



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://cao.co.la.ca.us>

DAVID E. JANSSEN  
Chief Administrative Officer

May 18, 2004

Board of Supervisors  
GLORIA MOLINA  
First District  
YVONNE BRATHWAITE BURKE  
Second District  
ZEV YAROSLAVSKY  
Third District  
DON KNABE  
Fourth District  
MICHAEL D. ANTONOVICH  
Fifth District

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**REQUEST FOR APPROVAL OF PARTICIPATION IN A STATE-SPONSORED  
SECONDARY COURT COLLECTION PROGRAM**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Chief Administrative Officer, on behalf of the County, to participate with the Executive Officer/Clerk of Los Angeles Superior Court (LASC) in a secondary collection program as proposed by the California Judicial Council and California State Association of Counties (CSAC).

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

On March 4, 2004, the California Judicial Council and CSAC jointly issued a letter to local courts and counties soliciting support of an effort to enhance court collection Statewide. This effort is in response to the passing of SB 940, legislation that calls for a comprehensive court-county collection program to improve enforcement of court collections. The letter is attached for your information (Attachment I).

The effort includes a one-time Statewide Request for Proposal (RFP) for the collection of cases on which collection efforts have ceased and on which courts have requested, or are prepared to request, a discharge from accountability. The RFP for secondary services will be conducted by the State.

On March 31, 2004, the Chief Administrative Officer and the Executive Officer/Clerk of the Court jointly responded to the Judicial Council and CSAC (Attachment II). We indicated that the County currently employs a contract vendor for court collection services, but that we are interested in the State-sponsored secondary program for revenues determined to be uncollectible by our primary vendor and the Court. We also indicated that Board approval is required for County participation in the program.

Each Supervisor  
May 18, 2004  
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Approval of participation in the program could allow the recovery of court collections that otherwise would not have been collected, thus enhancing the revenue stream to the County General Fund, and will allow the Court's collection practice to be consistent with the intent of SB 940.

**IMPLEMENTATION OF STRATEGIC PLAN GOALS:**

This recommended action supports the County's Strategic Goal of Fiscal Responsibility. Any revenue generated from this program will be used to partially offset the County's Maintenance of Effort obligation to the State for Trial Court operations.

**FISCAL IMPACT/FINANCING:**

This is a potentially revenue-generating program. LASC has identified approximately 49,000 outstanding cases that are four to seven years old. These cases, with a total estimated value of \$33.7 million, have been determined to be uncollectible due to the age of the accounts. We have identified this group of accounts as the initial inventory for the State's secondary collection program.

Due to the lack of historical data on collection success rate of such aged accounts we are unable to determine whether County court revenues will increase as a result of this program.

In our March 31, 2004 response, we advised the Judicial Council and CSAC that any such program must be cost neutral to the County. The Judicial Court and CSAC have also been advised that local court collection activities must be tailored to allow Board of Supervisors and local court input and control.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

Under the Lockyer-Isenberg Trial Court Funding Act of 1997, the County of Los Angeles maintains responsibility for collection enhancement efforts. Furthermore, SB 940 of 2003 calls for the development of a comprehensive collection program for courts and counties.

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### **CONTRACTING PROCESS**

The primary court collection contract allows the County to recall collection efforts after fifty-two (52) weeks of account referral.

### **IMPACT ON CURRENT SERVICES:**

Approval to participate in the State-sponsored secondary collection program will have minimal impact on the existing collection services provided by the current contract vendor, which remains responsible for primary court collection services. Until a State collection agency is selected, the current vendor will continue collection efforts on the estimated 49,000 cases designated by LASC for participation in this program.

Once the cases are officially referred to the State for secondary collection effort, all collection efforts by the primary collection vendor will cease.

The Court will maintain inventory control of all cases that are referred for secondary collection of accounts.

