



Agenda # _____ October 14, 2008

ALAMEDA COUNTY
AUDITOR-CONTROLLER AGENCY
PATRICK O'CONNELL
AUDITOR-CONTROLLER/CLERK-RECORDER

September 24, 2008

Honorable Board of Supervisors
County of Alameda, 1221 Oak Street, Suite 536
Oakland, CA 94612-4305

SUBJECT: Amendment and Revised Agreement of Memorandum of Understanding for Collection Services
Between County of Alameda and the Superior Court of Alameda County

Dear Members of the Board:

RECOMMENDATION:

It is recommended that the Board adopt the amended and revised Memorandum of Understanding for collection services between the County of Alameda and the Superior Court of Alameda County.

SUMMARY/DISCUSSION:

The County of Alameda and the Superior Court of Alameda County have not amended nor revised the Memorandum of Understanding for collection services since 1999. The attached revised Memorandum of Understanding will allow the County of Alameda and the Superior Court of Alameda County to continue to work together. This will enable both parties to continue to work cooperatively to enhance the existing comprehensive collection program. Per SB 940 and under Penal Code Section 1463.010 the collection of various court fees including fines, victim restitution, public defender fees, and court appointed attorney's fees, forfeitures, penalties, and assessments is allowed.

FINANCING:

Due to the County and the Court's collaborative effort, the overall collections for court accounts for the 2007-2008 fiscal year was over \$10 million. Those dollars were distributed to various governmental agencies, restitution victims within the County, County trust accounts and to Central Collections to offset cost of these collections based on the deductions allowable per Penal Code Section 1463.007. The costs of the court collections are fully deductible, prior to disbursement of revenue collections and there is no net cost to the County.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick O'Connell".

Patrick O'Connell
Auditor-Controller, Alameda County

C: Susan Muranishi, County Administrator
Richard Winnie, County Counsel

Chief Deputy Auditor

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**Amendment and Revised Agreement
MEMORANDUM OF UNDERSTANDING
FOR COLLECTION SERVICES,
COUNTY OF ALAMEDA
AND
THE SUPERIOR COURT, COUNTY OF ALAMEDA**

This Memorandum of Understanding ("MOU") is made as of July 1, 2008 ("Effective Date") between the County of Alameda, a political subdivision of the State of California ("**County**") and the Superior Court of California, County of Alameda, an entity of the California Judicial Branch organized under Article VI of the California Constitution ("**Court**").

Reference is made to that Memorandum of Understanding ('MOU') dated July 27, 1999, by and between Alameda County, hereinafter "County," and the Superior Court of California, County of Alameda, hereinafter, "Court," that provided for a transfer of certain responsibilities and maintenance of effort following the adoption of Trial Courts Funding Act by the Legislature in 1997.

WHEREAS, pursuant to Article XVII of the MOU, the County agrees to reimburse the court for the actual staffing costs for all collection enforcement services, and provides for specified Collection Enhancement activities that the parties to the MOU now desire to amend and revise, and

WHEREAS, many of the Articles of the MOU have been previously revised or superseded by other agreements, and

WHEREAS, pursuant to the Article XXIII of the MOU it may be amended by subsequent written agreement between the Superior Courts Executive Officer and the County Administrator, and

WHEREAS, it is the intent of the parties to amend, revise and supersede the above referenced MOU with this Agreement insofar as the collection services provided to the Court by the County pursuant to Penal Code sections 1463.001, 1463.007 & 1463.010, as amended by Chapter 367 of the Statutes of 2007. The MOU, except as revised, amended and superseded herein will continue in full force and effect.

WHEREAS, pursuant to California Penal Code Section 1463.010 the Court and the County have developed a cooperative plan to implement a collection program for the collection of Fees, including Public Defender attorneys fees, Fines Forfeitures, Penalties, Restitution and Assessments incurred by defendants in criminal or traffic actions or proceedings; and

WHEREAS, Court and County have developed such a collection program ("**Program**"), and desire to clarify their respective rights and responsibilities regarding the Program, including comprehensive collection services, by entering into this Amended MOU.

