



**Contra
Costa
County**

To: Board of Supervisors
From: David Twa, County Administrator
Date: October 17, 2017

Subject: MEMORANDUM OF UNDERSTANDING WITH SUPERIOR COURT GOVERNING THE ENHANCED COURT COLLECTIONS PROGRAM

RECOMMENDATION(S):

APPROVE and AUTHORIZE the County Administrator, or designee, to execute an amended Memorandum of Understanding (MOU), effective October 1, 2017, with the Contra Costa County Superior Court to make technical adjustments to the County's Enhanced Court Collections Program.

FISCAL IMPACT:

Under a qualifying Trial Court Funding Act enhanced collections program, costs may be deducted from collections of delinquent court-ordered fees, fines, forfeitures, penalties, and assessments before revenues are distributed to another government entity. The recommended action involves non-substantive technical adjustments that are not expected to result in any additional fiscal impact to the County.

BACKGROUND:

Since 1992, when the County established the Superior Court Collections Unit (CCU), the Superior Court has provided court collections services on behalf of the County. When the Superior Court was transferred to the State in 1997 under the Trial Court Funding Act, the CCU continued to provide court collection services on behalf of the County and the County

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **10/17/2017** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: October 17, 2017

, County Administrator and Clerk of the Board of Supervisors

By: Stephanie Mello, Deputy

Contact: JULIE ENEA (925)
335-1077

cc:

has paid the Court annually for these services, as required by the Act.

Penal Code section 1463.007 provides that counties which implement a comprehensive or “enhanced” collections program may recover their costs from the collection of delinquent court-ordered fees, fines, forfeitures, penalties, and assessments before revenues are distributed to another government entity. A comprehensive collection program must meet the following requirements:

BACKGROUND: (CONT'D)

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- Be a separate and distinct revenue collection activity that identifies total collections received from qualifying accounts and their related operating costs;
- Identify qualifying accounts as accounts receivable, which must be distinguished from forthwith payments;
- Satisfy at least 10 of the 17 collection activity components identified in Penal Code section 1463.007; and
- File a report of its activities once each year with the Judicial Council.

The 17 potential collection activity components identified in the Penal Code are:

1. Monthly bill or account statements to all debtors.
2. Telephone contact with delinquent debtors to apprise them of their failure to meet payment obligations.
3. Issuance of warning letters to advise delinquent debtors of an outstanding obligation.
4. Requests for credit reports to assist in locating delinquent debtors.
5. Access to Employment Development Department employment and wage information.
6. The generation of monthly delinquent reports.
7. Participation in the Franchise Tax Board's Interagency Intercept Collections Program.
8. The use of Department of Motor Vehicle information to locate delinquent debtors.
9. The use of wage and bank account garnishments.
10. The imposition of liens on real property and proceeds from the sale of real property held by a title company.
11. The filing of a claim or the filing of objections to the inclusion of outstanding fines and forfeitures in bankruptcy proceedings.
12. Coordination with the probation department to locate debtors who may be on

formal or informal probation.

13. The initiation of drivers' license suspension actions where appropriate.

14. The capability to accept credit card payments.

15. Participation in the Franchise Tax Board's Court-Ordered Debt Collections Program.

16. Contracting with one or more private debt collectors.

17. The use of local, regional, state, or national skip tracing or locator resources or services to locate delinquent debtors.

A court or county that implements a comprehensive collection program must operate that program as a separate and distinct revenue collection activity. Such an activity is defined as one with the ability to identify and collect revenue of qualifying accounts and to document the related costs of collection on the qualifying accounts/revenue (delinquent accounts) on an ongoing basis. Failure to maintain separate and distinct revenue collection activity information may result in the disqualification of accounts collected by a court or county from inclusion in a comprehensive collection program.

Once each year, a court or county that implements a comprehensive collection program must file a joint court-county report of program activities with the Judicial Council. The report is due on the first Monday of October. The report will present the activities of the program on a fiscal-year basis. The report will include, at a minimum, the dollar amount of revenues collected and distributed under the program, the related operating costs deducted from those revenues, and an accounting of accounts receivable activity for the same period. The Court and County filed the FY 2016-17 Collections Program Report, attached, with the Judicial Council on September 19, 2017.

Penal Code section 1463.010 mandates that each superior court and county develop a cooperative plan to implement a collection program pursuant to Judicial Council guidelines. The Board of Supervisors approved the original MOU in November 2008. The original MOU was amended in 2011 and additional technical adjustments are recommended today to:

- Clarify the format of the monthly collections report provided by the Court to the County and require delivery of the report within 45 days of the end of each month ;
- Increase the period for County payment of Court invoices for collection of non-delinquent accounts from 30 to 45 days;
- Remove the fixed schedule of quarterly meetings between the County and the Court to monitor the progress of the collections program and provides that meetings will be held as needed.
- Modify the provision on confidentiality to recognize the County's obligations under

the Public Records Act.

CONSEQUENCE OF NEGATIVE ACTION:

If a court or county does not establish a qualifying comprehensive collection program defined in Penal Code 1463.007, with the exception of allowable fees permitted by statute, costs may not be recovered from collections.

ATTACHMENTS

County/Court MOU on Enhanced Collection Services

Court Agreement with Alliance One

Contract Amendment with Alliance One

Court Agreement with Franchise Tax Board