

Management of Legal Financial Obligations

Measure

7b

Definition: The percentage of cases in which legal financial obligations are fully met.

Purpose: Integrity and public trust in the administration of justice depend in part on how and how well court orders are observed and enforced. In the context of legal financial obligations, courts seek to manage compliance to maximize a defendant's ability to successfully meet those obligations. In particular, restitution for crime victims and accountability for enforcement of sanctions imposed on offenders are issues of intense public interest and concern. The focus of this measure is on the extent to which a court successfully manages the enforcement of court orders requiring payment of legal financial obligations.

Why only measure legal financial obligations in misdemeanor and traffic infraction cases?

- All courts with criminal jurisdiction process cases involving fees, fines, and restitution.
- Every jurisdiction has at least one criminal court.
- Responsibility for financial accounting in child support and other civil matters is not universally accepted or administered as a core function of courts across the states.

Why only measure compliance in misdemeanor and traffic infraction cases?

- Ensuring that defendants comply with court orders regarding fines, fees, and restitution is an essential activity of all courts with misdemeanor and traffic jurisdiction.
- Most court orders creating legal financial obligations originate in criminal courts, specifically with respect to traffic infractions, traffic misdemeanors, and non-traffic misdemeanors.
- Due dates are likely to be clearly established and fall within one year from the date they are ordered, making compliance measurable.

Financial obligations include child support, civil damage awards, traffic fines, and LFOs in criminal cases. However, state courts vary in their responsibility for and control over the full range of monies ordered and received. Therefore, to keep this measure broadly applicable and feasible, the focus is on fees, fines, and restitution in traffic infraction, traffic misdemeanor, and non-traffic misdemeanor cases. Once understood and in place for these cases, similar measurement methods could be applied to other relevant types of legal financial obligations.

The focus here is on the percentage of cases in which defendants fully meet their legal financial obligations, by whatever means (for example, payment, community service, or completion of a court-ordered program). The measure assesses how well the court is managing enforcement of judicial orders and ensuring successful compliance with legal financial obligations imposed by those orders.

Method: The results of this measure should be reviewed on a regular basis (e.g., monthly, quarterly, annually). If reviewed regularly, the court can establish baselines, set performance goals, observe trends as they develop, and aggregate the data for annual reporting.

The first task is to compile a list of all traffic, traffic misdemeanor, and non-traffic misdemeanor cases in which 1) a fee, fine, and/or restitution was ordered and 2) the due date for fulfillment of that financial obligation falls within the reporting period. The term legal financial obligation (LFO) here includes all financial obligations associated with traffic, traffic misdemeanor, and non-traffic misdemeanor cases, regardless of local terminology and practice (e.g., fines, fees, assessments, restitution, etc.). Fulfillment of a LFO is meant to include all forms through which the obligation can be met, including, but not limited to, community service, payment, completion of a relevant, court-approved program (for example, obtaining a GED, counseling, or a driver's license), or credit for jail time served.





If the case includes an order for restitution, additional information will include the amount of restitution ordered, the amount of money collected and applied to the restitution obligation, and the amount disbursed to the victim(s). For the purposes of this measure, separate restitution “accounts” (multiple victims/payees) can be aggregated into a single balance.

Other than for restitution payments to victims, compiling a record of all subsequent disbursement activities is not included in this measure (i.e., success in directing/paying out funds received to the appropriate account). This decision reflects the practical reality that there can be numerous funds or entities (e.g., county law library, technology improvement, courthouse construction, etc.) entitled to a fraction of the total penalty. Wide variation also exists in local and state accounting practices governing the timing and allocation of dollars received.

Eight data elements are essential:

1. Case number
2. Date of the order of sentence
3. Due date for final fulfillment of the total legal financial obligation
4. Total legal financial obligation in the case
5. Amount of legal financial obligation fulfilled to date
6. Total amount of restitution ordered in the case
7. Amount received that is applied by the court to restitution
8. Amount of restitution received that is disbursed to victims

Availability of Information

Ease of data collection for this measure will depend on the quality of the court's systems for tracking and monitoring compliance with the terms of legal financial obligations. For many courts, accessible court records, whether manual or automated, may contain all the required data. If data cannot be collected for this measure without inspection of case files, a reliable sampling technique may need to be used. The task will be relatively simple if the clerk's office keeps bookkeeping records. A sample should not be drawn from bookkeeping records alone unless an entry is created in those records for all cases where an order includes payment through community service, credit for time served, restitution, and other LFOs. It is possible, for example, that the bookkeeper only creates a record when a payment is made rather than when a LFO is initially ordered. In that instance, sampling from that source would not be representative of all cases in which a LFO is ordered.

Converting Time to Dollars

Accurate measurement of compliance requires a means to convert a LFO into days of community service or other court-ordered program when accepted in lieu of fees and fines or as alternatives to payment of restitution. These equity-related practices are used in many cases where the offender is unable to pay the full amount of the LFO. This process obliges courts to apply a dollar value when converting monetary obligations to “court-ordered program completed or community service performed.” For example, an order that states “\$150 fine to be paid by rendering 10 hours of community service” establishes an implied conversion formula of “\$150 = 10 hours of community service @ \$15 per hour.”

