



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: Probation
Department No.: 022
For Agenda Of: January 9, 2024
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Holly L. Benton, Chief Probation Officer, (805) 882-3652
Director(s)
Contact Info: Damon Fletcher, Chief Financial and Administrative Officer,
(805) 882-3654

SUBJECT: Assembly Bill (AB) 199 Backfill Allocation Spending Report for Fiscal Years
2021-22 and 2022-23 for Criminal Justice Fees Eliminated by 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) Consider and adopt the report in Attachment A as the Board of Supervisors' report for Fiscal Years (FY) 2021-22 and FY 2022-23 as required by Government Code section 29554 subsection (f), documenting the County's spending of State backfill allocations which provides fiscal relief due to the repeal of the fees specified in Chapter 257, Statutes of 2021 (AB 177);
- b) Authorize the Chair to sign the letter included in Attachment A, and direct Probation staff to submit the letter and report to the Director of Finance, the Legislative Analyst's Office, and the Joint Legislative Budget Committee, regarding AB 199 Backfill Allocation spending for FY 2021-22 and FY 2022-23; 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:

This item is before your Board to fulfill State reporting requirements of AB 199 by submitting to the

State a report detailing the County's spending of the State backfill allocation due to revenues lost from fees repealed by AB 177. Effective January 1, 2021, AB 177 repealed the authority of counties to charge individuals for various criminal justice fees and cost of administering the criminal justice system, including lab fees, drug testing, and incarceration, among other costs contingent upon a criminal arrest, prosecution, or conviction. AB 177 includes a backfill provision that provides some relief to counties to mitigate revenues lost as a result of the repeal. Backfill funds are provided to counties through AB 199, for which each county's board of supervisors is required to submit a report no later than January 10 of every year beginning in 2024, to the Joint Legislative Budget Committee, Legislative Analyst's Office, and the Director of Finance, detailing the county's spending of the State backfill allocated for revenues lost from fees repealed by AB 177, which modified Chapter 257 of the Statutes of 2021.

The County received backfill allocations of \$325,728.97 for FY 2021-22 and \$651,457.95 for FY 2022-23 for a total of \$977,186.92 on December 15, 2022. While the County has not yet expended the funds as of June 30, 2023, the Probation Department was allocated \$224,900 for FY 2023-24 to fund two Pretrial Support Specialist Senior positions. The Probation Department is working with the Human Resources Department to create the Pretrial Support Specialist Senior positions and fill them as quickly as possible.

Discussion:

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 for FY 2021-22 and \$50 million annually thereafter to backfill counties for estimated lost revenue. The provision 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).

Reporting requirement addressed in a prior report:

AB 177 required that "no later than May 1, 2023, each county's board of supervisors receiving fiscal relief pursuant to this section 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 57 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."

An initial, one-time report was approved by your Board on April 4, 2023, and the required materials were submitted as per the State instructions prior to the May 1, 2023 deadline. The report indicated that in December 2022, the County of Santa Barbara received the backfill allocation for the first two fiscal years, totaling \$325,728.97 for FY 2021-22 (a prorated allocation due to the repeal becoming effective mid-fiscal year) and \$651,457.95 for FY 2022-23. The annual allocation of \$651,457.95 exceeds the actual collections for the repealed fees for the prior three fiscal years, which averaged \$278,757 per fiscal year. However, this positive fiscal impact only partially offsets the revenue lost on the prior repeal of criminal justice fees related to AB 1869. AB 1869 resulted in over \$1.8 million

in annual ongoing fee revenue loss in the Probation Department and only provided \$846,777 in backfill for 5 years; the backfill provision will sunset after FY 2025-26, creating an ongoing fiscal impact.

Reporting requirement address within this report:

AB 199 requires that beginning January 10, 2024 and repeating annually, a county receiving funding report on how the backfill allocation was spent, and, at a minimum, report 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 received a share of this allocation. The attached report indicates there were no expenditures during the reporting period, although subsequent to this reporting period a portion of the funding has been allocated to be spent as described below.

Fiscal and Facilities Impacts:

Staff anticipates no fiscal or facilities impacts as a result of the Board's action on this matter. Due to the need to evaluate this new revenue source and determine eligible and appropriate uses, Santa Barbara County did not expend the allocated funds in the first two fiscal years, which is reflected in the attached letter to the State. In the FY 2023-24 Adopted Budget, the Probation Department was allocated \$224,900 for the ongoing staffing cost of two (2) Pretrial Support Specialist Seniors in the department's pretrial assessments units, and it is anticipated that the remainder of the funding will be needed to help offset the upcoming revenue losses associated with the backfill sunset related to AB 1869.

Special Instructions:

1. Please send the original signed letter and a copy of the minute order to Damon Fletcher, Chief Financial and Administrative Officer, Probation Department.

Attachments:

Attachment A: AB 199 (Chapter 57, Statutes of 2022) Backfill Allocation Spending Report for Fiscal Year (FY) 2021-22 and FY 2022-23 for Criminal Justice Fees Eliminated in AB 177 (Chapter 257, Statutes of 2021), and Letter from the Santa Barbara Board of Supervisors to the Joint Legislative Budget Committee, Legislative Analyst's Office, and Department of Finance

Authored by:

Damon Fletcher, Chief Financial and Administrative Officer, Probation Department