



County of Los Angeles
CHIEF EXECUTIVE OFFICE

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June 7, 2010

To: Supervisor Gloria Molina, Chair
 Supervisor Mark Ridley-Thomas
 Supervisor Zev Yaroslavsky
 Supervisor Don Knabe
 Supervisor Michael D. Antonovich

From: William T Fujioka
 Chief Executive Officer

PROBATION DEPARTMENT FUNDING (BUDGET DELIBERATIONS, AGENDA OF JUNE 7, 2010)

On April 20, 2010, your Board, on motion of Supervisors Yaroslavsky and Knabe, directed the Chief Executive Officer (CEO) and the Chief Probation Officer to report back during Final Changes to the Fiscal Year (FY) 2010-11 budget on how \$79 million appropriated to implement a 2004 settlement agreement reached with the Department of Justice (DOJ) was spent. In addition, the Board directed our office to:

1. Transfer \$12.9 million from the Criminal Justice Facilities Temporary Construction (CJFTC) Fund into a new Provisional Financing Uses (PFU) account available for any law enforcement purposes;
2. Transfer \$14.9 million into the PFU for "Probation DOJ Issues" from the following PFUs and designation: \$8.023 million from "Probation One-time Expenses"; \$2.25 million from "Probation Camp Routh", \$1.616 million from "Probation Potential BSR issues", and \$3 million from the Designation for Probation; and

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3. Closely monitor and track the Probation Department's (Probation) Budget and report back during Supplemental Changes on the funding needs, if any, for DOJ purposes, prior to the transfer of any funds from the PFU for "Probation DOJ Issues" to any department.

Expenditure of \$79.0 Million

Over the course of three years, from FY 2005-06 through 2007-08, approximately \$79.0 million, including 901 additional budgeted positions, was provided to Probation to address the DOJ settlement agreement for juvenile halls, implement camp redesign, and reorganize the Department's management structure. Attached is the CEO's detailed breakdown of the \$79.0 million, its intended purpose, and number of positions funded (Attachment I).

Because of the inadequacy of Probation's records, the Department is not able to verify, and we are not able to independently verify, whether all of the funds were expended for their intended purpose. However, we do have some insight into five specific areas.

Of the \$6.5 million in one-time funding appropriated for the acquisition of Probation's electronic medical records system (PEMRS), only \$0.5 million was spent for its intended purpose (Attachment I, item G). The remaining \$6.0 million was used to partially offset the Department's deficit in FY 2008-09. To ensure compliance with the DOJ settlement agreement, the Board appropriated another \$6.0 million in FY 2009-10, but put the funding for PEMRS in a PFU account. The procurement of that system is now proceeding.

A similar situation occurred in FY 2008-09 with \$2.5 million in one-time funding provided for leases (Attachment I, item S). It appears that funding was not used for its intended purpose, but was used to partially offset the FY 2008-09 deficit. On the other hand, we were able to verify that most of the \$3.4 million provided for enhanced security services at the halls appears to have been expended for that purpose (Attachment I, item T).

We believe two large segments of funding – \$5.5 million to enhance mental health and health services for Probation's youth in the juvenile halls (Attachment I, items A, H, and J), and \$59.0 million to fund 901 additional positions (Attachment I, items A-F, I, K-R and U) – were expended, but we cannot report with certainty which positions were hired, or where those staff were deployed at the time. However, the Department did achieve compliance with DOJ requirements in 2009, so we believe the funding was used to improve the conditions and services provided in the Department's juvenile halls.

The Department has been working with our office, and the Auditor-Controller, in response to a March 23, 2010 Board motion to begin implementing financial controls and record keeping that would have allowed a more definitive response to the Board's inquiry. The Department has begun aggressively monitoring revenues and expenditures, analyzing department programs and operations, and developing an accurate item control tied to an organizational chart that will strengthen the department's management and budgetary infrastructure. Our office, the Auditor-Controller, and the Department will be presenting a report to your Board shortly answering the questions raised in your March 23, 2010 motion. Due to the complexity of the effort, it has taken us longer than anticipated to respond definitively with a comprehensive fiscal review of the Department.

Transfer of \$12.9 Million in CJFTC Revenues

In Final Changes, the CEO recommends setting aside \$12.9 million in CJFTC funds in PFU to be used for any law enforcement purposes as directed in the April 20, 2010 Board motion.

