OVERVIEW

Allowing court-ordered fines and penalties to be ignored diminishes public respect for rule of law. Additionally, budget cuts make courts and local governments increasingly dependent on the collection of court-ordered fees, fines, forfeitures, penalties and assessments. Enhanced collection programs have the potential to significantly increase revenue to the state, the trial courts, and local government entities, as well as strengthen the enforcement of court orders. Comprehensive and effective programs are essential to a well-functioning court system. Such programs generate revenues that are earmarked to both state and local levels. While the focus may be on collection efforts performed in the enforcement of court orders for fines, fees, forfeitures, restitution, penalties, and assessments on delinquent account management, an efficient and effective collection program also must include procedures for nondelinquent and installment payments. California began a statewide collection initiative in 2004. At that time, very few comprehensive programs were established and some programs completely ignored delinquent debt. Judicial officers were not provided training on mandatory and discretionary fines, fees, penalties, and assessments. Since 2004, of the 58 courts/counties, 57 have established a comprehensive collection program.

Performance measures and benchmarks, best practices, and new legislation have been established to ensure the programs continue to progress.
INTRODUCTION
In 2004, the California judicial branch heightened its focus on the collection of delinquent court-ordered 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.

WORKING GROUP AND RECOMMENDATIONS
In response to Chief Justice George's 2003 declaration elevating the collection of court-ordered debt to a top priority, the California State Legislature passed Senate Bill 940 (Stats. 2003, ch. 275), authored by Senator Martha Escutia, which was enacted on January 1, 2004. The legislation required that the California Judicial Council survey collection programs on current collection processes and adopt guidelines and standards for a statewide comprehensive program for the collection of fines, fees, penalties, and assessments imposed by court order.

In 2004, as required by legislation, the Judicial Council established a Collaborative Court-County Working Group on Enhanced Collections and appointed a wide spectrum of members to develop recommendations for consideration by the council. Members appointed to the working group included California trial court judges and executive officers; staff from the Administrative Office of the Courts (AOC); collections experts from the courts and counties; the California State Association of Counties (CSAC); the Franchise Tax Board; the Department of Corrections and Rehabilitation; the Victim Compensation and Government Claims Board; the State Controller's Office; and the California Youth Authority.

In an effort to ensure inclusion of a variety of opinions in undertaking its mission to address issues related to statewide collections and to make recommendations to the Judicial Council, the Collaborative Court-County Working Group on Enhanced Collections formed subcommittees with 132 members from 16 superior courts, 15 counties, and three state agencies. In 2004, the working group, staffed by the AOC, conducted five workshops statewide with a total of 279 court and county participants from some of the state's 58 counties and superior courts. The workshops were conducted to educate court and county collaborative collections teams as well as to facilitate discussion on the requirements and impacts of the new legislation. In addition, presentations were given to the California County Auditor Controllers, County Probation Officers, and the California State Association of Counties (CSAC).

In 2004 and 2006, the working group issued a number of recommendations, several of which were approved by the Judicial Council. Approved recommendations included:
• Establishing collections guidelines and standards as well as a definition of “delinquent accounts/payments” for use by the 58 court/county comprehensive collection programs;
• Establishing standards for discharge of accountability, under California Government Code § 25258;
• Directing the trial courts to collaborate with their counties in establishing countywide “enhanced collection and compliance coordination” committees;
• Directing trial courts to enter into written memoranda of understandings (MOUs) with their counties;
• Directing courts and counties to jointly submit the 2004 and 2006 reporting templates previously approved by the Judicial Council;
• Creating and approving master agreements with qualifying private collection vendors;
• Establishing interim software applications in Microsoft Excel (Phase I) and Microsoft Access (Phase II) to provide judicial officers with computer access to mandatory and discretionary fines, fees, and assessment data for infractions and selected misdemeanor and felony violations. Those program components were to then become part of California’s Case Management System when implemented;
• Establishing Cost Recovery guidelines and standards, as required under California Penal Code § 1463.007. (Available online at www.2.courtinfo.ca.gov/collections/documents/cr_guidelines.pdf);
• Establishing Alternatives for Collection of Court-Ordered Sanctions imposed on attorneys in criminal cases; and
• Creating a list of regional subject matter experts to enhance the collection of court-ordered debt by providing technical assistance to trial courts and counties on various collection methods and strategies.

