



MCD COMPLIANCE PROGRAM GREEN BELT PRESENTATION

How Lean Six is Helping the Municipal Courts Department to Improve Collections



MUNICIPAL COURTS DEPARTMENT

PUBLIC SERVICES DIVISION

Call-Center Mail Unit Compliance Team

Mission/Problem Statement:

How can we improve our recovery rate on receivables even prior to delinquency?

Target/Objective:

MCD defers upwards of \$10M a year
Citizens pay \$5M according to terms
\$5M are turned over to collections



Judges



Compliance



Collectors

Proposal/Recommendation:

Court-Wide Deployment of a Compliance Program

Deferred Payment Best Practices

- Longer credit-like application
- Reduction in the lengths of plan periods
- An "interview" with a Compliance Officer (Initial Payment & Bi-weekly installments)
- Pre-Collections Calls

Piloted in 2 court-rooms across three months in early FY12.

Annual Compliance Rate (FY12):

47.7%

Compliance Rate during Pilot

60.5%

ROOT-CAUSE ANALYSIS: THE FIVE WHY'S

Despite the success of the pilot, interest in deploying the program court wide was mixed.

STAFFING



Concerns about the scalability of the compliance program

Reluctance to add/reassign staff

Departmental budgetary constraints

Declining MCD Revenue Contributions

Reduction in Citations written

REPORTING



Pilot performance reporting was difficult.

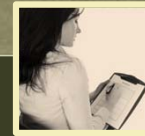
Cases were tracked and reported manually by agent

Collections module in case-management application was not functional.

Application could not handle COH volume

Use of the Collections component was not anticipated at procurement.

TECHNOLOGY



Reluctance to invest in needed Technology

Limited IT resources to evaluate Collections Module functionality in Courtview

Migration from Courtview scheduled for Summer 2014

Deployment of cSmart

RESISTANCE



1. Why?

2. Why?

3. Why?

4. Why?

5. Why?

VOICE OF THE CUSTOMER: AFFINITY DIAGRAM

Despite the success of the pilot, interest in deploying the program court wide was mixed.



- Interviews with a Focus Groups (Executive leadership who are Judges)
- Gemba Walks (Sitting in on court sessions)
- Conversations with Judges who had participated in the pilot

Judicial Apprehension

PHILOSOPHY

Separation between
Justice and Business

Apprehension about
negotiating payments
with Defendants

Concern for compassion
towards the indigent.

JUDICIAL AUTHORITY

Perceived loss of
Judicial discretion

Program imposed
w/o Judicial buy-In

Little buy-in on pilot

PUBLIC RELATIONS

Customer-service
impact because of
longer wait times.

Public/Media
reaction the
Compliance program

Defense Attorney
Push-back

VOICE OF THE CUSTOMER: BETTER COMMUNICATION PLANS

Redevelopment of the program based on concerns and audience-specific Communication Plans



CITY OF HOUSTON
MUNICIPAL COURTS DEPARTMENT

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MCD COMPLIANCE PROGRAM

Background on Compliance

Each year more than 45,000 citizens request payment plans to satisfy their fines and fees assessed by the court. Unfortunately, only half of all applicants fulfill the obligations of their plan within the guidelines of the judicial orders. Those who default on these arrangements often face additional collection fees, DPS holds, vehicle registration renewal denials, warrants and even arrests.

The Municipal Courts Department conducted a pilot in early 2012 to identify ways to assist citizens with complying with the terms of their deferred payment plan. The study revealed:

- A significant number of applicants simply do not understand the deferred payment process and are often not aware of options that make the agreement easier to comply with.
- Some lack the follow-up support necessary to be successful (i.e. direction, contact information for payment arrangements, assistance with options, and reminders.)
- Others are not fully aware of the consequences of non-compliance until additional penalties and restrictions have been implemented.

Roll-Out of the Compliance Team

In response to what has largely been recognized as a public service opportunity, the Municipal Courts Department has launched a new compliance team dedicated exclusively to partnering with citizens.

