

Helping Houston, Texas To Breathe A Little Easier

A combination of man-made and natural factors has created significant air quality issues in the major metropolitan areas of Texas. So severe is the problem, that the Houston-Galveston region was named as a nonattainment area by the federal government for failing to maintain standards for ambient air quality.

To address the issue, the state created the Drive a Clean Machine Program to reduce the number of polluting vehicles in the greater Houston, Dallas-Fort Worth and Austin areas. The program, funded by a surcharge on annual state vehicle inspections, offers up to \$3,500 in financial assistance to qualified individuals to help them purchase a new, low-emission vehicle or up to \$600 for the proper repair of a polluting vehicle. Because of its success, the Drive a Clean Machine Program served as one of the models for the nationwide Car Allowance Rebate System (CARS) "Cash for Clunkers" program. The Houston-Galveston Area Council (H-GAC), a voluntary association of local governments in the Gulf Coast region of Texas, administers the Drive a Clean Machine Program for a 13-county region.

Objective: Improve Payment Reconciliation, Reduce Program Costs And Enhance Service

During its 2008 fiscal year, H-GAC distributed 8,000 vouchers for vehicle repair or replacement totaling \$23.8 million. Coordinating the application, payment and reconciliation processes among individuals, H-GAC, new car dealerships and repair facilities presented significant financial and administrative challenges. The existing process created the potential for duplicate payments and a growing backlog of applications for the popular program. H-GAC sought a solution that would automate and streamline the entire process—from application to payment and reconciliation.

Solution: J.P. Morgan Single-Use Accounts

H-GAC began using J.P. Morgan Single-Use Accounts to optimize the application, payment and reconciliation processes of the Drive a Clean Machine Program in March, 2009.

Result: Optimized Reconciliation And Measurable Savings

Single-Use Accounts from J.P. Morgan have helped H-GAC to administer the Drive a Clean Machine Program with greater efficiency, service levels and oversight of public funding. Specific benefits include a 30% productivity increase, a measurable reduction in the time required to process applications and reconcile payments, faster and more efficient payments to automobile dealerships and repair facilities, the elimination of manual, paper-based processing, and the ability to redeploy staff for other accounting needs.

CLIENT

The Houston-Galveston Area Council

OBJECTIVE

Automate and streamline the payment and reconciliation process of a popular program that provides individuals with financial assistance to replace a polluting vehicle with new, low-emission vehicle.

SOLUTION

J.P. Morgan Single-Use Accounts

RESULT

- A cost-savings of approximately 30%
- A measurable reduction in the time required to process applications and reconcile payments
- Faster and more efficient payments to automobile dealerships and repair facilities
- The elimination of manual, paper-based processing
- The ability to redeploy staff for other accounting needs

"We initially undertook this project to improve our internal accounting functions. Not only did we achieve that goal, but to date we have realized a 30% increase in productivity. We are using both financial and human resources far more efficiently than before."

*MIKE TEMPLE,
WORKFORCE MANAGER
HOUSTON-GALVESTON AREA COUNCIL*

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J.P. Morgan Treasury Services representative
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