AGN. NO.

**<u>REVISED</u> MOTION BY SUPERVISOR HOLLY J. MITCHELL** May 6, 2025

**<u>Ensuring Transparency and Accountability of Care First Funding</u>**

The Care First Community Investment (CFCI) program embodies a promise that was overwhelmingly supported by advocates and community members in the November 2020 election. CFCI fiscally ensures that Los Angeles County (County) fulfills its commitment to a 'Care First, Jails Last' vision. Born from Measure J, CFCI requires that 10% of the County's unrestricted locally generated revenues be invested into community programs and alternatives to incarceration.[1] CFCI recipient programs have been able to fill the gaps left behind by decades of injustice to our most vulnerable communities. These programs have offered vital resources to address various community challenges, including but not limited to, support for individuals with substance use disorders, reentry initiatives, youth development, education and job training, rental assistance, housing, and more.[2] The CFCI Advisory Committee has demonstrated success in funding community-based programs that uphold the Care First agenda and has underscored the importance of maintaining a transparent process that actively engages community members and other stakeholders most affected by this issue.

As the Board of Supervisors (Board) emphasized in the creation of CFCI, and as outlined in the language of Measure J, the processes and key funding decisions must be transparent and involve community engagement. The CFCI Advisory Committee was established to facilitate a collaborative process that ensures the Measure J budget reflects input from community members. The Advisory Committee has also ensured that

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[1] Justice Care And Opportunities
[2] Justice Care And Opportunities

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the budget process is inclusive and data driven, reflecting the priorities of community members. This approach has been key to integrating the lived experience of the most vulnerable communities into both planning and implementation.

Ultimately, the CFCI Advisory Committee has kept the Care First promise of Measure J. Community members closest to the issue bring lived experiences that must remain a key component of the CFCI budgetary process and priorities. With the experience of four to five budget cycles, the Board affirms that communities are aware of where funding should be allocated. CFCI Care grants have provided over $350 million to support grantee organizations across the County. For example, in year two of the spending grants, CFCI provided $45 million to housing, with more than $42 million dedicated to permanent housing. They also provided $20 million to programs prioritizing youth development and more than $14.5 million to fund violence prevention.[3]

A number of CFCI projects, however ~~However~~, ~~some County departments~~ have carried large, unspent balances in CFCI funding that were allocated to advance and establish programs or projects. For instance, the 2024-25 Final Adopted Budget reflected $325.8 million in unspent CFCI funds carried over from prior years. ~~It remains unclear whether~~ The Justice, Care, and Opportunities Department currently projects that the 2025-26 Budget will ~~follow a different trend, potentially~~ reflect~~ing~~ a lower amount, of $284.0 million, ~~of~~ in unspent dollars.

CFCI underspend has occurred for a number of reasons. First, in order to implement CFCI projects, County departments and the Third Party Administrator (TPA) had to develop processes including, but not limited to, compliance, administrative oversight, project design, planning tools for equity and population, program metrics, and outputs. Additionally, CFCI dollars are available at the start of each fiscal year, on July 1st, but the Board generally adopts the CFCI Spending Plan in late Summer. CFCI projects, including those administered through TPA, are required to go through the project approval and launch process before the project can ramp up. In some cases, projects did not start spending CFCI dollars for more than a year after funding first became available

[3] Justice Care And Opportunities

in July.

The majority of CFCI funding, including funds administered through County departments and the TPA, is contracted to community-based organizations (CBO). Contracts between the TPA and CBOs are set up as grants, with one quarter of advance payment provided to CBOs, every three months, based on invoicing and reporting. Contracts between County departments and their CBO vendors and providers, however, are typically based on a traditional cost reimbursement model, where vendors must first incur all costs, gather documentation, and submit invoices for reimbursement, in arrears. This ensures that County reimbursement only occurs for expenses actually incurred. County departments typically reimburse vendors on a monthly basis, but some County departments bill their costs to CFCI quarterly, like the TPA.

Recognizing the challenges to developing and launching programs in the County and ~~Given~~ the extraordinary budget constraints facing the County, this Board must continue to prioritize transparency and accountability. County departments should be held to the same standards as CFCI grantees, including the requirements to spend all allocated funds within a specified timeframe and submit monthly reports on services and outcomes. The Board must establish accountability metrics, including progress monitoring, to ensure that prompt and efficient implementation of CFCI continues.

**I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:**

1. Direct the Director of the Justice, Care and Opportunities Department (JCOD) ~~Chief Executive Officer (CEO),~~ in coordination with the Chief Executive Officer (CEO) and all relevant County departments to report back to the Board, in writing, in 7 days, with a list, including current balances, encumbrance balances, and commitment balances, of all unspent Care First Community Investment (CFCI) funding allocated to ~~Los Angeles~~ County departments as of April 30, 2025. This report shall also be provided to the CFCI Advisory Body.
2. Direct ~~The CEO~~ Director of JCOD, in coordination with the CEO and all relevant County departments, to report back to the Board, in writing and orally, in 30 days and quarterly thereafter, with a comprehensive accounting of all CFCI funding allocated to ~~the~~ departments and the Third Party Administrator (TPA)

and the status of the use of the funds. These reports shall also be submitted to the CFCI Advisory Body.

3. Direct the Director of JCOD ~~The CEO~~, in coordination with the CEO and all relevant County departments, to ~~use similar~~ standardize the data collection, reporting, and term requirements ~~required of community-based applicants of CFCI funding~~ for both County and TPA administered projects, including but not limited to:
    a. Requiring projects administered through County departments awarded CFCI funding to ~~submit~~ provide budgets and spending plans for their proposed program, project, or service;
    b. Requiring County programs and projects funds awarded by CFCI to be spent within 36 months of the funding allocation ~~start~~ date; and
    c. Requiring County departments to collect and report, services and outcome data, ~~monthly~~ quarterly, to JCOD ~~the CEO~~ as well as to submit quarterly reports to the ~~Board~~ CFCI Advisory Body.
4. Direct the Director of JCOD, ~~The CEO,~~ in coordination with the CEO and the Chief Information Officer, within ~~60~~ 120 days, to develop a publicly facing dashboard, updated quarterly, that details the amount of CFCI money allocated annually~~,~~ to the grantees (~~by~~ both department and community organizations), the progress toward expending granted funds, the outcomes of each program and other relevant metrics.
5. Direct the CEO that any future recommendations for redistributing unspent and unencumbered CFCI funds from County departments must ~~be~~ first prioritize the extension of current CFCI funded contracts for existing programs and projects whose agreements are nearing their conclusion, have demonstrated effectiveness, and can enhance community impact with continued or increased resources. These extensions and any recommendations ~~recommended~~ for reallocation ~~to a designated program, project, or service that is~~ must be consistent with the CFCI Advisory Committee's prior recommendations for ~~justice involved individuals~~ direct community investment, and alternatives to

incarceration, and if additional recommendations by the CFCI Advisory Committee are made by July 31st, those recommendations should be prioritized as part of the County's Supplemental Budget process.

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