



**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: CEO
Department No.: 012
For Agenda Of: April 4, 2023
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Director(s) Contact Info: Mona Miyasato, County Executive Officer
Nancy Anderson, Chief Assistant CEO

DocuSigned by:
Mona Miyasato
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SUBJECT: AB 199 Revenue Impact Report for Fiscal Years 2018-19 through 2020-21 from Criminal Justice Fees Eliminated in AB 177

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Approve the AB 199 Revenue Impact Report for Fiscal Years 2018-19 through 2020-21 from Criminal Justice Fees Eliminated in AB 177 pursuant to Government Code section 29554(e);
- b) Authorize the Chair to sign the letter included in Attachment A and direct CEO staff to send the letter and report to the State of California Director of Finance, the Legislative Analyst’s Office, and the Joint Legislative Budget Committee; and
- c) Determine pursuant to CEQA Guidelines 15378(b)(5) that the above actions are not a project subject to CEQA review, because they are government administrative activities that do not result in direct or indirect physical changes to the environment.

Summary Text:

AB 177 repealed the authority of counties to charge defendants for various criminal justice fees contingent upon a criminal arrest, prosecution, or conviction, for the cost of administering the criminal justice system, including lab fees, drug testing, and incarceration, among others. Effective January 1, 2022, the bill includes a backfill provision that provides some relief to counties to mitigate revenues

lost as a result of the repeal. In accordance with AB 199, the Board is required to submit a report by May 1, 2023 to the Legislature, Legislative Analyst's Office, and the Department of Finance, detailing the actual revenue lost from each individual fee repealed by AB 177, for each of the three most recent years that revenues were collected prior to the bill's enactment: fiscal years 2018-19 through 2020-21. The total revenue collected for the three-year period is \$836,271. The County has received backfill of \$325,729 for fiscal year 2021-22 and \$651,458 for fiscal year 2022-23.

Background:

Chapter 257, Statutes of 2021 (AB 177) eliminated 17 different criminal administrative fees charged by local governments to individuals arrested, prosecuted, or convicted of a crime. These include fees for victim restitution collection, processing installment accounts, and dismissal of charges. AB 177 set aside \$25 million in the 2021-22 fiscal year and \$50 million annually thereafter to backfill counties for estimated lost revenue. The provisions of the bill took effect on January 1, 2022.

The Department of Finance established an allocation schedule based on the methodology provided by Chapter 57, Statutes of 2022 (AB 199). The backfill for each county is based on its percentage for the statewide average of the following three variables for the calendar years 2017, 2018, and 2019: 1) adult population (50 percent of the allocation); 2) felony and misdemeanor arrests (25 percent of the allocation); and 3) traffic and non-traffic felony and misdemeanor filings (25 percent of the allocation). In December 2022, the County of Santa Barbara received the backfill allocation for the first two fiscal years, totaling \$325,728.97 for fiscal year 2021-22 and \$651,457.95 for fiscal year 2022-23, which exceeded the actual collections. For the County of Santa Barbara, actual revenues collected over the three past fiscal years total \$836,271—averaging \$278,757 per fiscal year. The majority of these revenues were in Penal Code § 1205(e), Processing of installment accounts fee, and Penal Code § 2085.6, Restitution collection from post-release supervision.

Although the backfill allocation for AB 177 exceeds the County's actual revenues lost due to the bill, this favorable fiscal impact is offset by another revenue loss related to AB 1869 (2020) which repealed additional criminal administrative fees. The annual backfill allocation provided to the County for AB 1869 is \$846,777 and will sunset after FY 2025-26, while the associated revenue losses exceeded the backfill provided, at an average of \$1.8 million per fiscal year, and those fiscal impacts are ongoing.

Reporting requirement addressed within this report:

AB 199 requires that “no later than May 1, 2023, each county's board of supervisors receiving fiscal relief pursuant to these provisions shall submit a report to the Director of Finance, the Legislative Analyst's Office, and the Joint Legislative Budget Committee detailing the actual revenue lost from each individual fee repealed by Chapter 257 of the Statutes of 2021 for each of the three most recent years that a county collected this revenue prior to the enactment of Chapter 257 of the Statutes of 2021.”

Reporting requirement to be addressed in a later report:

Additionally, AB 199 requires a county, for the years in which funding is allocated pursuant to the methodology, to report on how the backfill allocation was spent, and at a minimum, the report shall include the total annual budget of the county department or departments that receive the allocation, the share of this allocation received, and an accounting of the expenditures of the allocation by county department that receive a share of this allocation. This reporting requirement is due by January 10, 2024, and annually thereafter.

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Fiscal and Facilities Impacts:

Staff anticipates no fiscal or facilities impacts as a result of the Board's action on this matter.

Special Instructions:

1. As per Recommendation b, please forward a copy of the letter and report to the State of California Director of Finance, the Legislative Analyst's Office, and the Joint Legislative Budget Committee.
2. Please send the original signed letter and a copy of the minute order to Nicole Parmelee, Fiscal & Policy Analyst, County Executive Office.

Attachments:

Attachment A: Letter to State of California, Director of Finance, Legislative Analyst's Office, and Joint Legislative Budget Committee with Revenue Impact Report enclosure

Authored by:

Nicole Parmelee, Fiscal & Policy Analyst, County Executive Office