AGREEMENT

NOW THEREFORE, the parties hereto agree as follows:

A. COLLECTIONS PROGRAM

1. **Authority.** This MOU extends the authority of the Court to the County for the joint operations of an Enhanced Collection Program pertaining to the collection of Non-forthwith payments and the administration of payment plans. The amounts due for court-ordered debt that may include, but not limited to, the following categories (Case Types):

- (a) Traffic matters;
- (b) Misdemeanor criminal matters;
- (c) Felony criminal matters;
- (d) Attorney and public defender fees and other court-ordered debt;
- (e) Civil filing fees;
- (f) Probation fees; and
- (g) Victim restitution

This is pursuant to Penal Code section 1463.010, as amended by Chapter 367 of the Statutes of 2007. The Court and County will implement and operate the Program as a Comprehensive Collection Program, as that term is defined in Penal Code Section 1463.007, as amended by Chapter 367 of the Statutes of 2007. The parties will abide by the Responsibilities as identified in Exhibit B.

2. **Operational Oversight.** The parties will maintain an Enhanced Collection Committee (ECC) as described in Exhibit E. The ECC will determine the criteria for the most appropriate collection activities based on the Accounts Receivable Portfolio. The objective is to maximize Gross Revenue Collected and minimize the Cost of Collections when expressed as a percent of Gross Revenue Collected.

3. **Reporting.** The County will provide the Court with a series of reports and applicable due dates in Exhibit C. These reports may be in addition to and provide greater detail than required by the AOC. In the event such reports may be periodically revised, the parties shall work together to develop the parameters of the new reports.

4. **Revenue Distribution.** Revenue collected by the County, or the State under direction of the County, will, net of applicable deductions, be distributed and deposited under the Program according to California law and the regulations and guidelines of the Administrative Office of the Courts ("AOC") and State Controller's Office ("SCO"). If qualifying accounts are recalled from the County by the Court and re-referred to a collection agency, the County will advise the Court with developing its revenue distribution application and processes.

5. **Systems.** The parties will provide view access to its Program-related software system applications as necessary for administrative purposes related to the implementation and continued operation of the Program.

6. **System Operating Costs.** Each party will bear its own costs for their respective Operating Systems unless otherwise allowed to deduct these costs as permitted by Penal Code Section 1463.007.

7. **Comprehensive Collection Program Components.** As of the effective date of this MOU, the AOC had identified 17 Comprehensive Collection Program Components. The parties will periodically review the effectiveness of these components and actively report on the 14 components currently used by the County. The parties will designate primary and secondary employees to facilitate the exchange of information and resolve issues of mutual interest and provide timely responses to questions regarding the effectiveness and utilization of these components.

8. **Discharge of Accountability.** The parties will meet at least annually, or more frequently if requested by either party, to review criteria for Discharge of Accountability. The County or other collection agency will follow the timely execution of the process for a Discharge of Accountability as identified in Exhibit G.

9. **Confidentiality.** The parties will safeguard as confidential all information shared between the parties to carry out the purpose of this MOU. Neither will disclose the information shared between the parties to a third party without the prior written consent of the other party, with the exception of audits performed by the AOC, the SCO, or other legally authorized agency.

10. **Compliance.** The parties will comply with the guidelines and standards adopted by the Judicial Council of California in the operation of the Program pursuant to Penal Code section 1463.010, as amended by Chapter 367 of the Statutes of 2007. Additional guidelines and standards adopted by the Judicial Council of California during the term of this MOU will be implemented by the Enhanced Collection Committee and become part of the Program.

11. **Portfolio Management.** The parties will jointly develop practices related to the analysis and referrals of Qualifying Accounts between the County, Franchise Tax Board, and any other collection agencies. Every effort is to be made to provide reporting based on the aging of the Accounts Receivable, and where possible, by Case Type.

12. **Legislative Action.** The parties will individually continue to monitor relevant California statewide and legislative activities concerning State laws and/or regulations affecting the Program and notify the other party of such change. The parties will work cooperatively to implement any such changes or modifications into the Program.

B. ALLOWABLE DEDUCTIONS

1. Each party may deduct from the revenue collected under the Program its allowable costs as provided in Penal Code section 1463.010, as amended by Chapter 367 of the Statutes of 2007.