Funding for Probation DOJ Issues

The 2010-11PFU budget includes \$6.9 million that can be redirected to address Probation DOJ issues. This includes \$2.3 million for Camp Routh, \$1.6 million for potential BSR issues, and \$3.0 million transferred from Designation for Probation. An additional one-time funding of \$2.6 million was initially placed in PFU but was used to partially offset Probation's current year deficit. However, our office may request in Supplemental Changes that your Board reconsider using the \$2.6 million for Probation DOJ issues.

The remaining \$5.4 million directed to be transferred is not available because it was placed in PFU to address Probation's Case Management System (PCMS). In October 2005 and May 2008, the Board approved contract modifications with Capita Technologies, Inc. for the development, implementation and maintenance of PCMS. As a result, the Department amended the contract, preceded with the required system changes, and has incurred expenditures. In the CEO's 2009-10 Budget Adjustment Board letter scheduled on the June Deliberations Agenda, we recommended transferring \$619,000 from PFU to Probation so that Capita Technologies, Inc. can be paid for services rendered. The funds remaining in that PFU account will be used to deploy the full PCMS system.

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Probation's Budget

We will continue to work with the Department to establish improved fiscal controls and more closely monitor expenditures. As requested, we will return to your Board during Supplemental Changes with recommendations for any additional funding needs related to DOJ.

If you have any questions regarding this matter, please do not hesitate to contact me, or your staff may contact Jacqueline White, Deputy Chief Executive Officer, at (213) 893-2374.

WTF:BC
JW:SW:llm

Attachment

c: Executive Office, Board of Supervisors
Auditor-Controller
Mental Health
Probation

ATTACHMENT I

FUNDING PROVIDED TO PROBATION DEPARTMENT RELATED TO DOJ SETTLEMENT AGREEMENT, CAMP REDESIGN, AND MANAGEMENT RESTRUCTURE

DOJ Settlement Agreement

- (A) \$9,660,000 for additional staff and health and mental health services for the implementation of corrective action at the three juvenile halls pursuant to the settlement agreement with the DOJ. Of this total, \$5.2 million was to fund 77 positions for Probation, \$1.3 million for DMH services, \$3.2 million to DHS services. Approved by the Board on August 10, 2004. Full year funding included in the FY 2005-06 Adopted Budget.
- (B) \$389,000 for 5 additional staff for the implementation of the Quality Assurance Unit to ensure departmental compliance with the implementation plan pursuant to the settlement agreement with the DOJ. Approved by the Board on August 10, 2004. Full year funding included in the FY 2005-06 Adopted Budget.
- (C) \$15,562,000 for 237 additional staff, training and a substance abuse prevention program to fully implement corrective actions at the three juvenile halls pursuant to the settlement agreement with the DOJ, approved by the Board on January 31, 2006. Full year funding included in the FY 2006-07 Adopted Budget.
- (D) \$1,806,000 for 33 additional staff to further enhance staffing levels to meet the provisions within the DOJ settlement agreement regarding conditions and services provided to minors in the juvenile halls. Funding included in the FY 2006-07 Adopted Budget.
- (E) \$5,125,000 for 95 additional staff (Phase 2) to enhance youth supervision, transportation and intake detention control to meet the provisions within the DOJ settlement agreement regarding conditions and services provided to minors in the juvenile halls, approved by the Board on February 13, 2007. Full year funding included in the FY 2007-08 Proposed Budget.
- (F) \$1,011,000 for 27 additional staff (Phase 2) to enhance youth supervision and to improve sanitary conditions and meet mandated personal hygiene requirements. Approved by the Board on March 6, 2007. Full year funding included in the FY 2007-08 Proposed Budget.
- (G) \$8,000,000 for the implementation and maintenance of Medical Records System to address the DOJ concerns. Of this total \$6.5 million is one-time to be used for hardware and to upgrade the Sheriff's current environment in order to be able to support Probation's sub-domain. The remaining \$1.5 million is ongoing to support the ongoing maintenance of the system which includes 3 additional IT staff. **Funding included in the FY 2007-08 Final Changes.**
- (H) \$570,000 for enhancing County's ability to identify, characterize, and treat mentally ill juvenile offenders with co-occurring neurobehavioral disorders in order to improve Mental Health Services for youth housed within Probation's institutions. **Funding included in the FY 2007-08 Final Changes.**

