

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Probation	(2) MEETING DATE 11/4/2014	(3) CONTACT/PHONE Jim Salio, 781-1039	
(4) SUBJECT Submittal of a resolution authorizing the Chief Probation Officer to sign a three-year renewal memorandum of agreement with the Franchise Tax Board to continue participation in the Court-Ordered Debt Collection Program (FTB-COD). All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board of Supervisors adopt the resolution authorizing the Chief Probation Officer to sign the renewal contract with the Franchise Tax Board.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) NA		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: NA <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP NA	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>1/15/02, 2/28/06, 1/27/09, and 10/18/11</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Geoff O'Quest, Administrative Analyst			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Probation / Jim Salio, 781-1039

DATE: 11/4/2014

SUBJECT: Submittal of a resolution authorizing the Chief Probation Officer to sign a three-year renewal memorandum of agreement with the Franchise Tax Board to continue participation in the Court-Ordered Debt Collection Program (FTB-COD). All Districts.

RECOMMENDATION

It is recommended that the Board of Supervisors adopt the resolution authorizing the Chief Probation Officer to sign the renewal contract with the Franchise Tax Board.

DISCUSSION

Revenue and Taxation Code Sections 19280-19283 provide authority for the Franchise Tax Board to assist counties in the collection of any unpaid court-ordered 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. Such amounts 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 (the "Court-Ordered Debt Collection Program" or "program"). The Franchise Tax Board is a proven successful debt collector.

The State has increasingly expected counties to implement effective revenue collections in part to fund state-authorized programs. It is in the mutual interest of the parties to use the available resources of both the State and county governments to collect unpaid court-ordered fines, forfeitures and penalties.

Participation in this program is voluntary. The agreement will become effective upon its execution and continue for the term of the program, or through such date as is agreed to in writing by both parties.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed the proposed resolution as to form and legal effect.

FINANCIAL CONSIDERATIONS

There is no cost to the Probation Department or General Fund subsidy required to participate in this program. The Franchise Tax Board keeps 15% of all monies collected as an administrative fee. Delinquent accounts forwarded to the Franchise Tax Board-COD Program for FY 20011-12 returned \$470,124.64, for FY 2012-13 returned \$363,677.08 and for FY 2013-14 returned \$270,345.37 to victims, the County and for State fines.

RESULTS

Participation in the Franchise Tax Board - Court Ordered Debt Program (FTB-COD) is one of the requirements for participation in the Comprehensive Collection Program, pursuant to Penal Code Section 1463.007. Continued participation in the court ordered debt program ensures one hundred percent compliance with the State's Comprehensive Collections Program requirements.

During Fiscal Year 2011-12, we average approximately 5,500 active cases with FTB-COD with a total debt owed by offenders amounting to approximately \$16,485,047. During Fiscal Year 2012-13, we continued to average approximately 5,500 active cases with FTB-COD with a total debt owed by offenders amounting to approximately \$15,042,300. During Fiscal Year 2013-14, we increased the number of active cases with FTB-COD to approximately 9,300 with a total debt owed by offenders amounting to approximately \$22,330,676. We have continued to keep about 9,300 active cases with FTB-COD. The increase in cases being referred to FTB-COD for collection is due to more offenders not paying their debt to the Probation Department as directed. As shown by the decrease in the amount that FTB-COD has been able to collect from offenders through bank levies, wage garnishments and voluntary payments, it is suspected that more offenders are having difficulties gaining/maintaining employment and have less discretionary funds available to pay their court ordered debt.

As of October 16, 2014, FTB-COD had reported to Counties and Courts the collection amounts through August, 2014. For the months of July and August, 2014, the County had received from FTB-COD \$46,826.27. Based upon a straight line projection, it is projected that in FY 2014-15 the Franchise Tax Board – Court-Ordered Dept Program will collect approximately \$280,957 from delinquent accounts which will be returned to victims and the County.

ATTACHMENTS

1. FTB-COD Standard Agreement 11.4.14
2. FTB-COD Resolution