Respectfully submitted,

  
DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:DL:ES  
TT:ML:ljp

#### Attachments

c: Executive Officer, Board of Supervisors  
County Counsel  
Auditor-Control  
Executive Officer/Clerk of LASC

secondary.bl



California State Association of Counties  
1100 K Street, Suite 101  
Sacramento, CA 95814  
916-327-7500



Judicial Council of California  
Administrative Office of the Courts  
455 Golden Gate Avenue  
San Francisco, CA 94102-3688  
415-865-4200

March 4, 2004

County Administrative Officers (CAOs)  
Court Executive Officers (CEOs)

Dear CAOs and CEOs:

We are writing to seek your support in improving the collections of fines, fees, penalties and assessments for the benefit of courts, counties and the public. Courts and counties in the State of California are facing significant budget reductions that will present numerous fiscal challenges now and for the foreseeable future. In addition, millions of dollars of court fines, fees, penalties, and assessments statewide remain uncollected. This current fiscal crisis threatens to seriously impact the operation of the trial courts and the counties that receive revenue from the collection of court fines and fees.

To improve the enforcement of court orders and to address the fiscal crisis, Senate Bill 940, calling for the development of a comprehensive collection program for courts and counties, was passed in September 2003. The bill established the framework to ensure that fines, fees, penalties, and assessments ordered by the court are collected. SB 940 also calls for a court-county working group on collections to recommend to the Judicial Council guidelines for a collection program.

The Collaborative Court-County Working Group on Collections, whose members were appointed by the Judicial Council and the California State Association of Counties, has **unanimously recommended that a one-time statewide request for proposal (RFP) be sent to collection agencies to bid on the collection of a defined portion of cases on which collection efforts have ceased and on which courts have requested, or are prepared to request, a discharge from accountability.** Any monies collected through this program will be distributed pursuant to law back to the courts and counties.

If you are interested in participating in this program, please note the following guidelines:

- All submissions of information will be treated confidentially.
- The program will have a defined time frame for completion of approximately one year.
- At the completion of the program, each court and county participating will have its debt returned along with any collections. The court or county will be responsible for any subsequent distributions.

- The debt submitted for this program should not be part of any other collections effort or external collection agency inventory.
- Costs can be taken out of the collections only if the court or county has a Penal Code section 1463.007-approved and-compliant-program. Costs of the submission of the inventory will be a county responsibility.
- The Board of Supervisors, or its approved designee, must approve participation in this proposal.

We anticipate that this program could be of great benefit to both the courts and counties, and we strongly urge your participation.

Please complete the attached form indicating your interest in the program and return it both electronically and in hard copy by March 26, 2004 to the AOC contact person identified below. The completed form must be submitted by the county as the responsible party for collections.

Florence Prushan  
Administrative Office of the Courts  
Southern Regional Office  
2233 North Ontario Street, Suite 100  
Burbank, CA 91504  
Phone: 818-558-3021  
Fax: 818-558-3112  
E-mail: [florence.prushan@jud.ca.gov](mailto:florence.prushan@jud.ca.gov)

If you have any questions, please contact Florence Prushan.

Sincerely,

Steven C. Szalay  
Executive Director  
California State Association of Counties

William C. Vickrey  
Administrative Director of the Courts  
Administrative Office of the Courts

WCV/SG/yc  
Attachment

cc: Sheila Gonzalez  
Christine M. Hansen  
Elizabeth Howard  
Ray LeBov  
Rubin Lopez  
Eraina Ortega

# COLLECTIONS PARTICIPATION AGREEMENT

COUNTY \_\_\_\_\_

INVENTORY TO BE SUBMITTED:  
(report amounts in thousands)

CIVIL	Discharged	To Be Discharged	Other	Total
Current year				
2001-2002				
2000-2001				
1999-2000				
1998-1999				
Prior to 1998				
TOTAL				

CRIMINAL	Discharged	To Be Discharged	Other	Total
Current year				
2001-2002				
2000-2001				
1999-2000				
1998-1999				
Prior to 1998				
TOTAL				

TRAFFIC	Discharged	To Be Discharged	Other	Total
Current year				
2001-2002				
2000-2001				
1999-2000				
1998-1999				
Prior to 1998				
TOTAL				

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print name: \_\_\_\_\_

Position: \_\_\_\_\_

Chief Administrative Officer agrees to participate in the *State Collection Proposal* if assured that 1) local court collection activities could be tailored to allow local Board of Supervisors and local court input and control, and 2) program is cost neutral to the County.