The Judicial Council also instructed AOC staff to submit proposed language for legislation that would allow courts, in addition to counties, to charge a fee for setting up installment payments and increase the existing fee from $35 or less to $50 or less.

Based on recommendations by the working group, the Judicial Council sponsored California Senate Bill 246, which was adopted and became effective January 1, 2005, (Stats. 2004, ch. 380). The legislation amended a California statute that permits a “comprehensive collections program” (defined as a program that meets any 10 of 14 listed program components) to recover the operating costs of collecting delinquent court-ordered debts. The legislation added three additional components to the existing list of 14: participating in the Franchise Tax Board’s Court-Ordered debt collections program; contracting with one or more private debt collectors; and using skip tracing or locator resources to services to locate delinquent debtors. The legislation also required the Franchise Tax Board’s Court-Ordered Debt program to accept delinquent cases from all 58 California superior court and county collection programs and changed the minimum referral amount from $250 to $100. (See Attachment 5-A.) Legislation to increase the fee from $35 to $50 for setting up installment payments did not pass.
As required, the Judicial Council submitted a report to the California Legislature in January 2006 on the progress and effectiveness of statewide collection efforts. The report noted some significant accomplishments:

- The creation of a standard reporting template to monitor the progress of collection programs;
- A 27 percent increase in the amount of total revenue collected in infraction, misdemeanor, and felony cases; and
- The creation of the AOC Enhanced Collections Unit to continue the work of the Collaborative Court-County Working Group on Enhanced Collections.

The AOC Enhanced Collections Unit’s mission is to provide guidance and assistance to courts and counties in their efforts to establish or enhance a collection program, and other collections assistance. Several tools and workshops were developed in order to ensure collaboration between courts and counties as well as between counties, courts and the AOC Enhanced Collections Unit.1

In July 2007, California Penal Code § 1463.010 was amended by Assembly Bill 367 (Stats. 2007, ch. 132) to specifically include restitution among the court-ordered debts that are subject to the enforcement provisions. (See Attachment 5-B.) The amendments also included recommendations by the Collaborative Court-County Working Group on Enhanced Collections. These amendments required the California Judicial Council to develop performance measures, benchmarks, best practices, and to review and report on the effectiveness of the cooperative trial courts and county collection programs. The legislation requires each California superior court and county to jointly report to the Judicial Council on information requested in a collections reporting template on or before September 1, 2009, and annually thereafter. It also required the Judicial Council to report certain information to the legislature regarding the performance of collection programs, including:

- The extent to which each court and county is following best practices for its collection program;
- The performance of each collection program; and
- Any changes necessary to improve performance of collection programs statewide.

MEASURING COLLECTIONS
To assist the Judicial Council with these legislative mandates and to ensure acceptance from courts and counties, an independent consulting company was hired to assist the AOC Enhanced Collection Unit with the development of performance measures and benchmarks, recommendations for best practices, a new reporting template, and suggested changes necessary to enhance the performance of collection programs statewide. The process began with the selection of 16 pilot court-county collection programs to participate in the initial drafting of a revised collection reporting template design and preliminary benchmarks. The 16 pilot programs

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1 Much of this material is available through the California Courts Enhanced Collections Web site, at http://www2.courtinfo.ca.gov/collections.
represented a diverse sampling of collection models found in all California court and county collection programs. The new Collections Reporting Template was implemented in fiscal year 2008–2009. (Available for download at www2.courtinfo.ca.gov/collections/reporting.htm.)

In order to gather specific data to evaluate the effectiveness of the various processes, approaches, and tools used throughout the state, court and county collection programs were asked to capture and report on 20 traffic infraction cases per month that were two years old using a specially-designed Supplemental Data Gathering Questionnaire. Due to traffic having a higher percentage of cases, the data collected in the questionnaire will be used to determine which components of each individual program have the most significant impact on collection effectiveness statewide as it pertains to traffic infraction cases. The information will also be analyzed to determine if lessons learned can be applied to other collection areas.

The Administrative Office of the Courts hosted four collections workshops in May 2009 to allow participants from courts and counties the opportunity to review and provide feedback regarding the proposed new reporting template, performance measures and benchmarks; to answer question posed by the participants; and to discuss data requirements.

In order to comply with the legislative mandate to develop best practices, in August 2008 the Judicial Council adopted as the Collections Best Practices a select number of collection guidelines and standards previously adopted by the Judicial Council in 2004 and 2006. These collection guidelines and standards had been developed and recommended to the Judicial Council by the Collaborative Court-County Working Group on Enhanced Collections and the Civil Assessment working groups. The Judicial Council also identified, developed, and approved performance measures for the collection programs.

