January 30, 2018

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Resolution eliminating fees related to the County costs of the juvenile delinquency system with direction to cancel and discharge all accounts on record.

Board Members

RECOMMENDATION:

- Adopt resolution to cease imposition of juvenile fees in the delinquency system including fees for legal representation, Detention in the Juvenile Hall and Home Detention via electronic monitoring effective January 1, 2018
- Direct the Chief Probation Officer, Public Defender and Director of Finance to take the necessary steps to effect the discharge of the associated existing outstanding receivables

Summary:

California Welfare and Institutions Code (WIC) sections §§903, 903.1, 903.15 and 903.2 provided counties authority to levy fees to recoup reasonable costs associated with the juvenile delinquency system. Fees charged in Marin in accordance with the code sections included legal representation fees for the Public Defender and a daily cost of care for minors detained in the Juvenile Hall or on Home Detention via electronic monitoring. Costs of juvenile investigations, supervision and drug tests have also been allowable under code sections, but have not been charged in Marin. On October 11, 2017 the Governor signed into law SB190 which officially repeals the ability of counties to continue charging these fees after January 1, 2018.

In 2016, UC Berkeley issued a report on the juvenile delinquency system fees that concluded that the fees disproportionately hurt poor families and add to the overall youth recidivism rate. The Probation Department reviewed its juvenile billing procedures in light of this research and found that imposing debt for the juvenile delinquency system on families induces economic and familial instability and undermines the rehabilitative purpose of the juvenile justice system. As an outcome, the department ceased setting up new accounts for juvenile detention/home monitoring costs in August of 2016.

The charging of new Public Defender Fees has ceased as of December 2017.

As of January 1, 2018, the County in full compliance with SB190, individual department fee schedules will be brought before the Board in May as part of a larger county action on fees and assessments.
Existing Collection Efforts:

SB190 repeals County authority to assess new fees in the Juvenile delinquency system, but does not address previously assessed fees. In Marin County, the Central Collections Unit of the Department of Finance is responsible for the management of juvenile delinquency collection efforts.

Central Collections manages juvenile delinquency debt collection in two large categories 1) active: accounts they are pursuing or have on a payment plan, and 2) archived: accounts established prior to 2003 that are deemed uncollectable or have gone delinquent. Cases in this second category may have been sent off to the Franchise Tax Board for potential intercept of funds in the future. As part of a past practice, Central Collections reported delinquent debt to the Superior Court, filing a legal interest against the owing party. Central Collections reports the following debt on the books for the three categories of juvenile delinquency debt:

<table>
<thead>
<tr>
<th>Agency of Origin</th>
<th>Archived</th>
<th>Active</th>
<th>Total Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Probation Department</td>
<td>$124,569.51</td>
<td>$521,794.74</td>
<td>$765,106.48</td>
</tr>
<tr>
<td>Public Defender</td>
<td>$108,605.07</td>
<td>$79,141.83</td>
<td>$290,961.18</td>
</tr>
<tr>
<td>Central Collections</td>
<td>$36,553.62</td>
<td>$12,352.65</td>
<td>$82,198.62</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$269,728.20</strong></td>
<td><strong>$613,289.22</strong></td>
<td><strong>$883,017.42</strong></td>
</tr>
</tbody>
</table>

Central Collections projects that the collection rate on juvenile debt is 10% annually. Based on the work required to maintain these accounts, the low expectation of collection and the age of the debt it is being recommended that all debt on the books for juvenile delinquency fees impacted by SB190 be canceled and discharged - both active and archived.

Past Payments:

In State-wide discussions surrounding juvenile delinquency system fees, there has been concern expressed regarding the potential that some agencies may have unlawfully assessed or collected from families in the past. The guidelines on when and to whom the County may assess charges to is outlined in the code sections but is admittedly complex and requires system knowledge. For instance, the daily charge for detention can only be charged once a ward has had a petition sustained, where a family member is not the victim and the ward is not being charged as an Adult.

Contra Costa County has completed a review of their practices and at a recent Board meeting has announced their intent to refund overpayments made over the last two plus decades. The issues uncovered in Contra Costa include charging for daily costs of care prior to the sustained petition date and charging costs for wards charged as Adults.

We are confident in Marin that we do not have these issues and that all charges have been assessed lawfully. Due to our small size, the process of billing has been managed by a few key people who have been in their positions long term and are able to provide the proper oversight to ensure only those that meet all requirements
are charged. Central Collections provides the ability for all persons being assessed a fee the ability to have a financial review and have charges reduced accordingly and a payment plan established.

Our annual collection of fees for all juvenile delinquency in 2016 was $37,900. Given our confidence that these were levied legally, combined with the cost of researching and providing applicable refunds, it is our recommendation that the County not explore further review and provision of refunds of fees for charges assessed and collected prior to January 2018.

FISCAL/STAFFING IMPACT:

The budgeted General Fund revenue for Juvenile Delinquency fees are currently $60,000 in Probation and $10,700 in the Public Defender. Over the last 5 years, revenue expectations for these accounts have not been met. With your Board's approval, the cessation of these fees will increase General Fund Net County Cost on a budget basis by $70,700 annually. The County Administrator's Office will work with the impacted departments to adjust the revenue expectations in the FY 2018-19 proposed budget process.

Please let me know if you have any questions or concerns.

REVIEWED BY:
[ X] Department of Finance [ ] N/A
[X] County Counsel [ ] N/A
[ ] Human Resources [ X] N/A
[ X] CAO [ ] N/A

SIGNATURE:

Michael D. Daly
Chief Probation Officer

Cc Jose Varela, Public Defender
Roy Given, Director of Finance
Cris Ruiz, Collections Manager
James Kim, Marin Superior Court