

Payment Plans: Research and BATA Pilot Concept

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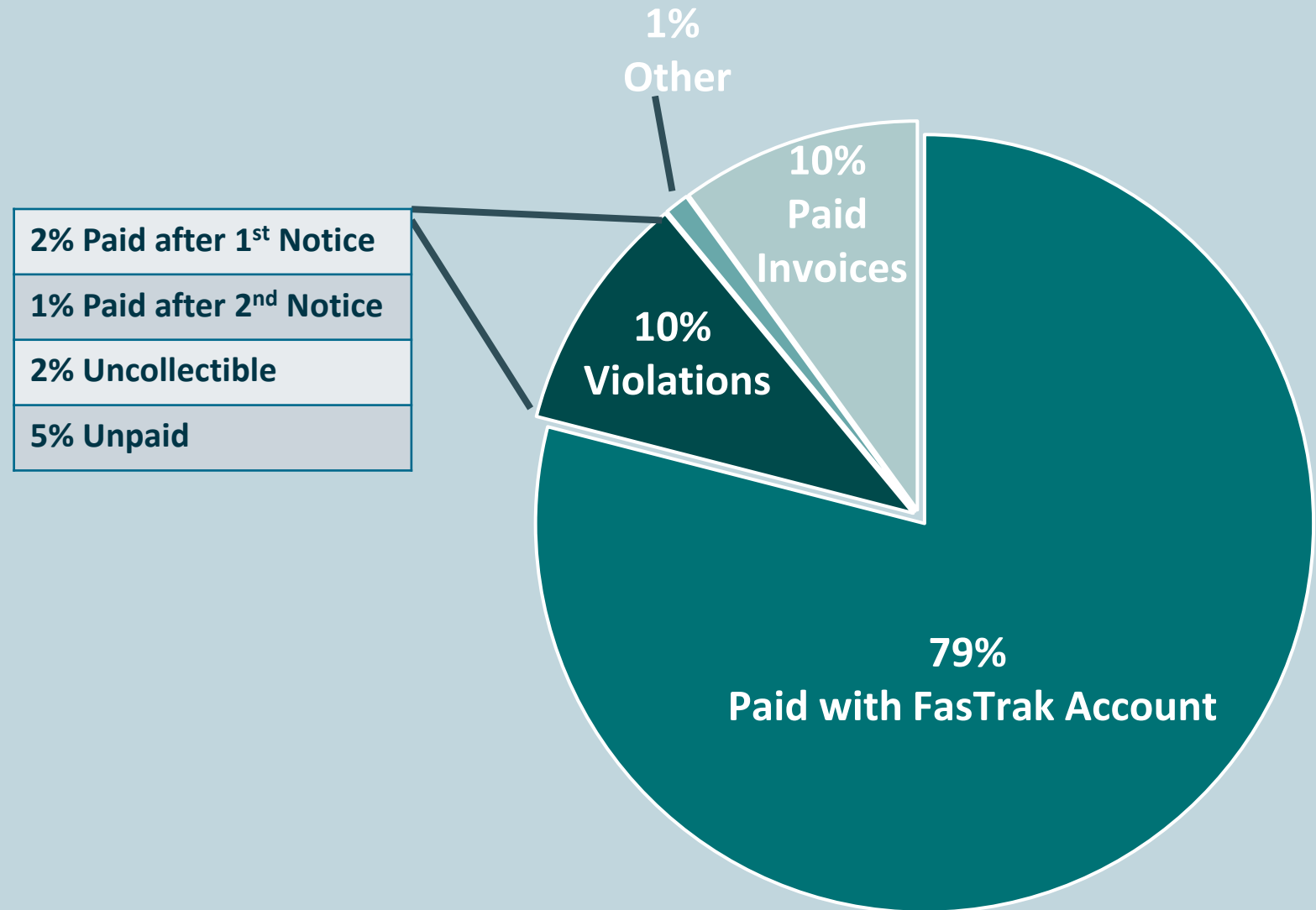


The Goals of Payment Plans

- Give people a path to get out of debt and become customers in good standing
- Break down what could be a large or overwhelming balance into manageable payment amounts
- Improve customer relations by meeting customers where they are at by balancing assistance and need
- Provide a more positive customer experience through education and multiple communication channels, especially when paired with policy changes to improve access and affordability

How people pay BATA tolls...

