



ADMINISTRATIVE OFFICE
OF THE COURTS
455 Golden Gate Avenue
San Francisco, CA
94102-3688
Tel 415-865-4200
TDD 415-865-4272
Fax 415-865-4205
www.courtinfo.ca.gov

ENHANCED COLLECTIONS

2009

In 2004, the California judicial branch heightened its focus on the collection of court-ordered delinquent fines, fees, penalties, forfeitures, and assessments to enhance respect for the rule of law and ensure enforcement of court orders. This topic first became of national interest in January 2003 when the Conference of Chief Justices adopted a resolution referring to the importance of collections efforts on delinquent court-ordered fines and fees. In March 2003, the Chief Justice of California, Ronald M. George, further declared the collection of court-ordered debt a top priority for the judicial branch and the State of California.

Senate Bill 940 (Pen. Code, § 1463.010)

On January 1, 2004, Senate Bill 940 (Stats. 2003, ch. 275) took effect, amending Penal Code section 1463.010. The legislation required the Judicial Council to adopt guidelines and standards for a statewide comprehensive program for the collection of fines, fees, and penalties imposed by court order. The council established the Collaborative Court-County Working Group on Enhanced Collections and appointed judicial officers and executive officers from the courts; staff from the Administrative Office of the Courts (AOC); collection experts from the counties; representatives of the California State Association of Counties, Franchise Tax Board, Department of Corrections and Rehabilitation, Victim Compensation and Government Claims Board, State Controller's Office, and Division of Juvenile Justice to develop recommendations for consideration by the council.

Collaborative Court-County Working Group on Enhanced Collections

In undertaking its mission to address issues related to statewide collections and to make recommendations to the Judicial Council, the working group formed subcommittees with 132 members from 16 superior courts, 15 counties, and various state agencies. Five workshops were held statewide to educate court and county collections teams and facilitate discussion on the requirements and impacts of the new law. The workshops were held in San Francisco, Burbank, Fresno, and Sacramento with a total of 279 court and county participants and included many court and county subject-matter experts. Presentations were also made to county

auditor-controllers, county probation officers, and the California State Association of Counties.

Collections Guidelines and Standards Established

In August 2004, the Judicial Council approved several recommendations made by the working group. Collections guidelines and standards were recommended as well as a definition of delinquent accounts/payments to assist the courts and counties in the development or enhancement of a comprehensive collections program. The council directed the superior courts to collaborate with the counties in establishing countywide enhanced collection and compliance coordination committees and to enter into written memoranda of understanding. They issued standards for discharge of accountability and required the courts to comply with Government Code section 25258 when discharging court-ordered debt. The working group established a separate subcommittee to develop guidelines and standards specifically to assist judicial officers and court staff in the approval or denial of civil fee waivers. In August 2006, the Judicial Council adopted the *Guidelines and Standards for Cost Recovery and Alternatives for Collection of Court-Ordered Sanctions*.

Statewide Collections Reporting

In 2004, legislation mandated that courts and counties jointly and annually report to the Judicial Council on their collections programs. In August 2004, the council approved a collection reporting template and required courts and counties to submit midyear reports in addition to the required year-end summary report. In 2008, as required by Assembly Bill 367, the council approved a new collections reporting template. The current collections reporting template includes instructions, a glossary, contact and other information, program and performance worksheets, and a supplemental data-gathering questionnaire. Collection programs must submit the supplemental questionnaire monthly for a one-year period. Courts will gather data on the collections processes of 20 random traffic infractions cases to identify and support future best practices.

Judicial Council–Sponsored Legislation

The Judicial Council sponsored Senate Bill 246 (Stats. 2004, ch. 380), which amended Revenue and Taxation Code section 19280 and was effective January 1, 2005. The legislation added 3 additional components to the existing 14 as criteria for a “comprehensive collections program” under Penal Code section 1463.007. These 17 components are currently considered elements of a successful collections program and are part of the council-approved collections best practices. The components include monthly statements to debtors, access to state Employment Development Department reports, skip tracing, acceptance of credit card payments, and participation in the Franchise Tax Board’s Court-Ordered Debt program (FTB-COD). Any court or county collection program that meets 10 of the 17 qualifying components of a comprehensive collections program can recover its operating costs

for the collection of delinquent court-ordered debt before revenues are distributed to another government entity.