2. Each party's obligations for collection efforts under the Program remain in effect notwithstanding such party's inability to deduct its costs related to the Program for any reason.

3. If the revenue collected under the Program during any month is insufficient to allow a party to deduct all of its costs for that month, and subject to the regulations and guidelines promulgated by the AOC and the SCO, that party may rollover such shortfall to the subsequent month(s) for deduction.

C. TERM AND TERMINATION

1. The term of this MOU will be for three years, beginning on the Effective Date. This MOU will have a renewable two-year option on the three-year anniversary of the Effective Date, unless terminated by either party in accordance with Section C.2 below.

2. Either party may terminate this MOU upon ninety (90) days written notice to the other party. The termination request may come from the Superior Court Executive Officer, County Administrator or the County Auditor-Controller. The termination request notification shall be in writing and may be personally served or sent by United States mail to the Superior Court Executive Officer, the County Administrator and the County Auditor-Controller. This MOU will remain in full force and effect, unless and until the Court and the County execute a new memorandum of understanding or other document setting forth their agreement on the operation of a subsequent Collections program pursuant to Penal Code Section 1463.010, as amended by Chapter 367 of the Statutes of 2007.

D. DISPUTE RESOLUTION

In the event of a dispute between the parties, and if after thirty (30) calendar days of negotiations, the parties cannot resolve a dispute regarding the interpretation or performance of this MOU or cannot agree. Either party may request a meeting between the Superior Court Executive Officer and the County Auditor-Controller for the purpose of resolving the dispute. If such meeting is requested, the meeting will be held within thirty (30) days of the receipt of such request. If the meeting fails to occur or fails to resolve the dispute, the dispute will be submitted for non-binding mediation by a third party mutually agreed upon by the parties. If the mediation fails to resolve the dispute, either party may request binding arbitration by a third party mutually agreed upon by the Administrative Director of the Courts and the California State Association of Counties. Until the dispute is resolved, both parties will continue to operate the Program as set forth in this MOU and perform and observe their respective responsibilities and rights hereunder.

E. COMPLIANCE WITH AUDITS; RECORDS RETENTION REQUIREMENTS

1. The parties will receive, reply to, and/or comply with any audit by an appropriate State audit agency that directly relates to this MOU or to funds to be handled or disbursed hereunder. The parties will each maintain accounting systems and supporting fiscal records to comply with State audit requirements related to this MOU.

2. The parties will maintain and preserve all records and documentation related to this MOU, as required by law according to California Government Code section 1463.001, 1463.007 & 1463.010 as amended by Chapter 367 of the Statutes of 2007.

3. Upon reasonable notice from the Court, the County will provide the Court and any regulatory entity with reasonable access and reasonable assistance that they may require for the purpose of performing financial or operational audits related to the Services.

4. The County will make available promptly to the Court the results of any review or audit finding or recommendations impacting the financial or operational efficiencies of the Program.

F. GENERAL PROVISIONS

1. **Entire Agreement.** This MOU, including Exhibits A through G, constitutes the entire Agreement between the parties with respect to the subject matter hereof and supersedes all previous modifications, agreements, proposals, negotiations, representations, and commitments, both oral and written, between the parties to this MOU.

2. **Amendment.** This MOU may be amended from time to time, either as a result of enacted State legislation or local mutual desire, by subsequent written agreement between the Superior Court Executive Officer and the County Administrator or the County Auditor-Controller. The parties agree to meet in good faith in the event of any material modification in legislation, statute or rules. No addition to or alteration of the terms of this MOU will be valid unless made in the form of a written amendment, which is formally approved and executed by the governing bodies of each of the parties to this MOU. Minor Amendments to Exhibits A through G may be approved by an Authorized Designee.

3. **Further Assurances.** The parties hereto agrees to cooperate with each other, and to execute and deliver, or cause to be executed and delivered, all such other instruments and documents, and to take all such other actions as may be reasonably requested of it from time to time, in order to effectuate the provisions and purposes of this MOU.

4. **Waiver.** Any waiver by either party of the terms of this MOU must be in writing and executed by an authorized representative of the waiving party and will not be construed as a waiver of any succeeding breach of the same or other term of this MOU.

