



COUNTY OF LOS ANGELES PROBATION DEPARTMENT

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TERRI L. McDONALD
Chief Probation Officer

September 7, 2017

To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Hilda L. Solis
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

From: Terri L. McDonald *TLM*
Chief Probation Officer

Subject: **ENSURING EFFECTIVE UTILIZATION OF JUVENILE JUSTICE CRIME PREVENTION ACT AND SB 678 FUNDS (ITEM NO. 68-B, AGENDA OF APRIL 18, 2017) – FIRST QUARTERLY REPORT**

Background

On April 18, 2017, pursuant to a motion by Supervisor Mark Ridley-Thomas, the Board directed the Chief Probation Officer to report back to the Board quarterly, in writing, regarding implementation of expenditures related to Juvenile Justice Crime Prevention Act (JJCPA) and SB 678 plans.

On May 17, 2017, the Probation Department provided a written assessment of the challenges identified in the Auditor-Controller's March 2017 report. As noted, certain challenges prevented the effective utilization of JJCPA and SB 678 funds, contributing to the accumulation of unspent revenues. In addition, the Department provided the initial steps taken to remedy the challenges, a commitment to continual evaluation of expenditures, addressing barriers to success, and a committing to a strategy for bi-annual adjustment to reallocate unspent funds. This document is an update to the May report.

Overview

The Probation Department recognizes the problematic accumulation of substantial unspent JJCPA and SB 678 revenues over the past few years, and the missed opportunities to provide critically-needed services. As a result of the Board-approved motions and current leadership focus, the Probation Department is engaged in specific efforts as reflected in

Attachments I and II, to ensure the effective utilization of these funds. Attachments I and II provide an update on the implementation status of addressing the unspent JJCPA and SB 678 funds, respectively, and the ongoing evaluation efforts of each funding stream. We are also proactively continuing to explore additional means to expedite the appropriate distribution of funding within County fiscal policy.

JJCPA Initiatives

As noted in the County Auditor-Controller's March 2017 report, as of December 2016, there were approximately \$36.7 million in unspent JJCPA funds, of which \$20.2 million were committed to one-time programs or services. On April 18, 2017, the Board directed the Probation Department to provide quarterly reports on the status of implementing efforts to address the unspent JJCPA funds as well as ongoing program evaluation initiatives. In May 2017, there were approximately \$32.9 million in unspent funds. As reflected in Table I, in FY 2016-17, a total of approximately \$31.0 million was spent, leaving an unspent balance of approximately \$31.2 million. This represents a \$3.7 million increase in expenditures from FY 2015-16.

Although there is a current unspent balance of approximately \$31 million, these funds have already been allocated to existing services or new services that are pending CBO contract selection/designation. Thus, there are currently no unallocated JJCPA funds. Based on current and projected additional funding, we are prepared to spend up to \$44.7 million in FY 2017-18 for critical services assuming we are able to complete contracts and providers are able to expeditiously provide those services.¹ The Board's approval of the Master Services Agreement (MSA) process, presented at the September 5, 2017 meeting, will greatly enhance our ability to contract with community based organizations to provide services.

On August 23, 2017, the County received a copy of Assembly Member Raul Bocanegra's August 14, 2017 letter to the Joint Legislative Audit Committee requesting consideration of an audit of the use of JJCPA funds by the County at their August 30, 2017 hearing. After several productive discussions with the Assembly Member and his staff, he rescinded his request for an audit with the understanding we will collaborate and be transparent regarding our reform initiatives as they move forward. Although the Assembly Member may resubmit his request next year, he stated that it is his desire to work together to address this critical issue. We look forward to keeping your Board and Assembly Member Bocanegra apprised of our progress as well as seek support if we need support addressing barriers moving forward.

¹ This includes \$3 million annually to support

SB 678 Initiatives

As reflected in Attachment II, the unexpended SB 678 funds will be addressed through the implementation of the Five-Year Spending Plan and related Action Plans. The Probation Department has been engaging in bi-monthly meetings with Office of Diversion and Reentry (ODR) executive staff, to create an infrastructure for supervision of adult felony probationers and develop a comprehensive menu of community based services for the SB 678 population. Our most recent discussions have centered on short and longer-term contracting strategies that are available to ODR as they work to make SB 678 funds available to community providers to facilitate services to the reentry population.

The Probation Department continues to budget for, track and monitor SB 678 expenditures for existing probation supervision and programs. As additional felony probationers are placed on a supervised caseload and SB 678 programs are being planned and/or implemented, we are working collaboratively with our fiscal office and ODR to ensure that we have a budget for each program, and expenditures are separately tracked, by program.

During FY 2016-17, there were \$18.5 million in SB 678 program expenditures, primarily associated with supervision (77% of FY 16-17 expenditures). Approximately \$75.7 million will be available for services in FY 2017-18, with approximately \$53.5 million (71% of FY 17-18 expenditures) allocated to ODR. The Probation Department has also prepared a Board letter and an accompanying revenue-offset Appropriation Adjustment that will be submitted for Cluster Agenda Review which, if approved by your Board, will create critically needed SB 678 support infrastructure, include establishing a dedicated unit, the Resource Utilization Unit (RUU), to review and monitor SB 678 program referrals and expenditures.

The Department's multidisciplinary SB 678 Operational Steering Committee includes participants from the Department's operations, contracts and grants, contract monitoring, budget and fiscal services, Quality Assurance, and the Department's Accountability Committee, DHS-ODR, Workforce Development Aging and Community Services to oversee and monitor the implementation of SB 678 programs and expenditures. The Department will also establish an Advisory Committee that will include community representatives, faith-based stakeholders, and formerly incarcerated individuals with positive lived experience. It is my expectation that as we move forward in partnership with ODR and other county partners, that community stakeholders have a more pronounced role in guiding our delivery of community based services.

Updates on additional SB 678 expenditure-related actions are also provided in Attachment II.

Conclusion

By fully implementing the approaches cited in this report, coupled with new leadership, strong oversight and increased CBO and stakeholder engagement, I am confident that we will

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effectively address the challenge of not fully utilizing JJCPA and SB 678 funds to provide critically-needed services to our highest-risk youth and adult populations. The Probation Department is committed to your Board, our clients and communities to continually monitor and evaluate JJCPA and SB 678 programs and expenditures to provide quality, evidence-based services to our youth and adult populations. We will provide our next quarterly report by mid-November 2017.

Please contact me if you have any questions or require additional information, or your staff may contact Sheila Mitchell, Chief Deputy, Juvenile Services, at (562) 940-2511, or Reaver Bingham, Chief Deputy, Adult Services, at (562) 940-2513.

TLM: SEM/REB:FC/RB

Attachments (2)

c: Sachi A. Hamai, Chief Executive Officer
Lori Glasgow, Executive Officer, Board of Supervisors
Mary C. Wickham, County Counsel
Sheila Williams, Senior Manager, Chief Executive Office
Probation Commission
Justice Deputies