- Most drivers pay with FasTrak®.
- Half of invoice tolls are paid on time, while half become violations with added penalties.
- Unpaid violations, or 5% of total BATA toll crossings in 2021, are unpaid and eligible for DMV hold or collections



Existing Settlement Waivers

- Drivers without FasTrak who fail to pay an invoice and incur penalties can receive a one-time settlement waiver.
- FasTrak account holders who receive violations due to a negative balance can obtain a one-time settlement waiver.
- Staff will work to make waiver process more transparent.

2021 Outstanding Violations

- Most people (84%) who have unpaid violations eligible for DMV hold or collections owe less than \$150 in penalties.
 - Existing waiver programs to assist these drivers
- Need for additional support for customers owing more than \$150 in penalties (more than 10 unpaid violations)

Violations per plate	%	Count	Tolls*	Penalty Amount Owed \$15 per violation	Total Outstanding
1 to 4	72%	396,135	\$7 to \$28	\$15 to \$60	\$22 to \$88
5 to 10	12%	67,556	\$35 to \$70	\$75 to \$150	\$110 to \$220
11 to 19	6%	33,883	\$77 to \$133	\$165 to \$285	\$242 to \$418
20 to 49	6%	33,382	\$140 to \$343	\$300 to \$735	\$440 to \$1,078
50 to 75	2%	9,631	\$350 to \$525	\$750 to \$1,125	\$1,100 to \$1,650
Over 75	2%	12,728	\$525+	\$1,125+	\$1,650+
Total	100%	553,315			

*Estimated based on \$7 toll for two-axle cars and trucks, as well as motorcycles.

Payment Plans: Lessons Learned

Research Conducted



TOLL AGENCIES



PARKING AGENCIES



UTILITY COMPANIES

Lessons Learned

Make it as easy as possible for the customer to sign up and make payments

Communicate frequently with customers

Require an initial payment to enter the plan

Direct customers to Payment Plan CSR Specialists

Do not consider income as a factor for eligibility

Toll Agencies



- Interviewed 5 of the 6 agencies that provide payment plans
- Agencies requested anonymity
- States differ in the enforcement mechanisms available
- Like BATA, collection agencies used by tolling agencies offer independent payment plans
 - Typically, no contract or agreement required
 - Compliance with plans requires a lot of customer contact

Toll Agency Plans

- Range of \$0 to \$500 minimum debt to qualify for a payment plan
- None had hardship or low-income requirements
- Most have DMV hold
- All allow for penalty settlements prior to entering the payment plan
- Two allow tolls to be included in the payment plan; others require payment of 100% of the tolls up front
- Most had a minimum monthly payment ranging from \$10 to \$100
- All but one allow 12-month plan maximum duration
- Customers allowed to be late with payment for 5 to 90 days before the payment plan is in default
- All but one cited a “high” default rate in the 60% to 70% range

Parking Agencies



- Plans reviewed from 3 major cities
 - Plans can be up to 2 years
 - Boot placed on vehicle and return to DMV hold if plan defaults
 - Boot removed after first payment
 - Extended payment schedule and reduced monthly payments for hardship or low-income
- There are variations
 - Down payments ranged from as low as \$10 to as much as 50% of the total amount owed
 - Interest and fees may apply to payment plan

Utility Companies



- Very different leverage and legal basis for collection of past due amounts
 - Refusal of service
- Non-essential service utilities (i.e., cable services)
 - Most do not offer payment plans
 - Some may offer extended payment dates (full payment prior to the next due date required)
- Essential service utilities
 - Offer payment plans for past due amounts, typically up to one year
 - Must keep payments current to retain eligibility and service (service may be legislated to not turn off during winter)
 - Government and nonprofit programs assist with payments for low-income

Guiding Principles for Developing a Payment Plan Pilot Concept



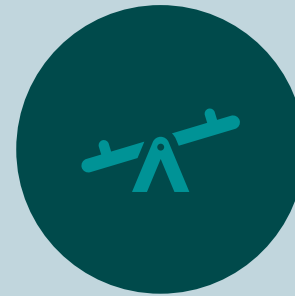
Fair and equitable for past, present, and future violators



