



## JUDICIAL COUNCIL OF CALIFORNIA

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# REPORT TO THE JUDICIAL COUNCIL

*Item No.: 22-138*

For business meeting on: September 20, 2022

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**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**

Oksana Tuk, 916-643-8027  
[Oksana.Tuk@jud.ca.gov](mailto:Oksana.Tuk@jud.ca.gov)

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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Assembly Bill (AB) 177 (Link A) repealed trial court authority to collect the following administrative fees, effective January 1, 2022, making any unpaid balance unenforceable and uncollectible and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**

| <b>Code Section</b> | <b>2018–19</b>      | <b>2019–20</b>      | <b>Two-Year Average</b> |
|---------------------|---------------------|---------------------|-------------------------|
| 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               |
| <b>Total</b>        | <b>\$10,513,000</b> | <b>\$10,140,000</b> | <b>\$10,327,000</b>     |

\* 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](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](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               |
| <b>Total</b>    | <b>\$ 10,512,864</b> | <b>\$ 10,140,942</b> | <b>\$ 10,326,903</b> | <b>100.0%</b>   | <b>\$ 97</b>                  | <b>\$ 10,327,000</b> |