

MOTION BY SUPERVISORS ZEV YAROSLAVSKY AND  
DON KNABE

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In response to the settlement agreement reached with the US Department of Justice (DOJ) in 2004, the Board of Supervisors allocated over \$79 million in new funds between Fiscal Years (FY) 2005-2006 and 2007-2008, along with 901 new positions, to the Probation Department. The funds were provided for specific purposes related to the settlement agreement, camp redesign and management restructure.

Despite this infusion of ongoing funds, the Department is facing a projected deficit of \$38.6 million in the current year. While much of the budget gap can be attributed to revenue declines resulting from the lagging economy, we understand that the Department is experiencing significant item control, procurement and fiscal management issues.

It is critically important that the Probation Department and its partner agencies, the Departments of Mental Health, Health and the Auditor-Controller, move forward with our commitments under the DOJ settlement agreement, even as Probation strives to get its house in order and transition to new leadership.

As a result, as part of the FY 2010-2011 Proposed Budget, the Chief Executive Officer (CEO) is recommending that \$19.2 million be set aside in Provisional Financing

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RIDLEY-THOMAS \_\_\_\_\_

YAROSLAVSKY \_\_\_\_\_

KNABE \_\_\_\_\_

ANTONOVICH \_\_\_\_\_

MOLINA \_\_\_\_\_

Uses (PFU) for DOJ-related purposes. Of this amount, \$6.3 million would come from the Department's existing \$29.5 million in reserves, and the remaining \$12.9 million would come from new revenues – specifically, the Criminal Justice Facilities Temporary Construction (CJFTC) fund. Monies from the CJFTC fund may be used for any law enforcement purpose.

Furthermore, it is our understanding that the CEO intends to use \$38.6 million in one-time CJFTC funds to address the Probation Department's current year deficit.

Prior to the allocation of any new revenues to the Probation Department, the CEO should spend down available funds in the Department's existing reserves and hold the Department accountable for the \$79.5 million it has received in recent years.

**WE, THEREFORE, MOVE** that the Board of Supervisors instruct the CEO and Probation Department to:

- (1) Report back during Final Changes to the FY 2010-2011 budget in June on how the \$79.5 million has been spent to date;
- (2) Transfer the \$12.9 million in CJFTC revenues into a new PFU account that may be available for any law enforcement purposes;
- (3) Transfer a total of \$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;
- (4) Closely monitor and track the Probation Department's 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.