Because many different collection methods and models are in use, the FY 2008-2009 Collections Reporting Template was revised to accommodate the various workflow processes and accounts receivable and case management systems used by the individual court and county collection programs.

The first annual report to the California Legislature, required under the new legislation, was submitted for FY 2008-2009. That report served as a baseline for evaluating the future performance of the individual court and county collection programs collecting delinquent court-ordered debt. Subsequent reports will provide information on the progress achieved by the individual collection programs and recommendations for additional changes necessary to improve performance statewide.

The AOC Enhanced Collections Unit understood the collection processes are not standardized and antiquated case management and accounts receivable systems used by the collection programs vary in their ability to track delinquent court-ordered debt. However, the reporting indicated that the processes were even less standardized and some were out of compliance with current statutes.
and rules. The limitations of accounts receivable and case management systems were identified by several of the collection programs as a reason for the under- or over-reporting of revenue derived from the collection of delinquent court-ordered debt. In FY 2008–2009, of the 57 collection programs that submitted a collections reporting template, 41 programs either met or exceeded the established performance measures and benchmarks. According to the revenue figures reported on the collections reporting template, court and county collection programs collected a total of $565,656,730 in delinquent court-ordered debt for FY 2008–2009, with outstanding debt estimated at over $5.5 billion, which includes debt that pre-dates the passage of California Senate Bill 940 in 2003, and is eligible and should be discharged from accountability.

Although the outstanding debt amount may appear to be high, the potential collectability of the debt must be considered since some of the accounts receivable and case management systems being used are antiquated, making the tracking and reporting of debt difficult. The total amount of delinquent debt that may be eligible for discharge under Government Code section 25257 is very high; however, the exact number cannot be confirmed. The collection efforts are also affected by such problems as systems limitations, debtors who reside out of the state and/or country, debtors whose information such as addresses and social security numbers may not be available or reliable, and the economic conditions of the state and counties.

COLLECTIONS BEST PRACTICES
The Judicial Council is required by California Penal Code section 1463.010 to report on the extent to which each court or county is following Collections Best Practices for its collection program. Twenty-seven Collections Best Practices were identified and selected based on their potential to impact statewide collections efforts. (See Attachment 5-C.) For the first year, this report regarding the extent to which each court and county collection program followed the Collections Best Practices was limited to the number of practices implemented by the program. Based on information reported in the FY 2008–2009 Collections Reporting Template, the number of Collections Best Practices followed by each court and county collection program ranged from 27 to 7 for 57 out of 58 programs that submitted reports.

Because 29 of the 57 (or 55 percent) programs submitted their collections reporting templates after the September 1, 2009, due date, a thorough analysis of all reported data, which might have linked best practices to collections rates, could not be conducted. Currently, there is no identified correlation between the number of collections best practices used and program performance or between a particular practice and program performance.

In the upcoming FY 2009-2010 annual report to the California Legislature, an analysis and comparison will be conducted, to the extent possible, to determine (1) potential correlations between the Collections Best Practices used and the revenue collected; and (2) the priority each best practice should be given, based on the revenue generated.
Amendments to the list of Collections Best Practices will be made as necessary and as statutes and court-ordered debt industry standards change. In order to maintain or enhance the performance levels of all collection programs, top-performing and innovative collection programs will be analyzed to determine if any practices currently in use by such programs should be recommended for inclusion in the best practices list or if practices should be eliminated from the current list.

**PERFORMANCE MEASURES**

California Penal Code section 1463.010 requires the Judicial Council to develop performance measures and benchmarks, to review the effectiveness of the cooperative court and county collection programs, and to report on the performance of the programs. Performance is measured by the amount of revenue collected and court-ordered adjustments. The performance of the individual collection program is measured by the ability of the program to collect delinquent court-ordered debt or the court's imposition of an alternative sentence, which leads to the resolution of a case.

Performance measures and benchmarks were developed in FY 2008–2009, establishing a baseline for the measurement of performance in the future. (See Attachment 5-D.) These were based on data reported in FY 2004-2005 through FY 2005-2007.

After conducting a pilot program, site visits, workshops, phone conferences, and an interactive webinar with staff from various court and county collection programs, a recommendation was made and the Judicial Council approved the following performance measures:

- **The Success Rate** measures the amount of revenue collected from delinquent court-ordered debt after adjustments.
- **The Gross Recovery Rate** measures the ability to resolve delinquent court-ordered debt, taking into account court-ordered alternative sentences, community services, and suspensions.

