



JUDICIAL COUNCIL OF CALIFORNIA

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REPORT TO THE JUDICIAL COUNCIL

Item No.: 22-138

For business meeting on: September 20, 2022

Title

Trial Court Budget: 2022–23 Assembly Bill
177 Allocation Methodology

Agenda Item Type

Action Required

Rules, Forms, Standards, or Statutes Affected

None

Effective Date

September 20, 2022

Recommended by

Trial Court Budget Advisory Committee
Hon. Jonathan Conklin, Chair
Ms. Rebecca Fleming, Vice-Chair

Date of Report

September 2, 2022

Contact

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Executive Summary

The Trial Court Budget Advisory Committee recommends approval of a new allocation methodology for \$10.3 million ongoing General Fund included in the Budget Act of 2022 to backfill the loss of fee revenue to trial courts due to the repeal of administrative fees authorized by Assembly Bill 177 (Stats. 2021, ch. 257).

Recommendation

The Trial Court Budget Advisory Committee recommends that the Judicial Council, effective September 20, 2022, approve a two-year average revenue collection allocation methodology for \$10.3 million ongoing General Fund backfill to the trial courts as outlined below:

1. Use the average of 2018–19 and 2019–20 applicable revenue collections of \$10.5 million and \$10.1 million to determine each court's percentage share of the backfill funding;
2. Allocate the \$10.3 million proportionally based on the percentages identified;
3. Allocate the remaining funds based on the same percentages to reach the total \$10.3 million funding amount; and

4. Exclude revenues collected in 2020–21 in the amount of \$7.7 million from the allocation methodology as they are atypical compared to revenue collections prior to the COVID-19 pandemic.

This recommendation was presented to the Judicial Branch Budget Committee on July 27, 2022 and approved for consideration by the Judicial Council.

Relevant Previous Council Action

No previous action relevant to this report was taken by the Judicial Council.

Analysis/Rationale

Assembly Bill (AB) 177 (Link A) repealed trial court authority to collect the following administrative fees, effective January 1, 2022, making any unpaid balance unenforceable and uncollectible and requiring any portion of a judgment imposing the fees to be vacated:

- Penal Code (PC) 1203.1—Administrative fee (up to 15 percent) for collection of restitution orders, per subdivision (l);
- PC 1203.4a—Administrative fee (up to \$60) for seeking dismissal of infraction/misdemeanor convictions, per subdivision (e);
- PC 1203.9—Courts receiving probation cases from other courts may not impose additional local fees, per subdivision (d)(2);
- PC 1205(e)—Installment fee and accounts receivable fee; and
- Vehicle Code (VC) 40510.5—Administrative fee (up to \$35) for processing installment accounts, per subdivision (g).

These fees were for the recovery of costs associated with various administrative activities performed at the court. To ensure that the backfill funding included in the Budget Act of 2022 would sufficiently cover the loss of these fees for court administrative costs, Judicial Council Budget Services staff surveyed trial courts in February and March 2022. The survey reported total fees charged by the trial courts for these activities for the eliminated code sections from 2018–19 through 2020–21. Six trial courts reported \$0 revenue loss (Lake, Mendocino, Placer, Trinity, Tuolumne, and Ventura). Plumas Superior Court did not participate in the survey. The reported revenue only included the amount retained by the court for its administrative costs, and excluded fees or revenue collected by the court and passed on to the county, or fees retained by the court for the collection of any county fees.

Due to the impact of COVID-19 on trial court operations, the revenues collected in 2020–21 totaling \$7.7 million were excluded as they were atypical compared to revenue collections during the prior two pre-pandemic fiscal years.

Budget Services staff, in consultation with the Department of Finance, adopted a methodology recommendation using the average of 2018–19 and 2019–20 revenue collections as outlined in table 1 below:

Table 1 – Revenue Collections by Code Section

Code Section	2018–19	2019–20	Two-Year Average
PC 1203.1	\$335,000	\$356,000	\$346,000
PC 1203.4a	351,000	275,000	313,000
PC 1203.9*	0	0	0
PC 1205(e)	5,280,000	5,206,000	5,243,000
VC 4010.5	4,547,000	4,303,000	4,425,000
Total	\$10,513,000	\$10,140,000	\$10,327,000

* PC 1203.9 (Link B) had \$0 revenue impact on the trial courts.

The allocation methodology, as outlined in Attachment A, provides the two-year average breakdown by court for revenue collected in 2018–19 and 2019–20 and then proportionally allocates the remaining funding, resulting in an annual backfill appropriation and allocation amount of \$10.3 million.

Policy implications

This recommendation is consistent with the intent of AB 177 and the backfill funding included in the Budget Act of 2022 and fulfills the requirement that the Judicial Council approve the allocation methodology to the trial courts for any new funding or reallocation/redistribution of existing funding.

Comments

This recommendation did not circulate for comment and received no public comment.

Alternatives considered

An alternative considered was to include fiscal year 2020–21 in the allocation methodology recommendation; however, this approach would have negatively impacted the outcome of the funding amount. Fees collected in 2020–21 did not accurately reflect the historical administrative costs associated with the repealed fees, as well as anticipated future costs as court operations return to pre-pandemic business levels.

