

**JUDICIAL COUNCIL OF CALIFORNIA
ADMINISTRATIVE OFFICE OF THE COURTS**

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Report

TO: Members of the Judicial Council

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DATE: November 17, 2008

SUBJECT: Allocation of Revenue from the Trial Court Improvement Fund in
Accordance with rule 10.105 of the California Rules of Court and
Government Code section 77205(a) (Action Required)

Issue Statement

Pursuant to rule 10.105 of the California Rules of Court and Government Code section 77205(a), the Judicial Council must annually allocate 80 percent of the amount of fee, fine, and forfeiture revenue (50/50 Excess Fines Split Revenue) deposited into the Trial Court Improvement Fund (Improvement Fund) in any fiscal year that exceeds the amount of fiscal year (FY) 2002–2003 50/50 Excess Fines Split Revenue as follows:

1. To the trial courts in the counties from which the revenue was deposited;
2. To other trial courts as provided in section 68085(a)(1) by allocation to those trial courts; and
3. For retention in the Improvement Fund to support ongoing statewide court technology and administrative infrastructure projects.

Background

Senate Bill 940 (chapter 275, Stats. of 2003) required the council to establish a collaborative court-county working group and to adopt guidelines for a comprehensive program for the collection of moneys imposed by court order, and to establish standard agreements for enhanced collection programs. The statute requires the council each year to allocate part of the 50/50 Excess Fines Split Revenue that exceeds the amount deposited in the 2002–2003 fiscal year to the trial courts located in the counties from which the excess revenues were collected. Of these funds, one-time monies may be allocated as an incentive for trial courts to establish or enhance collection programs.

In December 2004, the Judicial Council approved rule 6.105 of the California Rules of Court (now rule 10.105) which implemented Government Code section 77205(a). This rule required AOC staff to recommend to the council a methodology for the yearly allocation of the portion of the 50/50 Excess Fines Split Revenue deposited into the Improvement Fund that exceeds the amount deposited in FY 2002–2003 and the specific amounts to be distributed in any given year. This methodology was approved by the council in its business meeting on December 10, 2004.

In accordance with rule 10.105 of the California Rules of Court, staff is presenting for council approval recommendations for the yearly allocation of these revenues.

Recommendations

Staff recommends that the Judicial Council approve:

1. Specific amounts to be allocated for FY 2007–2008, including 20 percent of the excess fines split revenue (\$639,857) to be distributed to the trial courts located in counties that contributed to the 50/50 Excess Fines Split Revenue, and 60 percent (\$1,919,571) to be retained in the Improvement Fund. The specific amounts to be distributed to each trial court are indicated in Attachment 1.
2. Delegate authority to the Administrative Director of the Courts to make any needed adjustments to these amounts to the extent that revisions are made by the State Controller's Office to the 50/50 Excess Fines Split Revenue amounts recorded as deposited into the Improvement Fund prior to distribution.

Rationale for Recommendation

In accordance with Government Code section 77205(b), 50/50 Excess Fines Split Revenue is to be remitted to the state no later than 45 days after the end of the fiscal year in which those fees, fines, and forfeitures were collected. While most counties remit their 50/50 Excess Fines Split Revenue before August 15, the actual receipts are not finalized until the end of September due to late remittances and adjustments from prior years. In addition, occasionally the State Controller's Office makes adjustments to current year receipts after September if they are notified of over- or under-remittances of 50/50 Excess Fines Split Revenues. As a result, delegating authority to the Administrative Director of the Courts will allow corrections to be made to the amounts at the time of distribution, to the extent appropriate.

In summary, each year staff computes the total increased amount in 50/50 Excess Fines Split Revenue as compared to the adjusted FY 2002–2003 base year. The amount to be distributed to each trial court is calculated based on the percent that each county where the trial court is located contributed to the statewide total increased amount.

During FY 2007–2008, an additional \$3,199,284 was collected over the FY 2002–2003 adjusted base year level. Representing a combined 80 percent (\$2,559,428) of this amount, staff recommends the following for allocation to the trial courts based on the distribution amount to the specific areas:

- 20 percent (\$639,857) be distributed to trial courts located in counties that contributed to the 50/50 Excess Fines Split Revenue;
- The remaining funds (\$1,919,571) be retained in the Improvement Fund.

Funding retained in the Improvement Fund will be used to support ongoing statewide technology and administrative infrastructure projects, and one-time increased costs for technology development and deployment on behalf of the trial courts, as previously approved by the council. The distribution guidelines require a minimum of 20 percent be distributed to the trial courts. Consistent with the approved allocation in FY 2007–2008, it is proposed that the remaining funds be retained in the Improvement Fund available to help address significant one-time costs for statewide technology and deployment projects anticipated this year. This allocation is in conformance with the guidelines and methodology that were approved by the council in December 2004.

Alternative Actions Considered

Due to the fact that the Judicial Council approved the allocation methodology in December 2004 and that there has been minimal feedback from the courts since that time, no alternatives were considered.

Comments From Interested Parties

No comments were received.

Implementation Requirements and Costs

The proposal has no implementation costs other than those associated with the distribution of the revenues.