The benchmark for the Success Rate was set at 31 percent. The actual Success Rate for programs that submitted a completed FY 2008–2009 Collections Reporting Template ranged from 5 percent to 78 percent. The Judicial Council set the Gross Recovery Rate benchmark at 34 percent. The Gross Recovery Rate of each court and county collection program that submitted the FY 2008–2009 Collections Reporting Template ranged from 2 percent to 92 percent. Collections Reporting Templates were received from 57 of 58 collection programs; however, several programs were unable to provide complete data, which may have affected the individual performance levels.

The collection programs that reported the highest performance levels statewide will be reviewed to determine if best practices should be amended.
The delinquent revenue reported in FY 2008–2009 will be used as the base or benchmark for measuring the performance level of individual court and county collection programs in subsequent reports. It should be noted that, in some instances, collection activities were successful in getting debtors to make fine, fee, penalty, or assessment payments, but the payments were applied directly to victim restitution rather than the debt for which it was collected. Restitution to a victim is the first priority when accepting installment payments under California Penal Code section 1203.1(d). Delinquent revenue, as currently defined, includes fines, fees and assessments. Restitution to a victim is not considered delinquent and costs to recover restitution cannot be deducted.

Penal Code section 1463.010 requires the Judicial Council to recommend to the legislature any changes necessary to improve the performance of collection programs statewide. The proposed recommended changes were:

- Require that a collections program have the basic capability to track and collect delinquent court-ordered debt;
- Amend the Collections Best Practices and enforcement tools as required in Penal Code section 1463.007;
- Develop and establish recommended collections procedures, incorporating Collections Best Practices;
- Develop and establish statewide policies, procedures, and processes for the uniform collection of court-ordered debt;
- Establish an annual collections training program to assist courts and counties in improving individual performance;
- Standardize, as necessary, communication processes, including letters and notices, between debtors and collection programs to enhance collections efforts; and
- Assist collection programs with the selection of private collection vendors.

Several of the recommendations have been proposed in a budget trailer bill for approval upon the adoption of the 2010-2011 California budget.

California’s collections efforts receive two types of funding. For local programs, California Penal Code section 1463.007 allows a collection program that meets at least 10 of 17 components to deduct the cost of the program before distributing revenue to any other government entity. (Revenue received toward restitution to a victim cannot be used to offset the cost of collection programs.) In FY 2008–2009, the calculated cost of collections ranged from $.05 to $.55 per dollar. Based on the wide range in cost per dollar, it is evident that future costs should be tracked to determine if changes are needed in the area of cost recovery.

The cost of the AOC Enhanced Collections Unit is financed from the “California Trial Court Trust Fund created by Government Code section 77209 and is designated for Trial Courts and AOC
units that support Trial Court operations.” (See Attachment 5-E for funding of the Trust Fund, provided under California Penal Code § 1214.1.) The statewide unit consists of one senior manager, one senior court service analyst, two court service analysts, and one administrative coordinator II.

One of the biggest obstacles in the collection and reporting of court-ordered debt is the lack of a single entity with responsibility and authority over statewide court-ordered debt. This lack of authority results in laws being misinterpreted, late reports, and non-compliance.

**PROGRAM IMPACT ON VICTIM RESTITUTION**

The court-ordered debt program was not designed to improve the collection of victim restitution orders; however, the adoption of the best practices and other efforts has led to increased collection of victim restitution. In addition, California imposes “restitution fines” to fund its Victim Compensation program. California Penal Code § 1202.4(b)(1) requires a fine of $100 to $1,000 for misdemeanor cases and $200 to $10,000 on felony cases. The court or probation department usually collects revenue on cases that are not delinquent. Cases that have delinquent debt can be collected by a court, county, private vendor, or the Franchise Tax Board-Court Ordered Debt program. The FTB-COD program collected $1,403,068.53 from FY 1993-1994 to FY 2003-2004. After a statewide initiative began, the FTB-COD program collected $6,515,215.05 from FY 2004-2005 to 2008-2009. The amounts collected in the FTB-COD program include $7,622,775.40 collected for the California Victim Compensation Board for fiscal years 2004-2005 to 2008-2009.