5. **Severability.** This MOU is subject to all applicable laws, statutes and regulations. If any provision of this MOU is found to be in conflict with any law, statute or regulation, the conflicting provision shall be null and void. The remainder of the MOU shall continue in full force and effect and the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby. Any such provision will be enforced to the maximum extent possible so as to affect the reasonable intent of the parties hereto and will be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

6. **No Employment Relationship.** Each party will be, and is, an independent entity and is not an employee or agent of the other party, and neither party nor any person engaged by a party to perform the services described herein is covered by any employee benefit plans provided to the employee of the other party. Each party is liable for the acts and omissions of itself, its employees, its subcontractors and its agents. Nothing in this MOU will be construed as creating an employment or agency relationship between the Court and the County. Each party will determine the method, details and means of performing its obligations under this MOU, including, without limitation, exercising full control over the employment, direction, compensation and discharge of all persons assisting the respective party. Each party will be solely responsible for all matters relating to the payment of its employees, including compliance with social security, withholding any and all employee benefits, and all regulations governing such matters.

7. **Risk Allocation.** It is the intention of both parties that neither will be responsible for the negligent and/or intentional acts and/or omissions of the other. The parties therefore disclaim in its entirety the pro rata risk allocation that could otherwise apply to this MOU pursuant to Government Code 895.6. Instead, pursuant to Government Code section 895.4, the parties agree to use principles of comparative fault when apportioning any and all losses that may arise out of the performance of this MOU.


8. **Counterparts.** This MOU may be executed in counterparts, each of which is considered an original but all of which together shall constitute one instrument.

9. **Notices.** Any notice required or permitted under the terms of this MOU or required by law must be in writing and must be (a) delivered in person or (b) sent by registered or certified mail to the appropriate authority identified below.

IN WITNESS WHEREOF, the parties hereto have executed this MOU effective as of the date first written above.

SUPERIOR COURT OF
CALIFORNIA, COUNTY
OF ALAMEDA

COUNTY OF ALAMEDA

By: 
Name: Pat Sweeten
Title: Executive Officer

By: _____
Name: Scott Haggerty
Title: President of the Board of Supervisors

Approved as to Form: _____
RICHARD E. WINNIE, County Counsel

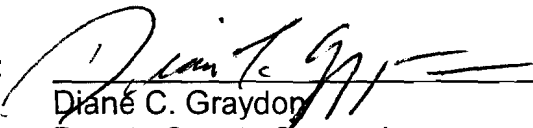
By: 
Diane C. Graydon
Deputy County Counsel

Exhibit A DEFINITIONS

Adjustment — Any change in a Defendant's original Qualifying Account and amount(s) due.

Active Account – A Qualifying Account for which collection efforts have not been exhausted.

Aging – A case begins aging, for the purposes of collections reports, the day it becomes delinquent as defines below in Delinquent Account.

Accounts Receivable – Monies owed by an individual for non-forthwith payments related to court-ordered fines, fees, forfeitures, penalties, and assessments, whether or not delinquent. Delinquent payments (whether or not on installment plan) and non-delinquent installment payments should be reported as accounts receivable.

Alternative Payment - An alternative payment for resolving court-ordered debt designed for an individual who demonstrates an inability to pay.

AOC – Administrative Offices of the Courts, Judicial Council of California.

Assessment — A Court established charge that is not a Fine, Fee, Forfeiture, or Restitution.

Authorized Designee – An employee of the Court or County to whom authority has been extended from the Court Executive Officer or the County Administrator with regard to minor Amendments to Exhibits A through G of this MOU.

Case – Set of official court documents filed in connection with an action.

Cases Closed – A case wherein no further collection action is necessary to enforce a court-ordered payment, including suspensions, alternative payments, dismissals, and discharged accounts.

Case Type – A designation given to a sub-set of the Accounts Receivable Portfolio for the benefit of profiling certain court-order debts and for which different collection practices may be most appropriate.

Collections — The process to facilitate court-ordered debt repayment.

Comprehensive Collection Program ("CCP") — A program pursuant to Penal Code Section 1463.007 as amended of chapter 367 of the Statutes of 2007.