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Location and Cont

The new program
Municipal Courtho
Get involved from Re

Communication Plan

08/04 Executive Leadership
(ROI-focused)

08/06 Court Ops (Efficiency-focused)

10/1 Public Service Announcement

10/5,12 Judicial (Compliance-focused)

10/11 Defense Bar (Service-oriented)

~~Defense~~ Attorneys

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PROCESS MAPPING (REPORTING IN THE CALL CENTER)

A process mapping exercise aimed at improving performance reporting within the call-center gave us insight on how to improve reporting for the Compliance Team.

Reporting (Before)

CSR's input data into a Word document transaction log

CSR tallied results and filled in a summary template.

CSR printed transaction log and summary template then cleared content for next day.

CSR-2 data-entered results from individual hard-copies into a EOD template for the center

5+ different versions of the transaction log were in circulation.

Agents used adding machines to complete summaries.

EOD process took 30 min per CSR.

Supervisor entered results from EOM hard-copies into a EOY report

Supervisor printed monthly report then cleared out template

Once a week Supervisor used hard-copy to enter results into an EOM template

CSR-2 printed EOD summary and cleared template

Manual data-entry at all levels resulted in errors.

25% of data elements reported on were superfluous/obsolete

Reporting (Today)



CSR's input data into one standardized spreadsheet

CSR goes home

Data flows from Agent EOD to center EOD, EOM, EOY Reports and provides accurate, real-time visibility into productivity from the 1st-line supervisor to the Director.

PROCESS MAPPING (REPORTING FOR THE COMPLIANCE PROGRAM)

The tracking process created for the call-center improved reporting for the Compliance Program

DAILY COMPLIANCE SUMMARY REPORT																			
November 2013																			
Officer		Fri 11/1	Sat 11/2	Mon 11/4	Tue 11/5	Wed 11/6	Thu 11/7	Fri 11/8	Sat 11/9	Mon 11/11	Tue 11/12	Wed 11/13	Thu 11/14	Fri 11/15	Sat 11/16	Mon 11/18	Tue 11/19	Wed 11/20	11/21
Compliance Team	Deferred Payments	84	25	117	91	96	91	116			117	83	96	101	15	114	77	97	
	Extensions	8	2	10	6	3	3	3			4	2	2	3		3		2	
	Total Dollars Deferred	\$20,192	\$8,624	\$33,234	\$24,895	\$17,164	\$22,849	\$29,743			\$31,664	\$20,886	\$23,088	\$24,022	\$2,223	\$28,980	\$19,751	\$23,092	\$2
	Total Down Payment	\$3,413	\$1,215	\$5,098	\$3,549	\$3,411	\$3,969	\$5,588			\$5,624	\$3,587	\$3,012	\$3,657	\$349	\$4,441	\$3,897	\$4,203	\$3
	Down Payments (%)	17%	14%	15%	14%	20%	17%	19%			18%	17%	13%	15%	16%	15%	20%	18%	1
Angelia Ivory	Avg Down Pay/Citizen	\$40.63	\$48.59	\$43.57	\$39.01	\$35.53	\$43.62	\$48.17			\$48.07	\$43.22	\$31.38	\$36.20	\$23.27	\$38.95	\$50.61	\$43.33	\$3
	Deferred Payments	0	0	25	5	8	15	16				13	18			23	14	17	
	Extensions	0	0	4	1														
	Total Dollars Deferred	\$0	\$0	\$5,171	\$1,113	\$1,955	\$4,271	\$2,899				\$2,644	\$4,318			\$4,839	\$3,743	\$3,710	\$4
	Total Down Payment	\$0	\$0	\$1,214	\$302	\$270	\$692	\$580				\$410	\$520			\$1,160	\$545	\$675	\$9
Debra Murry	Down Payments (%)			23%	27%	14%	16%	20%				16%	12%			24%	15%	18%	1
	Avg Down Pay/Citizen			\$48.56	\$60.42	\$33.75	\$46.13	\$36.25				\$31.54	\$28.89			\$50.42	\$38.93	\$39.71	\$4
	Deferred Payments	0	0	16	11	23	14	14			16	13	17	10		17	7	14	
	Extensions	0	0	5	2	2												1	
	Total Dollars Deferred	\$0	\$0	\$5,393	\$3,880	\$6,312	\$2,380	\$3,465			\$2,980	\$2,271	\$2,983	\$2,841		\$3,013	\$1,659	\$3,414	\$4
Mirta Anaya	Total Down Payment	\$0	\$0	\$693	\$319	\$830	\$267	\$524			\$455	\$495	\$605	\$170		\$585	\$50	\$554	\$9
	Down Payments (%)			13%	8%	13%	11%	15%			15%	22%	20%	6%		19%	3%	16%	
	Avg Down Pay/Citizen			\$43.31	\$29.00	\$36.09	\$19.07	\$37.44			\$28.44	\$38.08	\$35.59	\$17.00		\$34.41	\$7.14	\$39.54	\$2
	Deferred Payments	21	8	27	20		16	19			26			16		22	15	23	
	Extensions	3	0	0	1		1	1			2					1			
	Total Dollars Deferred	\$4,702	\$2,619	\$9,250	\$5,946		\$5,097	\$4,782			\$5,793			\$3,632		\$5,019	\$3,655	\$4,862	\$4
	Total Down Payment	\$922	\$275	\$1,252	\$830		\$1,425	\$1,120			\$1,601			\$642		\$820	\$886	\$1,420	\$1
	Down Payments (%)	20%	11%	14%	14%		28%	23%			28%			18%		16%	24%	29%	2
	Avg Down Pay/Citizen	\$43.90	\$34.38	\$46.37	\$41.48		\$89.06	\$58.95			\$61.59			\$40.13		\$37.27	\$59.07	\$61.72	\$8