**NEXT STEPS**

In FY 2009-2010, as approved by the California Judicial Council, the AOC Enhanced Collections Unit in collaboration with the California State Association of Counties will introduce new collection legislation based on input by court and county collections professionals in California. The legislative proposals will seek to accomplish the following:

1. Improve collections and enhanced revenue recovery;
2. More accurately profile collectible debt;
3. Expand tools and strategies to maximize courts and county efforts to enhance its collections programs; and
4. Improve compliance with court orders statewide.
LESSONS LEARNED

While developing a collections program, it is critical to designate one entity to be responsible for enforcing policies, procedures, and legislatively-mandated requirements. This would provide the necessary mechanism to:

- Continue to effectively enhance the performance of the statewide court-ordered debt collection programs;
- Keep a continuous focus on collections efforts, and continually train or provide workshops;
- Provide “seed” money to start collection programs and allow cost recovery in more areas as an incentive for collection;
- Have entities that collect court-ordered debt be responsible for reporting; and
- Provide a sanction for all programs that do not follow the required policies and procedures.

California began its statewide initiative in 2003. For the past few years, there has been remarkable progress in the collection of court-ordered debt. While this is a work in progress, we continue to make great strides, including proposing new legislation to ensure the collection efforts continue to improve.
Collection by the Franchise Tax Board

REVENUE AND TAXATION CODE SECTIONS 19280-19283

19280. (a) (1) Fines, state or local penalties, bail, forfeitures, restitution fines, restitution orders, or any other amounts imposed by a superior court of the State of California upon a person or any other entity that are due and payable in an amount totaling no less than one hundred dollars ($100), in the aggregate, for criminal offenses, including all offenses involving a violation of the Vehicle Code, may, no sooner than 90 days after payment of that amount becomes delinquent, be referred by the superior court, the county, or the state to the Franchise Tax Board for collection under guidelines prescribed by the Franchise Tax Board. Unless the victim of the crime notifies the Department of Corrections and Rehabilitation to the contrary, the Department of Corrections and Rehabilitation may refer a restitution order to the Franchise Tax Board, in accordance with subparagraph (B) of paragraph (2), for any person subject to the restitution order who is or has been under the jurisdiction of the Department of Corrections and Rehabilitation.

(2) For purposes of this subdivision:

(A) The amounts referred by the superior court, the county, or state under this section may include an administrative fee and any amounts that a government entity may add to the court-imposed obligation as a result of the underlying offense, trial, or conviction. For purposes of this article, those amounts shall be deemed to be imposed by the court.

(B) Restitution orders may be referred to the Franchise Tax Board only by a government entity, as agreed upon by the Franchise Tax Board, provided that all of the following apply:

(i) The government entity has the authority to collect on behalf of the state or the victim.

(ii) The government entity shall be responsible for distributing the restitution order collections, as appropriate.

(iii) The government entity shall ensure, in making the referrals and distributions, that it coordinates with any other related collection activities that may occur by superior courts, counties, or other state agencies.

(iv) The government entity shall ensure compliance with laws relating to the reimbursement of the State Restitution Fund.

(C) The Franchise Tax Board shall establish criteria for referral, which shall include setting forth a minimum dollar amount subject to referral and collection.

(b) The Franchise Tax Board, in conjunction with the Judicial Council, shall seek whatever additional resources are needed to accept referrals from all 58 counties or superior courts.

(c) Upon written notice to the debtor from the Franchise Tax Board, any amount referred to the Franchise Tax Board under subdivision (a) and any interest thereon, including any interest on the amount referred under subdivision (a) that accrued prior to the date of referral, shall be treated as final and due and payable to the State of California, and shall be collected from the debtor by the Franchise Tax Board in any manner...
authorized under the law for collection of a delinquent personal income tax liability, including, but not limited to, issuance of an order and levy under Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure in the manner provided for earnings withholding orders for taxes.

(d) (1) Part 10 (commencing with Section 17001), this part, Part 10.7 (commencing with Section 21001), and Part 11 (commencing with Section 23001) shall apply to amounts referred under this article in the same manner and with the same force and effect and to the full extent as if the language of those laws had been incorporated in full into this article, except to the extent that any provision is either inconsistent with this article or is not relevant to this article.

(2) Any information, information sources, or enforcement remedies and capabilities available to the court or the state referring to the amount due described in subdivision (a), shall be available to the Franchise Tax Board to be used in conjunction with, or independent of, the information, information sources, or remedies and capabilities available to the Franchise Tax Board for purposes of administering Part 10 (commencing with Section 17001), this part, Part 10.7 (commencing with Section 21001), or Part 11 (commencing with Section 23001).