Simple – easy to understand, train, and participate



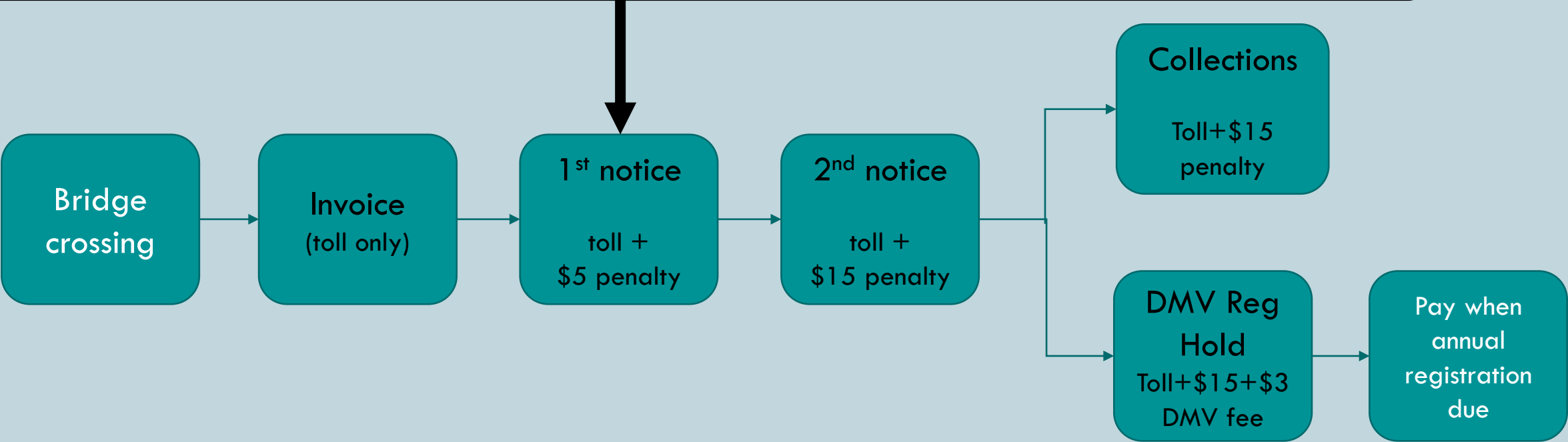
Feasible, cost-effective and pragmatic, with rapid deployment



Leverage existing assets, including business rules, systems and SOPs

Violations Process & Payment Plan Entry

\$150+ Outstanding Penalties = Eligible for a payment plan



Key Elements of the Payment Plan Pilot

1. Plan only applies to outstanding balances for BATA bridges.
2. Plan will be open to all customers with BATA violations.
3. All existing, applicable waivers and settlements will be applied first.
4. Participant must have outstanding balance of at least \$150 in penalties.
5. Initial payment includes 100% of tolls.
6. DMV hold will be removed after first payment.
7. Plan will have a maximum duration of 12 months.
8. Grace period of 30 days following a missed payment before the plan is in default.
9. BATA will not charge any new fees or interest on amounts in a payment plan.
10. Concurrent payment plans are not allowed.

Example Problem

Situation

Joe

- Household income \$60K
- No FasTrak account
- Owes \$500 including tolls, penalties and DMV fees
- Vehicle has a DMV registration hold

	Tolls (\$7 each crossing)	Penalties (\$15 each)	DMV fee (\$3 each)	Total outstanding
Amount owed	\$140	\$300	\$60	\$500

Example Resolution

Resolution

- If first time:
 - Apply one-time waiver: \$300 (penalties)
 - Required payment: \$200 (\$140 tolls + \$60 DMV fees)
- After first time:
 - No penalty waiver
 - Initial payment: \$140 (tolls)
 - Payment plan: \$360 (\$300 penalties + \$60 DMV fees)
 - Up to 12 monthly installments = \$30 per month
 - DMV hold released after first payment

Next Steps

- Seek commissioner feedback today to refine payment plan pilot concept
- Return to June BATA Oversight Committee with delivery approach and draft schedule
- Return to future Committee meetings for approval of contract actions to implement pilot and timing to release suspended DMV holds

BayAreaTollAuthority