Fiscal and Operational Impacts

This recommendation would ensure funding stability in the allocations received by the trial courts as the \$10.3 million would backfill the loss of fee revenue due to AB 177 and cover the cost of various administrative activities performed by the courts.

Attachments and Links

1. Attachment A: Trial Court AB 177 Revenue Collections and Allocation
2. Link A: AB 177,
https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB177

3. Link B: Pen. Code, § 1203.9,

https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=1203.9&lawCode=PEN

Trial Court AB 177 Revenue Collections and Allocation

Court	Revenue Collected		Two Year Average	% of Average	Allocation of Remaining Funds	Total Allocation
	2018-19	2019-20				
	A	B	C (AVG (A,B))	D (C / Total C)	E (D * \$97)	F (C + E)
Alameda	\$ 444,833	\$ 331,500	\$ 388,166	3.8%	\$ 4	\$ 388,170
Alpine	989	557	773	0.0%	0	773
Amador	3,245	2,031	2,638	0.0%	0	2,638
Butte	39,800	31,267	35,534	0.3%	0	35,534
Calaveras	8,991	7,720	8,355	0.1%	0	8,355
Colusa	17,512	19,002	18,257	0.2%	0	18,257
Contra Costa	578,962	580,337	579,649	5.6%	5	579,655
Del Norte	15,463	11,793	13,628	0.1%	0	13,628
El Dorado	71,318	74,391	72,855	0.7%	1	72,855
Fresno	494,372	488,301	491,336	4.8%	5	491,341
Glenn	16,995	10,833	13,914	0.1%	0	13,914
Humboldt	16,873	25,892	21,382	0.2%	0	21,383
Imperial	50,783	52,028	51,406	0.5%	0	51,406
Inyo	13,014	9,932	11,473	0.1%	0	11,473
Kern	751,806	589,296	670,551	6.5%	6	670,557
Kings	103,551	85,616	94,584	0.9%	1	94,584
Lake	-	-	-	0.0%	-	-
Lassen	33,030	35,070	34,050	0.3%	0	34,050
Los Angeles	1,071,143	998,228	1,034,686	10.0%	10	1,034,695
Madera	-	112,206	56,103	0.5%	1	56,104
Marin	19,505	14,924	17,214	0.2%	0	17,214
Mariposa	6,473	4,343	5,408	0.1%	0	5,408
Mendocino	-	-	-	0.0%	-	-
Merced	231,296	250,461	240,879	2.3%	2	240,881
Modoc	2,834	3,844	3,339	0.0%	0	3,339
Mono	9,321	11,234	10,278	0.1%	0	10,278
Monterey	64,890	84,643	74,767	0.7%	1	74,767
Napa	107,975	97,261	102,618	1.0%	1	102,619
Nevada	59,571	56,625	58,098	0.6%	1	58,099
Orange	1,203,199	1,300,527	1,251,863	12.1%	12	1,251,875
Placer	-	-	-	0.0%	-	-
Plumas	-	-	-	0.0%	-	-
Riverside	1,920,376	1,882,070	1,901,223	18.4%	18	1,901,241
Sacramento	99,098	85,114	92,106	0.9%	1	92,107
San Benito	18,450	6,450	12,450	0.1%	0	12,450
San Bernardino	974,857	815,654	895,256	8.7%	8	895,264
San Diego	9,832	25,245	17,538	0.2%	0	17,539
San Francisco	80,415	129,416	104,915	1.0%	1	104,916
San Joaquin	136,811	196,441	166,626	1.6%	2	166,628
San Luis Obispo	99,596	78,673	89,134	0.9%	1	89,135
San Mateo	132,938	101,190	117,064	1.1%	1	117,065
Santa Barbara	33,456	22,016	27,736	0.3%	0	27,736
Santa Clara	344,857	289,479	317,168	3.1%	3	317,171
Santa Cruz	79,346	80,616	79,981	0.8%	1	79,982
Shasta	251,626	311,539	281,582	2.7%	3	281,585
Sierra	2,145	1,987	2,066	0.0%	0	2,066
Siskiyou	12,561	13,350	12,956	0.1%	0	12,956
Solano	191,388	186,336	188,862	1.8%	2	188,863
Sonoma	122,600	90,798	106,699	1.0%	1	106,700
Stanislaus	93,793	86,293	90,043	0.9%	1	90,044
Sutter	57,351	49,379	53,365	0.5%	1	53,365
Tehama	49,037	73,189	61,113	0.6%	1	61,114
Trinity	-	-	-	0.0%	-	-
Tulare	247,832	221,862	234,847	2.3%	2	234,849
Tuolumne	-	-	-	0.0%	-	-
Ventura	-	-	-	0.0%	-	-
Yolo	88,025	76,196	82,110	0.8%	1	82,111
Yuba	28,731	27,789	28,260	0.3%	0	28,260
Total	\$ 10,512,864	\$ 10,140,942	\$ 10,326,903	100.0%	\$ 97	\$ 10,327,000