(e) The activities required to implement and administer this part shall not interfere with the primary mission of the Franchise Tax Board to administer Part 10 (commencing with Section 17001) and Part 11 (commencing with Section 23001).

(f) For amounts referred for collection under subdivision (a), interest shall accrue at the greater of the rate applicable to the amount due being collected or the rate provided under Section 19521. When notice of the amount due includes interest and is mailed to the debtor and the amount is paid within 15 days after the date of notice, interest shall not be imposed for the period after the date of notice.

(g) In no event shall a collection under this article be construed as a payment of income taxes imposed under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001).

19281. (a) The Legislature finds that it is essential for fiscal purposes that the program authorized by this part be expeditiously implemented. Accordingly, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any standard, criteria, procedure, determination, rule, notice, or guideline established or issued by the Franchise Tax Board or Controller in implementing and administering the program required by this article.

(b) Except as provided in subdivision (a), any standard, criteria, procedure, determination, rule, notice, or guideline that otherwise would be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall be approved by a majority vote of the Franchise Tax Board.

19282. (a) Except as otherwise provided in subdivision (e), amounts collected under this article shall be transmitted to the Treasurer and deposited in the State Treasury to the credit of the Court Collection Account in the General Fund, which is hereby created. Amounts deposited in the Court Collection Account shall, less an amount that is equal to the costs incurred by the Franchise Tax Board in administering the program authorized by this article, be transferred by the Controller either to the county or to the state fund to
which the amount due was originally owing or as otherwise directed by contractual agreement. If the amount collected is not sufficient to satisfy the amounts referred for collection pursuant to Section 19280 that are to be paid by an offender, then the amount aid shall be allocated for distribution on a pro rata basis, as defined in subdivision (d), except in counties where the board of supervisors has established a priority of payment for amounts collected under this article pursuant to Section 1203.1d of the Penal Code. The amount that is equal to the costs incurred by the Franchise Tax Board in administering the program authorized by this article shall be transferred by the Controller to the General Fund for the purpose of recovering the amount expended by the Franchise Tax Board from General Fund appropriations for the purpose of implementing and administering the program authorized by this article, and related statutes as added or amended by the act adding this article.

(b) It is the intent of the Legislature that costs to the Franchise Tax Board to administer this article for the 1997-98 fiscal year and each fiscal year thereafter not exceed 15 percent of the amount it collects pursuant to this article.

(c) Notwithstanding Section 13340 of the Government Code, all moneys deposited in the Court Collection Account pursuant to this section are hereby continuously appropriated, without regard to fiscal years, for purposes of making distributions pursuant to subdivision (a).

(d) For purposes of this section, "pro rata basis" means a distribution determined as follows: the sum of the amounts referred for collection pursuant to Section 19280 to be paid by an offender shall be allocated and distributed in the same proportion that each of the elements has to the sum.

(e) For amounts collected pursuant to a restitution fine or restitution order, subdivision (a) is modified to require the deposit and disbursement of funds collected under this article to be in accordance with the laws relating to reimbursement of the State Restitution Fund.

19283. The Department of Justice, in consultation with the Franchise Tax Board, shall examine ways to enhance the use and effectiveness of this article through integration with the Department of Justice's Wanted Persons System and shall report the findings and recommendations to the Legislature on or before January 1, 2002.
California Penal Code section 1463.010

1463.010. The uniform imposition and enforcement of court-ordered debts are recognized as an important element of California's judicial system. Prompt, efficient, and effective imposition and collection of court-ordered fees, fines, forfeitures, penalties, restitution, and assessments ensure the appropriate respect for court orders. The California State Association of Counties and the Administrative Office of the Courts are jointly committed to identifying, improving, and seeking to expand access to mechanisms and tools that will enhance efforts to collect court-ordered debt. To provide for this prompt, efficient, and effective collection:

(a) The Judicial Council shall adopt guidelines for a comprehensive program concerning the collection of moneys owed for fees, fines, forfeitures, penalties, and assessments imposed by court order. As part of its guidelines, the Judicial Council may establish standard agreements for entities to provide collection services. As part of its guidelines, the Judicial Council shall include provisions that promote competition by and between entities in providing collection services to courts and counties. The Judicial Council may delegate to the Administrative Director of the Courts the implementation of the aspects of this program to be carried out at the state level.

