



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 23-317, Version: 1

- a. Accept Assembly Bill 199 allocation in the amount of \$586,827 from the California Department of Finance for Fiscal Year 2022-23 to backfill revenue loss for the Revenue Division and Probation due to the repeal of lab and administrative fees related to court orders;
- b. Accept Assembly Bill 199 allocation in the amount of \$293,413 from the California Department of Finance for Fiscal Year 2021-22 to backfill revenue loss for the Revenue Division and Probation;
- c. Receive the report on the metrics of the funding loss related to repealed fees; and
- d. Authorize the County Administrative Office to file the reports required by the State related to replacement revenue for laws that ended the authority of counties to assess and collect administrative criminal justice fees from defendants.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Accept Assembly Bill 199 allocation in the amount of \$586,827 from the California Department of Finance for Fiscal Year 2022-23 to backfill revenue loss for the Revenue Division and Probation due to the repeal of lab and administrative fees related to court orders;
- b. Accept Assembly Bill 199 allocation in the amount of \$293,413 from the California Department of Finance for Fiscal Year 2021-22 to backfill revenue loss for the Revenue Division and Probation;
- c. Receive the report on the metrics of the funding loss related to repealed fees; and
- d. Authorize the County Administrative Office to file the reports required by the State related to replacement revenue for laws that ended the authority of counties to assess and collect administrative criminal justice fees from defendants.

SUMMARY:

On September 23, 2021, Governor Newsom signed Assembly Bill (AB) 177 into law. Effective January 1, 2022, this law rescinded the authority of counties and courts to impose and collect 17 specific criminal administrative fees. The unpaid balance is unenforceable and uncollectable and any portion of a judgment imposing those costs shall be vacated. Additionally, AB 177 appropriated \$25 million in Fiscal Year (FY) 2021-22 and \$50 million in FY 2022-23 to backfill counties for associated revenue losses and related bill AB 199 determined county allocations and reporting requirements.

DISCUSSION:

In recent years, several legislative changes have taken place as part of the broader trend in the state of California of reducing or eliminating criminal justice fees. Chapter 92, Statutes of 2020 (AB 1869) repealed the authority of counties to assess and collect 23 criminal administrative fees from adult offenders, effective July 1, 2021, and in Monterey County the Sheriff and Probation department shared the backfill revenues provided by the State to continue providing Work Alternative Custody and Supervised Home Confinement options to inmates and probationers. A total of 5,609 client accounts amounting to an unpaid balance of \$5 million dollars were vacated.

Chapter 257, Statutes of 2021 (AB 177) repealed the authority of courts and counties to impose and collect an additional 17 criminal administrative fees, effective January 1, 2022. Related AB 199 set an allocation methodology for the \$25 million in fiscal years 2021-22 and \$50 million in fiscal year 2022-23 provided to

backfill counties for estimated lost revenue. The backfill for each county is based on its percentage for the statewide average of the following three variables for the calendar years 2017, 2018, and 2019: 1) adult population (50 percent of the allocation); 2) felony and misdemeanor arrests (25 percent of the allocation); and 3) traffic and non-traffic felony and misdemeanor filings (25 percent of the allocation). Finally, on May 1, 2023, counties receiving backfill revenues must report out on metrics of the lost funding and on January 10, 2024, how the backfill allocation was spent.

For Monterey County, two departments were affected by the fee repeal. The impacted departments of the Treasurer-Tax Collector and Probation had the attached four fees repealed. Further, these departments ceased assessing and collecting these fees and vacated the unpaid balance of related accounts.

OTHER AGENCY INVOLVEMENT:

The Monterey County Probation Department and Treasurer-Tax Collector provided information to coordinate the attached fees collected analysis.

FINANCING:

Per Assembly Bill (AB) 177, the backfill amount of \$293,413 is allocated to Monterey County in fiscal year 2021-2022 for fee collection repealed effective January 1, 2022, and \$586,827 for the first full fiscal year, 2022-2023. The State released the funding to counties in mid-December 2022 and was deposited by the County Treasury. The proposed annual backfill allocation is to be disbursed based on the average amount of fees collected over the prior three years for the Treasurer-Tax Collector and Probation Department. The proposed amounts are \$7,607 (<1%) to Probation and \$872,633 (99.1%) for the Treasurer-Tax Collector. These funds will be used to mitigate the loss of fee revenue and will continue to support services.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This recommendation supports key objectives of: 1) Administration with efficient and effective fiscal management of the State backfill funds.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Attachments: Fiscal Loss of Revenue Report - AB 177 Monterey County; Template Backfill Allocation Spending Report - Due Jan 10