Attachment

Attachment 1, 50/50 Excess Revenue Increase from FY 2007-08 over FY 2002-03 and Distribution to Courts

FY 2007-08 Actual: as of 11/06/2008		02-03 Base Adjusted ¹⁾	FY 07-08 Actual ²⁾	Increase (\$) ³⁾ 07 vs. 02	Increase (\$) ⁴⁾ 07 vs. 02 (if >0)	Increase (%) ⁵⁾ 07 vs. 02	Distribute 20% of Total ⁶⁾
		1	2	3 = 2 - 1	4 = 2 - 1 (if >0)	5 = 4 / \$9,199,700	6
01	Alameda	1,875,213	2,395,506	520,293	520,293	5.66%	36,187
02	Alpine	52,890	11,584	(41,306)			
03	Amador	44,852	106,338	61,486	61,486	0.67%	4,276
04	Butte	316,805	476,501	159,696	159,696	1.74%	11,107
05	Calaveras	107,728	119,145	11,417	11,417	0.12%	794
06	Colusa	159,377	172,352	12,975	12,975	0.14%	902
07	Contra Costa	1,913,325	2,602,305	688,980	688,980	7.49%	47,920
08	Del Norte	157,395	158,544	1,149	1,149	0.01%	80
09	El Dorado	239,781	211,491	(28,290)			
10	Fresno	2,526,403	2,690,525	164,122	164,122	1.78%	11,415
11	Glenn	237,830	374,576	136,746	136,746	1.49%	9,511
12	Humboldt	-	273,644	273,644	273,644	2.97%	19,032
13	Imperial	379,607	738,496	358,889	358,889	3.90%	24,961
14	Inyo	198,690	156,331	(42,359)			
15	Kern	2,099,967	2,392,786	292,819	292,819	3.18%	20,366
16	Kings	397,816	552,066	154,250	154,250	1.68%	10,728
17	Lake	177,900	177,755	(145)			
18	Lassen	139,204	123,403	(15,801)			
19	Los Angeles	13,489,325	11,990,022	(1,499,303)			
20	Madera	-	21,417	21,417	21,417	0.23%	1,490
21	Marin	492,776	810,382	317,606	317,606	3.45%	22,090
22	Mariposa	3,145	75,436	72,291	72,291	0.79%	5,028
23	Mendocino	294,992	567,557	272,565	272,565	2.96%	18,957
24	Merced	555,480	763,695	208,215	208,215	2.26%	14,482
25	Modoc	-	-	-			
26	Mono	54,847	112,330	57,483	57,483	0.62%	3,998
27	Monterey	271,799	693,731	421,932	421,932	4.59%	29,346
28	Napa	361,257	321,418	(39,839)			
29	Nevada	-	130,831	130,831	130,831	1.42%	9,100
30	Orange	5,082,040	4,958,538	(123,502)			
31	Placer	1,114,332	1,252,842	138,510	138,510	1.51%	9,634
32	Plumas	125,545	45,047	(80,498)			
33	Riverside	3,343,986	4,444,701	1,100,715	1,100,715	11.96%	76,557
34	Sacramento	2,639,042	2,474,507	(164,535)			
35	San Benito	271,658	227,668	(43,990)			
36	San Bernardino	4,020,834	5,705,904	1,685,070	1,685,070	18.32%	117,200
37	San Diego	4,276,751	4,039,161	(237,590)			
38	San Francisco	1,878,248	923,619	(954,629)			
39	San Joaquin	770,219	777,590	7,371	7,371	0.08%	513
40	San Luis Obispo	490,350	523,034	32,684	32,684	0.36%	2,273
41	San Mateo	938,899	1,078,762	139,863	139,863	1.52%	9,728
42	Santa Barbara	912,513	587,689	(324,824)			
43	Santa Clara	2,575,154	1,004,841	(1,570,313)			
44	Santa Cruz	503,696	352,624	(151,072)			
45	Shasta	443,683	407,817	(35,866)			
46	Sierra	21,280	23,114	1,834	1,834	0.02%	128
47	Siskiyou	345,163	202,990	(142,173)			
48	Solano	630,857	806,350	175,493	175,493	1.91%	12,206
49	Sonoma	922,595	921,444	(1,151)			
50	Stanislaus	508,179	1,133,869	625,690	625,690	6.80%	43,518
51	Sutter	186,126	361,183	175,057	175,057	1.90%	12,176
52	Tehama	234,259	390,902	156,643	156,643	1.70%	10,895
53	Trinity	27,362	62,232	34,870	34,870	0.38%	2,425
54	Tulare	664,421	1,031,219	366,798	366,798	3.99%	25,512
55	Tuolumne	182,241	181,034	(1,207)			
56	Ventura	2,070,951	1,633,602	(437,349)			
57	Yolo	545,787	481,113	(64,674)			
58	Yuba	159,967	380,263	220,296	220,296	2.39%	15,322
	Total	62,434,542	65,633,826	3,199,284	9,199,700	100.00%	639,857

Statewide Increase	3,199,284
Distribution up to 80% of increase	2,559,428
20% of Total to Trial Courts	639,857
60% to TCIF	1,919,571
Subtotal Distribution	2,559,428

NOTE:

- 1) Numbers in this column are the adjusted FY 2002-03 base amount after the numbers reported to JC in Dec-2007 and based on SCO's postings as of 11/06/2008.
- 2) Numbers in this column are the actual revenue collected for FY 2007-08 - remitted by the counties and posted by the SCO as of 11/06/2008.
- 3) Thirty-five (35) counties have revenue increases from FY 2007-08 over FY 2002-03's base amount. The net statewide increased amount is \$3.199 million.
- 4) Same calculation as for column 3, except the negative amounts are taken out in order to identify the "real" increase from each court or county.
- 5) The calculation is: the net increase from FY 2007-08 over adjusted FY 2002-03's base amount divided by the statewide "true" increase (Note, the courts with a negative amount are taken out), so that the net contribution to this "true" statewide increase is converted to a percent from each court.
- 6) Based on the statewide total excess amount that has been determined, the allocations to each qualified court is calculated on the percent that each court has contributed to the statewide total increased amount.