(b) The courts and counties shall maintain the collection program that was in place on January 1, 1996, unless otherwise agreed to in writing by the court and county. The program may wholly or partially be staffed and operated within the court itself, may be wholly or partially staffed and operated by the county, or may be wholly or partially contracted with a third party. In carrying out this collection program, each superior court and county shall develop a cooperative plan to implement the Judicial Council guidelines. In the event that a court and a county are unwilling or unable to enter into a cooperative plan pursuant to this section, prior to the arbitration procedures required by subdivision (e) of Section 1214.1, the court or the county may request the continuation of negotiations with mediation assistance as mutually agreed upon and provided by the Administrative Director of the Courts and the California State Association of Counties.

(c) The Judicial Council shall develop performance measures and benchmarks to review the effectiveness of the cooperative superior court and county collection programs operating pursuant to this section. Each superior court and county shall jointly report to the Judicial Council, as provided by the Judicial Council, information requested in a reporting template on or before September 1, 2009, and annually thereafter. The Judicial Council shall report to the Legislature on December 31, 2009, and annually thereafter, on all of the following:

(1) The extent to which each court or county is following best practices for its collection program.
(2) The performance of each collection program.
(3) Any changes necessary to improve performance of collection programs statewide.
(d) The Judicial Council may, when the efficiency and effectiveness of the collection process may be improved, facilitate a joint collection program between superior courts, between counties, or between superior courts and counties.

(e) The Judicial Council may establish, by court rule, a program providing for the suspension and nonrenewal of a business and professional license if the holder of the license has unpaid fees, fines, forfeitures, penalties, and assessments imposed upon them under a court order. The Judicial Council may provide that some or all of the superior courts or counties participate in the program. Any program established by the Judicial Council shall ensure that the licensee receives adequate and appropriate notice of the proposed suspension or nonrenewal of his or her license and has an opportunity to contest the suspension or nonrenewal. The opportunity to contest may not require a court hearing.

(f) Notwithstanding any other provision of law, the Judicial Council, after consultation with the Franchise Tax Board with respect to collections under Section 19280 of the Revenue and Taxation Code, may provide for an amnesty program involving the collection of outstanding fees, fines, forfeitures, penalties, and assessments, applicable either statewide or within one or more counties. The amnesty program shall provide that some or all of the interest or collections costs imposed on outstanding fees, fines, forfeitures, penalties, and assessments may be waived if the remaining amounts due are paid within the amnesty period.
**Collections Best Practices**

Penal Code section 1463.010 as amended by Assembly Bill 367 (Stats. 2007, ch.132) requires the Judicial Council to report the extent to which each court or county is following best practices for its collection program.

The collection programs are encouraged to use the following best practices. Additional information regarding best practices, including guidelines and standards, can be obtained on Serranus: [http://serranus.courtinfo.ca.gov/programs/collections/cpa.htm](http://serranus.courtinfo.ca.gov/programs/collections/cpa.htm); the external collections Web site: [http://www2.courtinfo.ca.gov/collections](http://www2.courtinfo.ca.gov/collections); or by contacting staff of the Enhanced Collections Unit at [collections@jud.ca.gov](mailto:collections@jud.ca.gov).

1. Develop a plan and put the plan in a written memorandum of understanding (MOU) that implements or enhances a program in which the court and county collaborate to collect court-ordered debt and other monies owed to a court under a court order.

2. Establish and maintain a cooperative superior court and county collection committee responsible for compliance, reporting, and internal enhancements of the joint collection program.

3. Meet at least 10 of the 17 components of a comprehensive collection program in order that the costs of operating the program can be recovered under Penal Code section 1463.007.

4. Complete all data components in the Collections Reporting Template.

5. Reconcile amounts placed in collection to the supporting case management systems.

6. Retain the joint court/county collection reports and supporting documents for at least three years.

7. Participate in both the Franchise Tax Board Court-Ordered Debt collection program and the Franchise Tax Board Interagency Intercept program.

8. Take appropriate steps to collect court-ordered debt locally before referring it to the Franchise Tax Board for collection.

9. Establish a process for handling the discharge of accountability for uncollectible court-ordered debt.

10. Participate in any program that authorizes the Department of Motor Vehicles to suspend or refuse to renew driver’s licenses for licensees with unpaid fees, fines, or penalties.