Reporting: Mistake Proofing

- Replacement: Replaced manual data-entry with links and formulas
- Elimination: no data-entry beyond the agent performance tracking
- Prevention: Protected fields on report avoided deletions/modifications
- Facilitation: Color-coded data entry fields vs protected fields

TIME STUDY (IN THE MAIL DIVISION)

A value-streaming exercise in the Mail Division helped to provide more FTE for Compliance Team

Representative	Functionality	Count	Start Time	End Time	Time Elapsed	Avg per Piece
Oneida Cantu	DSC Applications	17	13:20	14:05	0:45	0:02
	DSC Completions	15	14:44	15:05	0:21	0:01
	Payments	12	12:35	12:57	0:22	0:01
	Deferred Dispositions	7	14:06	14:43	0:37	0:05
	RIID	4	13:05	13:17	0:12	0:03
	Inmate Motions	5	15:34	15:51	0:17	0:03
	Resets	11	15:06	15:30	0:24	0:02
	Attorney Resets	13	15:51	16:04	0:13	0:01
Returns		15	16:13	16:19	0:06	0:00
Total Pieces		99				
Eva Green	DSC Applications	17	12:06:00	12:55	0:49	0:02
	DSC Completions	15	0:00	0:00	0:00	0:00
	Payments	14	13:53	14:37	0:44	0:03
	Deferred Dispositions	5	12:57	13:27	0:30	0:06
	RIID	4	13:28	13:53	0:25	0:06
	Inmate Motions	5	16:28	16:40	0:12	0:02
	Resets	11	15:30	16:23	0:53	0:04
	Attorney Resets	13	14:38	15:18	0:40	0:03
Returns		15	15:21	15:29	0:08	0:00
Total Pieces		99				
Bridget Jefferson	DSC Applications	17	12:49:00 PM	14:30	1:41	0:05
	DSC Completions	15	13:21	13:59	0:38	0:02
	Payments	15	12:12	12:43	0:31	0:02
	Deferred Dispositions	5	14:30	14:44	0:14	0:02
	RIID	4	12:01	12:10	0:09	0:02
	Inmate Motions	5	16:20	16:25	0:05	0:01
	Resets	11	14:44	15:21	0:37	0:03
	Attorney Resets	13	16:00	16:17	0:17	0:01
Returns		15	0:00	0:00	0:00	0:00
Total Pieces		100				
Kathy Peters	DSC Applications	17	13:55	15:30	1:35	0:05
	DSC Completions	15	0:00	0:00	0:00	0:00
	Payments	14	12:04	12:45	0:41	0:02
	Deferred Dispositions	5	13:45	14:08	0:23	0:04
	RIID	4	12:50	13:07	0:17	0:04
	Inmate Motions	5	16:09	16:48	0:39	0:07
	Resets	11	0:00	0:00	0:00	0:00
	Attorney Resets	13	0:00	0:00	0:00	0:00

