\$1.02	\$1.12	\$1.05

* Salary and fringe benefit expenses for administrative staff have been adjusted to reflect responsibilities in the Child Support area.

** Revenue attributable to Reimbursement/Child Support efforts based on percent of expenses incurred to overall revenues recognized by the Friend of the Court.

*** Change in methodology resulted in a different figure reported in 1994 annual report.