\$42,123,000 Total – DOJ Settlement Agreement (477 positions)

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Camp Redesign

- (I) \$5,034,000 for 80 additional sworn officer positions (Phase 1) to implement 1:8 staff-to-minor ratio at the four camps located at Challenger Memorial Youth Center and the off-street intake unit also located at CMYC. Funding included in the FY 2006-07 Adopted Budget.
- (J) \$400,000 for substance abuse treatment services (Phase 1) to ensure the physical and emotional safety of youth at camp facilities. Funding included in the FY 2006-07 Adopted Budget.
- (K) \$6,757,000 for 102 additional sworn officer positions (Phase 2) to implement 1:10 staff-to-minor ratio at the remaining 14 camps. Approved by the Board on February 13, 2007. Full year funding included in the FY 2007-08 Proposed Budget.
- (L) \$830,000 for 17 additional positions (Phase 2) to provide greater management oversight, clerical support and to improve sanitary conditions and meet mandated personal hygiene requirements. Approved by the Board on March 6, 2007. Full year funding included in the FY 2007-08 Proposed Budget.
- (M) \$380,000 for 4 Assistant Probation Director positions to provide support and assistance to camp managers in the administration of camps. Full year funding included in the FY 2007-08 Final Adopted Budget.

Note: The \$380,000 reflects funding for (4) positions for the Camps partially offset by the elimination of (3) positions totaling \$253,000 not related to the Camps for a net increase in appropriation of \$127,000.

\$13,401,000 Total – Camp Redesign (203 positions)

Management Restructure

- (N) \$1,441,000 for 14 additional positions (Phase 1) to implement a management reorganization to provide an adequate organizational structure for the Department. Funding included in the FY 2006-07 Adopted Budget.
- (O) \$3,142,000 for 43 additional positions (Phase 1) to start-up essential functions related to Office of Security Services and Emergency Preparedness, and Quality Assurance Management Services; adequately fund the Internal Affairs Office; increase camp management positions to better manage the camps by regionalizing into four regions and addressing long-standing span of supervision; increase positions for human resources and information systems to support the growth in workload associated with an increase in personnel and help the completion of information systems needed to support juvenile probation operations and reporting. Funding included in the FY 2006-07 Adopted Budget.
- (P) \$3,448,000 for 46 additional positions (Phase 2) to establish a Manual Development Section and to increase positions for human resources, contract services, program evaluation, and information systems to support the growth in workload. Approved by the Board on March 6, 2007. Full year funding included in the FY 2007-08 Proposed Budget.

ATTACHMENT I

- (Q) \$631,000 for 6 additional positions (Phase 3) for IT to address growing Technological demands and 1 position (Phase 3) to provide secretarial support to the departmental Ombudsman. Funding included in the FY 2007-08 Proposed Budget.
- (R) \$3,284,000 for 45 additional positions (Phase 3) for more efficient management direction and oversight of Institutional Support Services, and Intergovernmental Relations, Training and Development and Community Outreach offices; and adequately staff Recruitment, Budget Services, Research and Training units, and Program Evaluation office. **Funding included in the FY 2007-08 Final Changes.**
- (S) \$3,195,000 includes \$700,000 in ongoing and \$2,495,000 in one-time funding to obtain space and for office refurbishment projects to enhance the effectiveness of work space utilization. **Funding included in the FY 2007-08 Final Changes.**

\$15,141,000 Total – Management Restructure (154 positions)

Security Services

- (T) \$3,400,000 to enter to enter into an agreement with the Office of Public Safety to provide security officers for entry control and other security services at the juvenile halls. **Funding included in the FY 2007-08 Final Changes.**

\$ 3,400,000 Total – Security Services

Caseload Reduction

- (U) \$4,966,000 for 67 positions to align caseload sizes with service needs, and to enable more effective delivery of evidence-based services for Regional Placement, Placement Aftercare, Intensive Gang Supervision and Special Enforcement Operations programs. **Funding included in the FY 2007-08 Final Adopted Budget.**

Note: The \$4,966,000 reflects funding for (67) positions for caseload reduction partially offset by the elimination of (4) positions totaling \$470,000 not related to the caseload reduction for a net increase in Appropriation of \$4,496,000.

\$ 4,966,000 Total –Caseload Reduction (67) positions)

\$79,031,000 Grand Total

901 Total Positions