Average Time per Mail Type	
DSC App	0:03
DSC Comp	0:01
Payments	0:02
Deferred Dispositions	0:04
RIID	0:04
Inmate Motions	0:03
Resets	0:02
Attorney Resets	0:01
Avg per mail piece	0:03



TIME STUDY (IN THE MAIL DIVISION)

A value-streaming exercise in the Mail Division helped to provide more FTE for Compliance Team

Standardized
Processing Time

Average Time per Mail Type	
DSC App	0:03
DSC Comp	0:01
Payments	0:02
Deferred Dispositions	0:04
RIID	0:04
Inmate Motions	0:03
Resets	0:02
Attorney Resets	0:01
Avg per mail piece	0:03

X

Historical Mail Volumes

Item	Sup/Mgr Initials	11/18/13	11/19/13	11/20/13	11/21/13	11/22/13	Weekly Total
Attorney Resets	SA	269	39	173	53	168	702
Daily Deposits	SA	\$43,884.38	\$29,323.67	\$30,812.05	\$32,515.74	\$37,423.10	\$ 173,958.94
DSC Applications	SA	115	73	70	69	61	388
DSC Completions	SA	111	84	74	48	43	360
DSC Mail Correspondence	SA	73	115	58	85	96	427
Deferred Dispositions	SA	43	19	30	29	21	142
Deferred Mail Correspondence	SA	12	32	14	20	32	110
Email Request	SA	31	17	31	26	21	126
Inmate Motions	SA	37	23	19	8	0	87
Mail Payments	SA	57	69	34	31	29	220
Resets	SA	50	56	52	42	28	228
Returned Mail	SA	383	995	264	232	104	1,978
RIID	SA	27	9	0	11	15	62

Staffing Needs

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FTE

The Mail Team had been staffed with 11 FTE Prior to September 2013.
Prior to February 2011 there were 14 full-time employees in the section.



A New Compliance Team Courtesy of Lean Six Sigma

3 FTE recovered from
Mail Team (Stand. of Work)



2 FTE provide through a SBR



1 FTE recovered from the call-center

1 FTE provided by the Public Service Counter



7 FTE available for the Compliance Team

DATA: RESULTS SINCE RE-DEPLOYMENT



CITY OF HOUSTON

MUNICIPAL COURTS DEPARTMENT

COMPLIANCE PROGRAM

	Month	Number of Cases Deferred	Total Amount Deferred	Average Deferment Period	Initial Payment	Avg Initial Payment per DP	% Down	Number of Payments	Average No. of Installments Made	Amount Outstanding	Compliance
FY13	Jul	5631	\$ 956,399.09	52	\$ 103,096.75	\$ 18.31	11%	6238	1	\$ 466,045.91	51.3%
	Aug	5495	\$ 967,253.86	37	\$ 105,231.58	\$ 19.15	11%	6068	1	\$ 460,285.22	52.4%
	Sep	4902	\$ 853,431.01	32	\$ 87,450.70	\$ 17.84	10%	5154	1	\$ 381,092.75	55.3%
	Oct	5648	\$ 1,004,835.09	32	\$ 105,753.23	\$ 18.72	11%	5426	1	\$ 465,354.28	53.7%
	Nov	4500	\$ 809,970.96	32	\$ 76,720.87	\$ 17.05	9%	3616	1	\$ 465,517.09	42.5%
	Dec	3771	\$ 686,451.33	32	\$ 71,290.78	\$ 18.91	10%	1895	1	\$ 511,330.67	25.5%
	Jan	4497	\$ 818,060.83	31	\$ 82,052.26	\$ 18.25	10%	4138	1	\$ 385,828.58	52.8%
	Feb	4339	\$ 810,630.38	31	\$ 104,102.61	\$ 23.99	13%	3955	1	\$ 376,521.01	53.6%
	Mar	4776	\$ 884,037.15	31	\$ 111,430.40	\$ 23.33	13%	3842	1	\$ 519,959.94	41.2%
	Apr	5105	\$ 940,332.81	31	\$ 96,649.38	\$ 18.93	10%	4328	1	\$ 542,362.44	42.3%
	May	5214	\$ 930,494.76	31	\$ 89,497.05	\$ 17.16	10%	4551	1	\$ 495,793.82	46.7%
	Jun	4633	\$ 817,147.04	31	\$ 79,012.84	\$ 17.05	10%	4223	1	\$ 404,646.38	50.5%
		58,511	\$ 10,479,044.31	34	\$ 1,112,288.45	\$ 19.01	11%	53,434	1	\$ 5,474,738.09	47.8%
	Jul	4912	\$ 863,798.39	31	\$ 92,378.60	\$ 18.81	11%	4406	1	\$ 430,233.80	50.2%
	Aug	4547	\$ 806,167.97	31	\$ 76,006.91	\$ 16.72	9%	3993	1	\$ 411,695.82	48.9%
	Sep	4504	\$ 783,060.66	31	\$ 78,404.78	\$ 17.41	10%	4802	1	\$ 435,220.86	44.4%