More commonly, when circumstances include an inability to pay, community service is offered. For example, law or local policy may be that a \$200 penalty is equivalent to the number of hours necessary to pay off the penalty at \$10 per hour.

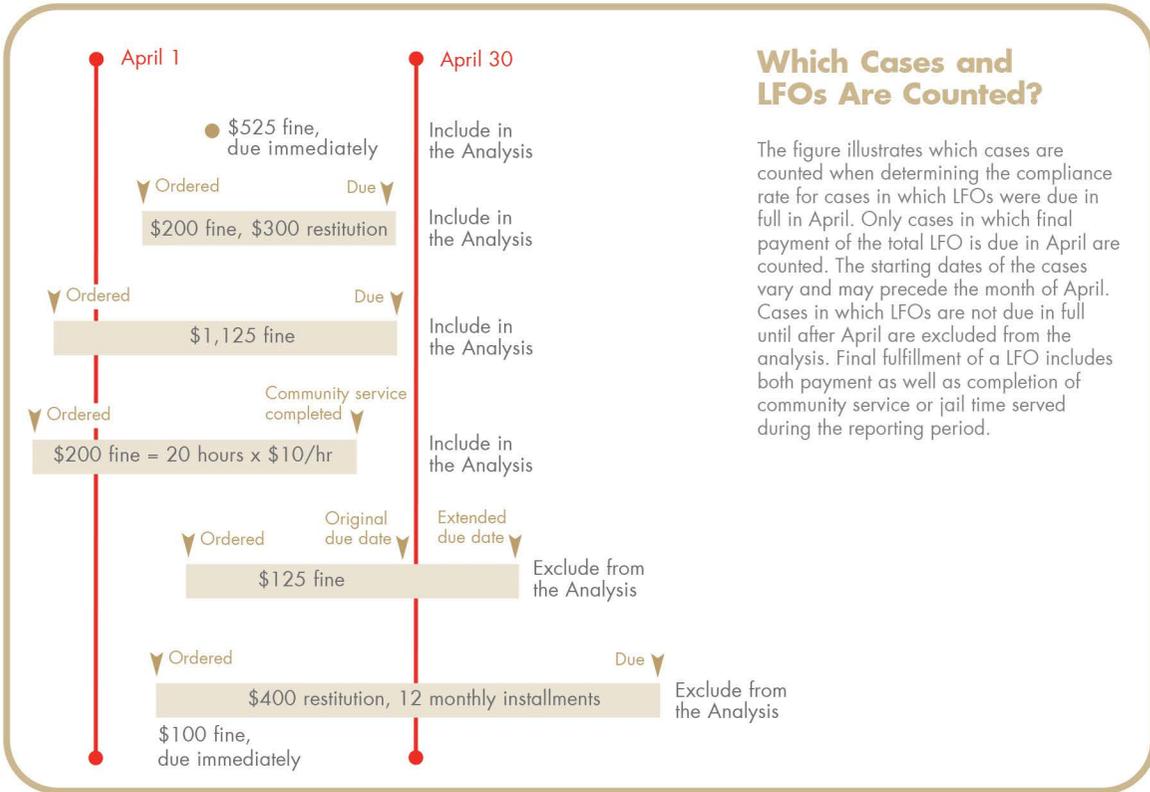
Extended Due Dates and Time Payments

Consistent with strategies to improve enforcement of court orders without resorting to incarceration, courts may extend the original due dates for monetary obligations, set up payment plans, etc. For this measure, if the original date is extended, the extended due date is used in measuring compliance.

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Data Reporting and Analysis

Total LFOs

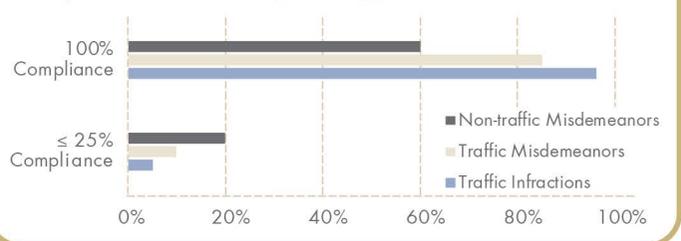
Analysis begins with an overview of compliance with LFOs by case type. The adjacent chart reveals that while compliance with Traffic Infractions and Traffic Misdemeanors is relatively high, the court needs to assess why compliance in Non-traffic Misdemeanor cases is much lower by comparison.

The table below summarizes compliance with judicial orders through collection of total Non-traffic Misdemeanor LFOs in one court. The Preliminary Compliance Rate is the percentage of total LFOs ordered that were collected as actual dollars.

Combining the dollar value of community service in lieu of payment (Conversion Credit Dollar Value) with Actual Dollars Collected produces Overall LFOs Fulfilled. Finally, Overall Compliance Rate is calculated by dividing Overall LFOs Fulfilled by the Total Amount Ordered.

