



Contra
Costa
County

To: Board of Supervisors
From: Monica Nino, County Administrator
Date: February 1, 2022

Subject: State Audit Finding on 2016-2020 Distribution of Court Revenues

RECOMMENDATION(S):

ADOPT Appropriations and Revenue Adjustment No. 005029 approving the transfer of funds in the amount of \$1,280,968 from the General Fund Reserve for Audit/Litigation to Trial Court Programs to repay the State Trial Court Improvement and Modernization Fund amounts that were underremitted by the County due to errors in the revenue distribution formulas used during fiscal years 2016/17 through 2019/20.

FISCAL IMPACT:

The recommended action will result in a General Fund cost of \$1,280,968. The County will also be assessed an interest penalty, which has yet to be determined by the State Controller. Prompt payment of under-remittances or amounts in dispute will minimize any penalties or interest charges.

BACKGROUND:

Government Code section 77205c provides that in any year in which a county collects fee, fine, and forfeiture revenue for deposit into the county general fund pursuant to [Sections 1463.001](#) and [1464 of the Penal Code](#), [Sections 42007](#), [42007.1](#), and [42008 of the Vehicle Code](#), and [Sections 27361](#) and [76000](#) of, and [subdivision \(f\) of Section 29550 of, the](#)

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **02/01/2022** ☒ 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: February 1, 2022

Monica Nino, County Administrator and Clerk of the Board of Supervisors

Contact: Julie DiMaggio Enea
925.655.2056

By: Stacey M. Boyd, Deputy

cc:

[Government Code](#) that would have been deposited into the General Fund pursuant to these sections as they read on December 31, 1997, and pursuant to [Section 1463.07 of the Penal Code](#) , and that exceeds the amount specified in [paragraph \(2\) of subdivision \(b\) of Section 77201](#) for the 1997-98 fiscal year, and [paragraph \(2\) of subdivision \(b\) of Section 77201.1](#) for the 1998-99 fiscal year, and thereafter, the excess amount shall be divided between the county or city and county and the state, with 50 percent of the excess transferred to the state for deposit in the State Trial Court Improvement and Modernization Fund and 50 percent of the excess deposited into the county general fund.

The State Controller's Office audited Contra Costa County's court revenues for the period of July 1, 2016 through June 30, 2020. The audit disclosed that the County underremitted \$1,280,968 in court revenues to the State Treasurer because it failed to recognize Traffic Violator School (TVS) revenues distributed to the Emergency Medical Services Fund (GC section 76104), Maddy Emergency Medical Services Fund (GC section 76000.5), and City base fines (VC section 42007[c]) as qualifying revenues for the 50/50 split of excess fines and forfeitures earned of the statutory base year.

BACKGROUND: (CONT'D)

The County Administrator and Auditor-Controller intend to dispute, along with Los Angeles and Kern Counties, the State's findings, but have made the appropriate corrections to the revenue distribution formulas to avoid repetition of the findings. Today's action will enable the Auditor-Controller to remit the delinquent amounts to the State and forego any additional interest penalties.

CONSEQUENCE OF NEGATIVE ACTION:

Failure to repay amounts owed to the State Court Facilities Construction Fund will result in increased financial penalties to the County and the Superior Court.

ATTACHMENTS

TC24/27_AP005029