42.5%
COMPLIANCE
RATE
(NOV FY13)

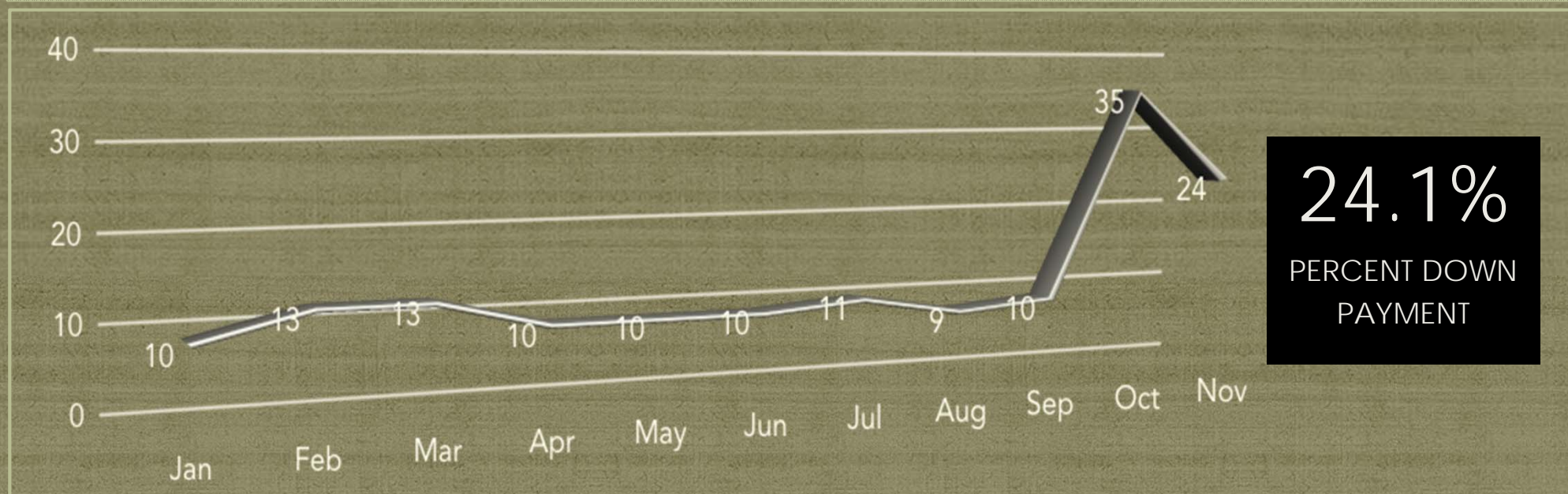
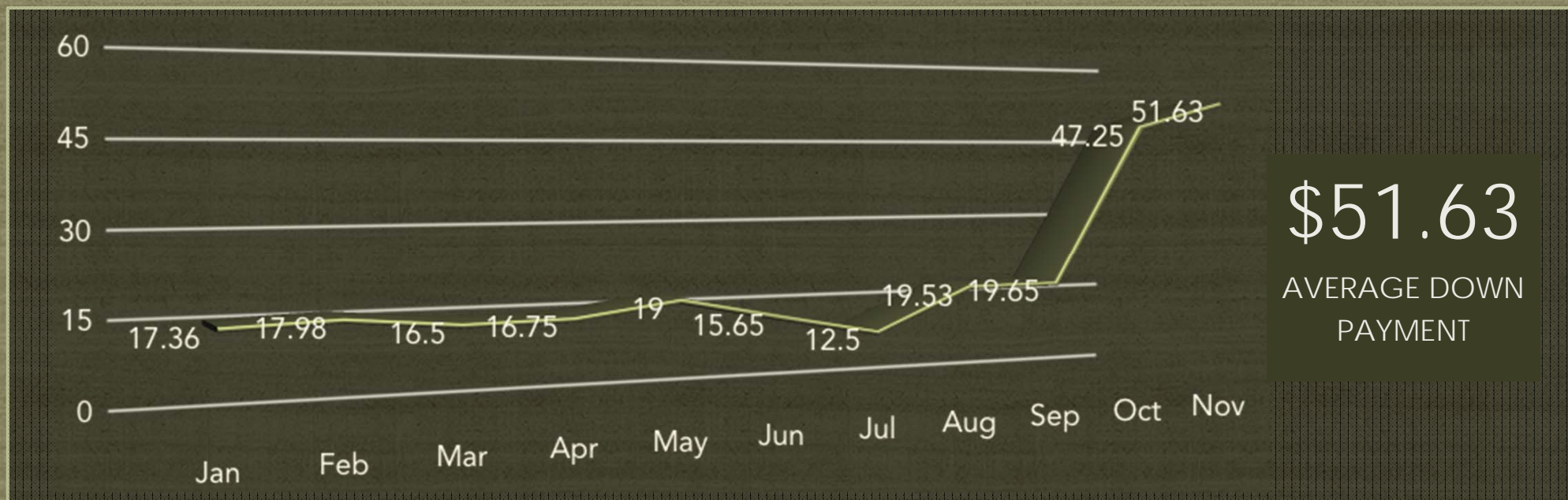
53.1%
COMPLIANCE
RATE
(NOV FY14)

