



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: General Service
Department No.: 063
For Agenda Of: June 26, 2007
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: General Services Robert Nisbet, Director (560-1011)
SUBJECT: MOU with Superior Courts for various Services

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence:

Recommended Actions:

That the Board of Supervisors approve the attached MOU with Superior Courts to provide the following services: information technology, communications, vehicle maintenance, reprographics.

Summary Text:

As part of the transfer of court operations to the State of California, and at the direction of the Administrative Office of the Courts (AOC), the Superior Court will be utilizing the statewide Court Accounting and Reporting System (CARS) for all Court financial transactions. As a result of this transition from the County Financial Information System (FIN) to CARS, the FIN fund revenue and expense accounts associated with the Court Special Services budget (County fund 0069) can no longer be held in the County Treasury. Therefore, Superior Courts must pay for various County-provided services directly, as opposed to a Journal Entry through FIN. The scope of the services, their costs, and the manner in which Superior Courts will remit payment, is the subject of the attached Memorandum of Understanding (MOU).

Background:

With the passage of the Lockyer-Isenberg Trail Courts Funding Act of 1997 (AB 233), the primary responsibility for funding of court operations shifted to the State, although the twenty largest counties, including Santa Barbara County, continue through an expenditure maintenance of effort requirement to provide payments to the State for court operations.

The Administrative Office of the Courts (AOC) is the staff agency of the Judicial Council, which has policy making authority over the state court system and provides an integrated program of budget planning, asset management, accounting, procurement, contract management, and facility coordination to the judicial branch and the superior courts. Until now, the Superior Court has held some of their funds in the County Treasury and the funds were then used to pay Cost Allocation and various services provided by General Services. With the Santa Barbara County Superior Court transitioning to the State's financial systems and no longer having the ability to maintain funds in the County Treasury, the current process is no longer feasible.

Rule 810 of Title 10, Judicial Administration Rules defines various services provided to Superior Courts as "State Allowable Costs", meaning counties are *not responsible* for the cost of these services. Examples of these services include administrative services like budget development, personnel services, accounting services, purchasing, etc. Also included in this category are services provided by General Services like information technology, telephones, vehicle maintenance, mail delivery, janitorial, and reprographics. Costs associated with providing facilities are considered "State Unallowable Costs" and *are the responsibility* of the County until the facilities are transferred to the State in accordance with SB 1732 and SB 10.

Performance Measure:

N/A

Fiscal and Facilities Impacts: So long as Superior Courts pays for the services in accordance with the MOU, and included in the rates is the additional administrative cost of direct billing, there should be not financial impact to the County. To the extent Superior Courts does not pay their bills timely, and/or the administrative cost of direct billing is not adequately reimbursed through the rates for providing the services, the County will be subsidizing court operations. Of the services provided to courts under this MOU, telephones are by far the biggest component, estimated to cost around \$200,000 annually. The other three services (information technology, vehicle maintenance, and reprographics) together will cost less than \$75,000 annually.

Budgeted: Yes

Staffing Impacts:

Legal Positions:

N/A

FTEs:

N/A

Special Instructions: Copies of the Minute Order to: Bob Nisbet, General Services Director; Rayna Pinkerton, Chief Fiscal Officer, Superior Court.

Attachments: Memorandum of Understanding, Agreement to Provide General Services.