Comprehensive Collection Program Components – The reportable activities identified by the AOC with regard to enhancing collections for the Program. As of the effective date of this MOU, a minimum of 10 components must be utilized.

Continuance – To postpone, stay, or withhold payment under certain conditions for a temporary period of time.

Contract/Hard to Collect – This represented Qualifying Accounts that may re-referred from one agency to another for the benefit of using different collection strategies.

Cost of Collections – Collection costs that can be deducted from Gross Revenue Collected as an offset to revenues pursuant to Penal Code 1463.007.

Defendant — The accused person or party in a civil or criminal action.

Delinquent Account – Accounts receivable related to a defendant that has not complied with the court-ordered or agreed-upon terms and conditions of payment.

Discharged Accounts – Cases that were deemed uncollectible and received a Discharge of Accountability. The debt is still owed; however, collection efforts have been exhausted. The actual discharge is based on established criteria by an authorized body.

Dismissal – The action of dropping a criminal or civil action without settling the issues involved and without a trial. The initial court-ordered debt no longer exists.

Docket- An identification number assigned by the court

Enhanced Collection Committee ("ECC") — A Committee of Court Finance staff, County Collection staff, and representation by other parties if applicable.

Exception Reporting — FHO/FOLN Weekly Report.

Fee — A charge established by Court, County or State for services.

Fine — A punitive sum by the State or Court. A Base Fine is the amount on which the State penalty and additional County penalty is calculated. A Total Fine is the total sum to be collected upon a conviction or the total amount of bail forfeited or deposited subject to forfeiture.

Forfeiture — A sum imposed by the State or Court due to a breach of legal obligation.

Forthwith Payments – Full payment of court-ordered fines, fees, forfeitures, penalties, and assessments on or before the original court-mandated due date. Payments related to non-delinquent installment plans are not forthwith payments.

FTB Court-Ordered Debt – Franchise Tax Board Court-Ordered Debt collection program.

FTB Tax Intercept – Franchise Tax Board Tax Interagency Intercept collection program.

Gross Revenue Collected – Revenue collected in the collection program prior to consideration of any realized or implied reductions for cost offsets or adjustments.

Net Revenue – Gross revenue collected less cost of collections and necessary adjustments (i.e., allowable cost offsets pursuant to PC 1463.007).

Operating Systems — An information system used by the Court, or, County to carry out the data management functions required for the Comprehensive Collection Program.

Columbia Ultimate Business Services (CUBS)

Criminal Oriented Records Production Unified Systems (CORPUS)

Citation and Accounting System Program (CASP)

Financial Officers LogoN (FOLN)

Parties – The Court and the County

Party – Either the Court or the County

Penalty — Amount due from a defendant for violating rules of procedure, or for abusing the judicial process.

Portfolio – The sum total of all court-ordered debt, regardless of agencies involved in collection referrals and activities, that has not been Discharged.

Qualifying Accounts — The amount(s) due from a Defendant and managed as part of the Enhanced Collection Program.

Referral – Court-ordered debts submitted to collection entities for collections.

Restitution — Court ordered compensation for loss, damage or injury to a victim or victim fund.

Revenue Collected – Monies received towards the satisfaction of a court-ordered debt.

Service Credits – A public service activity performed by a defendant that can be applied as credit to reduce the amount of fines owed.

Services – The activities and operational components performed by County related to the Enhanced Collection Program for which the Court compensates the County.

State — The State of California.

Subject to Discharge Accounts – A Qualified Account that being considered for Discharge based on the criteria identified in Exhibit G.

Suspension – A fine that is abated by judicial order.

Trust Account — An account to set up to hold collection proceeds for future Distribution.

Value of Cases – For open cases, sum of court-ordered debt still expected to be collectible for all court cases. For closed cases, sum of (gross) debt collected, minus necessary adjustments, dismissals, alternative payments, suspensions, and discharged accounts.