NOV FY14 Comp. Rate is a preliminary score based on performance tracking. Crystal Report not available until JAN.
NOV results includes satellite courts. (Note: Results without satellites yield a 55.7% Compliance Rate.)

47.8%
COMPLIANCE
RATE (FY13)

EVERY 10% INCREASE IN MCD'S ANNUAL COMP. RATE IS EQUIVALENT TO \$1M

DATA: SINCE THE DEPLOYMENT OF THE COMPLIANCE TEAM



IMPROVEMENTS

Seeking opportunities to share quarterly results with MCD Executive team as well as create a forum to receive regular Judicial feedback.

Met with Executive Team on Nov 11 & Judges on Nov 13



Researching Debt Collections Management Applications. Spreadsheets and adhoc reports produced by IT are not long-term solutions.

Adding Traffic-Flow Software (Qmatic): To begin developing statistics that will eventually be used to build more dynamic staffing models.



Interested in adding strategic steps to the process to improve performance (i.e. text notifications, id-scan).

Hoping to extend new Standing Order to include call-center collectors.



CONTROLS: FOLLOW-UP PLANS

HEAR Goals: Evaluating performance to establish key performance metrics (i.e. average contact time, down payment %, agent compliance rate, etc).

Use observations to determine best-practices for negotiating down-payments and pre-collection efforts.

Interested in doing the Process Flow exercise in January to identify opportunities to further improve processes .

Planning to "6S" the Compliance Area

Will monitor the volume of cases received by the call-center. (Potential to shift staff from Collections to Compliance.)

Moved Mail Unit to Walker to improve efficiencies.



Questions & Answers