11. Conduct trials by written declaration under Vehicle Code section 40903 and, as appropriate in the context of such trials, impose a civil assessment.
12. Follow the *Criteria for a Successful Civil Assessment Program* if the court has implemented such a program.

13. Develop a process for the collection of unpaid attorney sanctions.

14. Evaluate the effectiveness and efficiency of external collection agencies or companies to which court-ordered debt is referred for collection.

15. Accept payments via credit and debit card.

16. Accept payments via the Internet.

17. Include in a collection program all court-ordered debt and monies owed to the court under a court order.

18. Include financial screening to assess the ability to pay prior to processing installment payment plans and account receivables.

19. Charge fees as authorized by Penal Code section 1205(d).

20. Charge fees as authorized by Penal Code section 1202.4(l).

21. Use restitution rebate, as appropriate, to further efforts for the collection of funds owed to the Restitution Fund as authorized by Government Code section 13963(f).

22. Participate in the statewide master agreement for collection services or renegotiate existing contracts to ensure appropriate levels of services are provided at an economical cost, when feasible.

23. Request mediation services from the AOC and California State Association of Counties if the court and county are unable to agree on a cooperative collection program.

24. Require private vendors to remit the gross amount collected to the court or county, as agreed.

25. Require private vendors to submit invoices for commission fees to court or county on a monthly basis.

26. Use collection terminology (as defined in the glossary, instructions, or other documents approved for use by courts and counties) for the development or enhancement of a collection program.

27. Require private vendors to complete the components of the Collections Reporting Template that corresponds to its collection program.
## Collections Performance Measures and Benchmarks

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>Definition</th>
<th>Formula</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Recovery Rate (GRR)</td>
<td>Measures a collection program’s ability to resolve delinquent court-ordered debt, including alternative sentences, community service, and suspended sentences.</td>
<td>Delinquent collections for the fiscal year + Adjustments/Referrals</td>
<td>34%</td>
</tr>
<tr>
<td>Success Rate (SR)</td>
<td>Measures the amount of revenue collected on delinquent court-ordered debt based on total delinquent accounts referred after adjustments, including NSF checks.</td>
<td>Delinquent collections for the fiscal year / referrals – adjustments</td>
<td>31%</td>
</tr>
</tbody>
</table>

The performance measures and benchmarks recommended above are based on results from the 2008 Gartner project and data submitted in FY 2004-2005 and FY 2005-2006 by collection programs in their reporting templates.

It is estimated that 80 percent of statewide collection programs are currently meeting or exceeding the percentages identified above. The proposed benchmarks represent a minimum standard of performance that should be achievable by all collection programs in the next fiscal year.

The Gross Recovery Rate and Success Rate use a formula that is standard in the collection industry.
California Penal Code section 1214.1

1214.1. (a) In addition to any other penalty in infraction, misdemeanor, or felony cases, the court may impose a civil assessment of up to three hundred dollars ($300) against any defendant who fails, after notice and without good cause, to appear in court for any proceeding authorized by law or who fails to pay all or any portion of a fine ordered by the court or to pay an installment of bail as agreed to under Section 40510.5 of the Vehicle Code. This assessment shall be deposited in the Trial Court Trust Fund, as provided in Section 68085.1 of the Government Code.

(b) The assessment shall not become effective until at least 10 calendar days after the court mails a warning notice to the defendant by first-class mail to the address shown on the notice to appear or to the defendant's last known address. If the defendant appears within the time specified in the notice and shows good cause for the failure to appear or for the failure to pay a fine or installment of bail, the court shall vacate the assessment.

(c) If a civil assessment is imposed under this section, no bench warrant or warrant of arrest shall be issued with respect to the failure to appear at the proceeding for which the assessment is imposed or the failure to pay the fine or installment of bail. An outstanding, unserved bench warrant or warrant of arrest for a failure to appear or for a failure to pay a fine or installment of bail shall be recalled prior to the subsequent imposition of a civil assessment.

(d) The assessment imposed under subdivision (a) shall be subject to the due process requirements governing defense and collection of civil money judgments generally.

(e) Each court and county shall maintain the collection program that was in effect on July 1, 2005, unless otherwise agreed to by the court and county. If a court and a county do not agree on a plan for the collection of civil assessments imposed pursuant to this section, or any other collections under Section 1463.010, after the implementation of Sections 68085.6 and 68085.7 of the Government Code, the court or the county may request arbitration by a third party mutually agreed upon by the Administrative Director of the Courts and the California State Association of Counties.