Exhibit B RESPONSIBILITIES

County

1. Reconcile monthly the Receivables activity managed by the County, and provide agreed upon Exception Reporting that will require action on the part of the Parties.
2. Provide timely reporting as identified in Exhibit C, along with any future reporting requirements mandated by the AOC.
3. Comply with the current Operations Manual as specified in Exhibit F.
4. Adjust the receivable record within ten business days of any modification information.
5. Capacity to report debtor status and outstanding receivables to national credit bureaus.
6. Utilize various skip tracing and collection techniques to locate defendants. Techniques will include the capability to: communicate in other languages with the use of an interpretative service both orally and in written form; pursue defendants residing within the boundaries of the United States, including military bases and Indian Reservations.
7. Document and test modifications to the Operating Systems prior to release to production to ensure the proper operation of modifications.

Court

1. Lead the operations of the Enhanced Collections Committee as the Accounts Receivable are the responsibility of the Court.
2. Request the recall of Qualifying Accounts on no more than a quarterly basis following the quarterly Enhanced Committee Meeting.
3. The electronic transfer or referral of Qualifying Accounts will be accomplished within a 3-week period following the initial FOLN system interface.
4. The electronic interface process will be revisited with the development of any new system the Court or County may obtain.

Joint

1. Manage the Program pursuant to California Penal Code Section 1463.007 and Judicial Council adopted recommendations, through the oversight of the Enhanced Collection Committee.
2. Maintain and preserve all records related to this Program for the minimum period required by law according to California Government Code Section 26202.
3. Safeguard all confidential information shared between the Court and the County to carry out the purpose of this Program according to State and Federal law.
4. Each will designate a primary and secondary employee contact to facilitate the exchange of information and resolve any day-to-day issues.

5. Continue to work collaboratively to improve the existing Comprehensive Collections Program pursuant to State of California Penal Code section 1463.001, 1463.007 & 1463.010, as amended by Chapter 367 of the Statutes of 2007, and any future adopted Judicial Council recommendations.
6. Court or County will prescribe the criteria and procedures for returning uncollected accounts to the Court or subsequent referral to another collection agency.

Exhibit C REPORTING

The County will provide the following reports to designated Court personnel. The normal preference of the Court is for reports to be provided in an electronic format that does not require the Court to produce or receive the information with the limitations of a hard copy report. These reports may be in addition to those required by the AOC.

Acknowledgment Report

The County will provide periodic lists of all accounts referred. The report will list the defendant's name, case number/docket number, court date/service date, the amount of the fine, fee or restitution referred, the total item count, and dollar value referred. This report will be provided within thirty calendar days of the end of the relevant reporting period.

Adjustment Report

The County will provide periodic reports of each adjustment processed for each account. The report will include a listing of every account where an adjustment has been made to any previously applied payment or amount referred or owed. In addition, the report will show each adjustment reason by category of Cash or Non-Cash with supporting reason codes and/or explanations. This report will be provided within thirty calendar days of the end of the relevant reporting period.

Quarterly Aging Analysis Report

The County will provide a summary of collections for the quarter for the number and dollar value of referrals. The aging brackets will be: 0-6 months, 7-18 months, 19-36 months, 37-60 months and 61 months and older. The percentage of dollars collected versus the dollars referred will be shown for each aging category. The report will be provided within thirty calendar days after the end of the quarter.

Quarterly Returned Accounts Activity Report

The County will provide a report identifying the quantity and dollar value for accounts that are returned by the County to the Court. The County will provide the reasons why the accounts are deemed to be uncollectible for which the Enhanced Collection Committee has determined should be re-referred to another agency. The report is to include recommendations on further action (e.g., referral to an outside agency). The report will be provided within thirty calendar days after the end of the quarter.

Bi-Annual Account Status Report

The County will provide a complete bi-annual listing of all accounts, by location, currently held by the County or the State under the direction of the County. The report will include the defendant's name, case number, referred amount, total payments and the current balance. The report will be sorted alphabetically by the defendant's last name. The report will be provided within forty-five calendar days after the end of the bi-annual period.

Note:

The Enhanced Collection Committee may in the future identify the need for additional reports, modification to reports, and/or determination that the reports specified above are no longer necessary.

Exhibit D PERFORMANCE

The County and Court agree on the need for measurable and meaningful metrics to measure the success and to identify areas for improvement with the Comprehensive Collection Program. Significant consideration should be placed upon improving metrics identified by the AOC on the AB 367 Collection Reporting Template, such as the Gross Recovery Rate and the Success Rate. Subsequent AOC performance reporting requirements or metrics identified by the ECC may be added during the term of this Agreement. In addition, the County and the Court recognize the importance of trend analysis as a tool for the evaluation of the Comprehensive Collection Program. The County and the Court agree to work together through the ECC to develop a useful and meaningful procedure for the development and review of trend analysis.