# COLLECTIONS PARTICIPATION AGREEMENT

COUNTY

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(report amounts in thousands)

CIVIL	Discharged	To Be Discharged	Other	Total
Current year				
2001-2002				
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TOTAL				

CRIMINAL	Discharged	To Be Discharged	Other	Total
Current year				
2001-2002				
2000-2001				
1999-2000				
1998-1999				
Prior to 1998				
TOTAL				

TRAFFIC	Discharged	To Be Discharged	Other	Total
Current year				
2001-2002				
2000-2001				
1999-2000				
1998-1999				
Prior to 1998				
TOTAL				

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print name: \_\_\_\_\_

Position: \_\_\_\_\_



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**CHIEF ADMINISTRATIVE OFFICE**

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DAVID E. JANSSEN  
 Chief Administrative Officer

March 31, 2004

Steven C. Szalay, Executive Director  
 California State Association of Counties  
 1100 K Street, Suite 101  
 Sacramento, California 95814

William C. Vickrey, Administrative Director of the Courts  
 Administrative Office of the Courts  
 770 L Street, Suite 700  
 Sacramento, California 95814

Board of Supervisors  
 GLORIA MOLINA  
 First District

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 Second District

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 Third District

DON KNABE  
 Fourth District

MICHAEL D. ANTONOVICH  
 Fifth District

**PARTICIPATION IN STATE COLLECTION PROPOSAL**

Dear Mr. Szalay and Mr. Vickrey:

The County of Los Angeles and the Los Angeles Superior Court are jointly responding to your letter dated March 4, 2004, regarding participation in a State-sponsored collection effort aimed at cases which courts are prepared to discharge from accountability.

Los Angeles County and the Los Angeles Superior Court agree that all reasonable efforts should be made to improve and increase the collection of delinquent court revenues. While the County and Court currently assign delinquent fines, fees, penalties and assessments to a contract vendor for collection efforts, both parties support the use of a State-selected agency to work those cases which the County and the Court have agreed are uncollectable by the vendor and have been discharged from accountability.

Your March 4, 2004 letter requested that interest in participating in such a program should be communicated through completion of the "Collections Participation Agreement" and its return by March 26, 2004. The County and the Court were not able to complete the requested agreement by this date for the following reasons:

- the County will need to obtain approval from the Board of Supervisors in order to participate; and

Mr. Szalay  
Mr. Vickrey  
March 30, 2004  
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- the Court will require additional time to develop the information requested on the "Collections Participation Agreement" regarding the number, category, and dollar amount of cases to be discharged from accountability.

In addition, the County and the Court must address local issues, including:

- The Los Angeles County Board of Supervisors has historically taken an active interest in court collection activities, and would need assurance that local court collection activities could be tailored to allow local Board of Supervisors and local court input and control.
- Since the plan states that costs of submission of information of the inventory will be a county responsibility, any such costs must be recoverable to render the program cost neutral to the county.
- The Court will need to develop an appropriate mechanism to track those cases withdrawn from its primary collection vendor and re-referred to the State vendor; and be able to properly account for and reconcile all payments received from the State vendor.

Accordingly, the Superior Court, Chief Administrative Office, and representatives from the Board of Supervisors will engage in discussions to determine a specific response to this solicitation. The County and the Court will provide specific case-related information should the Board of Supervisors approve participation in this program and the necessary inventory information can be put together.

Should you have any questions, please contact Eva Snider of the Chief Administrative Office at (213) 974-2291, or Alf Schonbach of the Superior Court at (213) 974-5972.

Sincerely,



DAVID A. JANSSEN  
Chief Administrative Officer



JOHN A. CLARKE  
Chief Executive Officer

DAJ:JAC  
DL:ES:ljp