Two examples illustrate the use of conversion credits: Case Three shows the total LFO (penalty and restitution) of \$250 converted, and Case Five shows \$100 of \$1,150 converted. In addition, Cases Two and Four show partial compliance with no conversion credits, which means that preliminary and overall compliance rates are the same. Case One shows full compliance. The final column shows that 60% (3 out of 5) cases have fully met their LFOs.

Compliance with LFOs by Case Type



Non-traffic Misdemeanor LFOs

Case	Date Ordered	Date Due	Total Amount Ordered	Actual Dollars Collected
One	1/1/16	4/1/17	\$400	\$400
Two	2/15/16	4/15/17	\$450	\$325
Three	3/5/16	4/5/17	\$250	\$0
Four	4/15/16	4/15/17	\$500	\$125
Five	4/25/16	4/25/17	\$1,150	\$375
Total			\$2,750	\$1,225

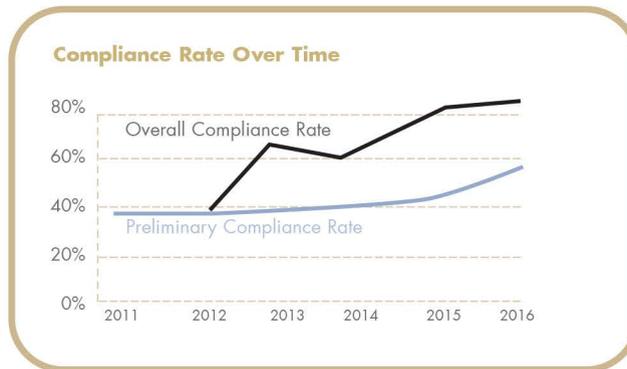


Restitution Collection and Disbursement

In some criminal cases, the LFO will require restitution in the form of payment to the victim for harm that was caused. This measure calls for specific analysis of the amount of restitution ordered, collected, and distributed to victims. In this court, the overall compliance rate is 57%, the restitution collection rate is 82%, and all restitution has been disbursed (100%). This result occurs because all dollars collected are applied to restitution obligations first, prior to paying any other government revenue accounts, and the court is efficient in making payments to victims. In Case One the total LFO, including restitution, is fully paid. In Case Four, the LFO of \$500 is not paid, but sufficient funds have been collected to cover full restitution. Once restitution is collected, the court can monitor the actual disbursement of restitution to victims.

Compliance with Legal Financial Obligations Over Time

Improving compliance rates for fulfillment of LFOs, as well as for disbursement of restitution, is enhanced by monitoring the trend in performance. For example, the figure below compares Preliminary Compliance Rate to Overall Compliance Rate over time. This court had not implemented “conversion credit” practices in 2011, so the two rates are identical in that year. As a result of implementing conversion practices in 2012, the two rates diverge and a more accurate measure of compliance is achieved. Adopting a broader definition of compliance, to include both dollars and completion of community service or a court-ordered program, allows the court to incorporate the full spectrum of ways of fulfilling a LFO. Without such adjustments, performance in this area will be misrepresented and misunderstood.



Terms You Need to Know

Legal Financial Obligation: All discretionary and mandatory fines, costs, fees, state assessments, and/or restitution in civil and criminal cases. May also include late fees for late payments.

Non-traffic Misdemeanor: A lesser offense, punishable by up to a year in jail. Offenses might include assault, disturbing the peace, or shoplifting and are distinguished by the seriousness of the crime or the amount of money or property involved. Punishment for misdemeanors can also include payment of a fine, probation, completion of community service or a court-ordered program, or restitution.

Restitution: An amount to be paid for the purpose of compensation for an injury, loss, or damage.

Traffic Infraction: Cases alleging offenses such as failure to signal a turn, failure to stop at a stop sign/traffic light, failure to wear a seat belt, and low-level speeding. These cases are below the level of a misdemeanor in severity and sanctions.

Traffic Misdemeanor: A lesser offense violating a traffic law, including driving under the influence, reckless driving, speeding (over certain limits), etc. These cases carry up to a year in jail in most states. Punishment for misdemeanors can also include payment of a fine, probation, community service, or restitution

Preliminary Compliance Rate	Conversion Credit Dollar Value	Overall LFOs Fulfilled	Overall Compliance Rate
100%	—	\$400	100%
72%	—	\$325	72%
0%	\$250	\$250	100%
25%	—	\$125	25%
33%	\$100	\$475	41%
45%	\$350	\$1,575	57%

$1,575 / 2,750 = 57\%$

Restitution Collection and Disbursement				
Amount Ordered	Amount Collected	Collection Rate	Restitution Disbursed	Overall Compliance Rate
\$300	\$300	100%	\$300	100%
—	—	—	—	72%
—	—	—	—	100%
\$100	\$100	100%	\$100	25%
\$550	\$375	68%	\$375	100%
\$950	\$775	82%	\$775	100%

$775 / 775 = 100\%$

60% of cases in full compliance



CourTools

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