



Legislation Text

File #: 24-0962, **Version:** 1

Emergency Medical Services, a Division of the Chief Administrative Office, recommending the Board:

- 1) Discharge the Chief Administrative Office from further accountability to collect debts identified on the attached Discharge of Accountability Report in the amount of \$189,285.01 pursuant to Government Code Sections 25257 through 25259, representing uncollectible accounts through December 31, 2023; and
- 2) Authorize the County Auditor-Controller to adjust the accounts receivable of \$189,285.01 in the CSA 3 & CSA 7 funds accordingly.

FUNDING: N/A

DISCUSSION / BACKGROUND

The Board's authority to discharge accountability of debts is based on California Government Section Code Section 25257 to 25259, the "Board of Supervisors may make an order discharging the department, officer or employee from further accountability and if appropriate may direct the County Auditor to adjust any change against the department, officer, or employee in a like amount." When County debts are determined to be uncollectable for any of the following reasons, the accounts are presented to the Board annually for discharge from further accountability to collect the debts:

1. Bankruptcy;
2. Death of the Debtor;
3. Expiration of Statute of Limitations; and
4. Uncollectable Debts.

Discharge for Bankruptcy and Death of Debtor require legal documentation. The County's contracted collection agency, Grant Mercantile Agency, obtains confirmation prior to recommending discharge of accountability.

Expiration of Statute of Limitations are accounts that are impacted by various state and federal legal limitations of the actions a debt collection agency may take based on the age of a debt. After seven years, most collections activities are no longer permitted, and the debt is considered uncollectable. The accounts in this category have passed their statute of limitations. Uncollectable Debts are accounts which would not economically justify further efforts or have billing issues.

The debts that are being recommended for discharge of accountability are considered uncollectable by the Division and have not been factored into any fund balance or revenue projections for the program. The current recommendations include accounts that have been identified as eligible for discharge through December 31, 2023.

In December 2022, the Board of Supervisor discharged the Chief Administrative Office from further accountability of approximately \$5.9 million in aging debts (Legistar file 22-0638). This was a one-time discharge due to a change in the contracted collections agency. The newly contracted agency, Grant Mercantile Agency, would not accept debts that had been worked by a prior collections agency

without receiving payment in full. Because of the one-time discharge of aging debts, there are no accounts that have reached the Statute of Limitations for the current discharge; accounts that would have been aging out have already been discharged. Because the Statute of Limitations is generally the largest category of accounts to be discharged annually, the current year's discharge is significantly smaller than it has been in previous years.

ALTERNATIVES

Should the Board decline to discharge accountability of the Chief Administrative Office for the listed accounts, the uncollectable accounts would remain an obligation of the Office to pursue. However, based on current resources and expertise, successful collection of the debts would not be anticipated.

PRIOR BOARD ACTION

1. December 13, 2022, Legistar file 22-0638 Discharge of Accountability
2. December 14, 2021, Legistar file 21-0877 Discharge of Accountability
3. December 8, 2020, Legistar file 20-1442 Discharge of Accountability
4. October 8, 2019, Legistar file 19-1248 Discharge of Accountability
5. June 25, 2019, Legistar file 19-0930 Discharge of Accountability

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

There is no Net County Cost associated with the discharge of accountability for these accounts. These debts are considered uncollectable and have not been factored into fund balance or projected revenues for the program.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

N/A

CONTACT

Sue Hennike, Assistant Chief Administrative Officer