SB 246 also required the FTB-COD program to accept delinquent cases from all 58 superior court and county collection programs and changed the minimum referral amount from \$250 to \$100.

Statewide Master Agreements

Effective January 1, 2005, as a result of SB 940, the AOC entered into contracts with four private collections vendors to assist courts and counties in the collection of delinquent cases and those that are deemed hard to collect. These initial contracts expired in 2008. In 2009, the AOC established new statewide master agreements with the selection of seven private vendors to continue these services.

Sentencing Fines and Fees Assistant Database (SFFA)

After the passage of SB 940 and the Judicial Council's establishment of the Collaborative Court-County Working Group on Enhanced Collections, it became evident that every bench officer would benefit greatly from a tool to assist with accurate identification of current statutes that authorize or require fines, fees, penalty assessments, surcharges, and any other financial impositions by the court. The Sentencing Fines and Fees Assistant database is used to calculate total fine and penalty assessments. The database is not intended to calculate the distribution of amounts received. The AOC Enhanced Collections Unit maintains and annually updates this Access database. Courts and counties are responsible for entering local statutes and codes. The long-range plan is to capture all fine, fee, and penalty assessment data into the California Court Case Management System. Meanwhile, the SFFA database is available to bench officers, court staff, and other judicial partners on Serranus at <http://serranus.courtinfo.ca.gov/programs/collections> or at www2.courtinfo.ca.gov/collections.

Enhanced Collections Unit

The Administrative Office of the Courts established the Enhanced Collections Unit for the purpose of continuing the efforts of the SB 940 Collaborative Court-County Working Group on Enhanced Collections in assisting courts and counties in establishing or improving collection programs statewide. The Enhanced Collections Unit is managed at the Southern Regional Office of the AOC in Burbank, California.

Assembly Bill 367 (Pen. Code, § 1463.010)

In July 2007, Assembly Bill 367 (Stats. 2007, ch. 132) amended Penal Code section 1463.010 to require the Judicial Council to develop performance measures and benchmarks to review the effectiveness of the cooperative "superior court and county collection programs." The bill requires that each superior court and county jointly report to the Judicial Council the information requested in a reporting template on

or before September 1, 2009, and annually thereafter. The Judicial Council must then report to the Legislature on December 31, 2009, and annually thereafter, on (1) the extent to which each court or county is following best practices for its collection program, (2) the performance of each collection program, and (3) any changes necessary to improve the performance of collection programs statewide. AB 367 enacted the final recommendations of the Collaborative Court-County Working Group on Enhanced Collections.

Collections Performance Measures, Benchmarks, and Best Practices

Performance measures and benchmarks, best practices, and a revised collections reporting template were approved by the Judicial Council in August 2008 to meet the requirements of Penal Code section 1463.010. The performance measures and benchmarks are based on data included in the reporting templates submitted by statewide collections programs in fiscal years 2004-2005 and 2005-2006.

The proposed benchmarks below represent a minimum standard of performance that should be achievable by all collections programs in FY 2008-2009.

The gross recovery rate, set at 34 percent, measures a collection program's ability to resolve delinquent court-ordered debt, including alternative sentences, community service, and suspended sentences. The success rate, set at 31 percent, measures the amount of revenue collected on delinquent court-ordered debt based on total delinquent accounts referred after adjustments, including not-sufficient-funds checks. These two measures use a formula that is standard in the collections industry.

The list of 27 collections best practices approved by the council were compiled from recommendations made by the Collaborative Court-County Working Group on Enhanced Collections; the Civil Assessment Working Group; and various committees, subcommittees, and subject-matter experts (from courts, counties, and state agencies) during the development of the various *Collections Guidelines and Standards* and *Criteria for a Successful Civil Assessment Program*. Courts and counties are encouraged to use these best practices in establishing and enhancing their collections programs.

Additional information regarding best practices, including guidelines and standards, can be obtained on Serranus at <http://serranus.courtinfo.ca.gov/programs/collections/cpa.htm>; the external collections Web site, www2.courtinfo.ca.gov/collections; or by contacting staff of the Enhanced Collections Unit at collections@jud.ca.gov.

Contact:

Jessica Sanora, Enhanced Collections Unit, jessica.sanora@jud.ca.gov