Exhibit E ENHANCED COLLECTION COMMITTEE

The Enhanced Collection Committee (ECC) will review and determine the standards, processes and resources of the collections activities to ensure an appropriate level of reporting, performance and analysis. Section 1463.010 states the objective of the ECC is to enhance "prompt, efficient, and effective collection of court ordered fees, fines, forfeitures, penalties and assessments ensures the appropriate respect for court orders."

The Parties will have equal representation will meet at least four times per year, at quarterly intervals within 30 calendar days following each quarter. Additional meetings may be called to improve the collaborative nature of the Program operations and analysis for performance expectations. Any disputes will be handled in accordance with Section D of this MOU.

Portfolio analysis is of primary importance for the ECC. The effectiveness and cost factors related to collections strategies may be based on the Aging and Case Types within the Portfolio. Analysis may require data extracts from the Operating Systems.

Modifications to improve the Program may necessitate changes on Exhibits A through G. To the extent that these changes or modifications can be managed through the Enhanced Collection Committee and agreed to by the Authorized Designee of both the Court and County, a formal Amendment may not be necessary.

Exhibit F OPERATIONAL MANUAL

The County will actively maintain an Operational Manual and abide by commonly adopted collection practices. As such, Judicial Council adopted recommendations, where reasonably possible, fiscally practical and mutually agreed to by the Court and County, will be incorporated into the Operational Manual to ensure compliance.

Exhibit G DISCHARGE OF ACCOUNTABILITY

1. Discharge of accountability on uncollected debts must be sought only when either:
 - a. It has been determined that the cost of recovery exceeds that of collection or that insufficient data exist to locate the debtor
 - b. All the required reasonable collection efforts have been performed:
 - (1) Letters requesting payment, in accordance with collection standards
 - (2) Attempts at telephone contact with delinquent debtors, in accordance with collection standards
 - (3) Attempts at legal action, such as bank and wage attachments, when employment and assets are known
 - (4) Reporting of accounts to the credit bureaus-not currently being done by CC, however an outside Vendor would be able to provide this service on the accounts forwarded to them
 - (5) Filing of abstracts against current and future acquisition of real property - Abstracts are "picked up" by credit bureaus
 - (6) Return of accounts to the Court for issuance of warrants, as requested
 - (7) Requests for violation of probation hearings, when needed
 - c. At least five years have elapsed from the due date or conviction date
 - d. The debtor is incarcerated; or
 - e. The debtor is deceased and the estate has no assets
2. Prior to the discharge of accountability, debts should be submitted to any entities performing enhanced collection processes for the time frames contractually agreed to. These agencies include:
 - a. County Collection Department
 - b. Franchise Tax Board intercept and collection programs
 - c. Credit reporting agency
 - d. State or local licensing boards for any debtor who has a license
 - e. Department of Motor Vehicles
 - f. External collection agency- contracted to by the Court
3. Debts meeting all requirements must be submitted for discharge of accountability at least annually.
4. An application for a discharge from accountability must comply with all of the requirements of Government Code section 25258.
5. Recommendations for discharge of accountability must come from the collections committee, the office of the Court Executive, the County Board of Supervisors, or a designee.
6. Recommendations for discharge of accountability must be categorized into these standard groups:
 - a. Unable to locate debtor and/or assets
 - b. Deceased
 - c. Debtor without ability to pay

- d. Legally not collectable—e.g., statute of limitations
- e. Cost of collection would exceed amount collected
- f. Settlement
- g. Sent to prison

7. Either the County Board of Supervisors or the Court Executive Committee must be authorized to approve discharges of accountability:

- a. Whichever entity is responsible for collections will be responsible for authorizing the discharge; and
- b. Discharge disclosure must comply with all statutes relating to disclosure.

8. Dockets and other documentation concerning debt must not be destroyed under any record retention policy until such time as the collecting entity agrees that the documentation is no longer required.