



COUNTY OF LOS ANGELES PROBATION DEPARTMENT

9150 EAST IMPERIAL HIGHWAY – DOWNEY, CALIFORNIA 90242
(562) 940-2501



TERRI L. McDONALD
Chief Probation Officer

December 13, 2017

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

From: Terri L. McDonald
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) – SECOND QUARTERLY REPORT**

BACKGROUND

On April 18, 2017, on motion of Supervisor Mark Ridley-Thomas, the Board directed the Chief Probation Officer to report back to the Board quarterly, in writing, regarding the implementation of expenditures related to Juvenile Justice Crime Prevention Act (JJCPA) and SB 678 plans. With approved extensions, this is our second quarterly report.

The Probation Department continues working to remedy the challenges that contributed to the accumulation of unspent JJCPA and SB 678 revenues, and is committed to the continued monitoring of expenditures and making the necessary adjustments to strategically and effectively spend the unspent funds as intended, pursuant to their enacting legislation.

OVERVIEW

As reflected in Attachments I and II, the Probation Department remains engaged in specific efforts to address the unspent JJCPA and SB 678 funds, respectively. In particular, the contracting delegations of authority granted by your Board on October 17, 2017, will allow for more efficient delivery of services that are responsive to the needs of vulnerable juvenile and adult probationers. Probation is also proactively continuing to explore additional avenues that will expedite the distribution of funding to such priority needs and in accordance with County fiscal policy.

JJCPA FUNDS AND INITIATIVES

As reflected in Attachment I-A, the FY 2016-17 figures are now based on actuals, whereas, estimates were provided in the initial quarterly report. Of the \$62.2 million in available JJCPA funds, approximately \$30.7 million were spent in FY 2016-17, leaving a balance of approximately \$31.5 million, which includes one-time funding for programs over multiple years. In comparison to the FY 2016-17 figures reported in the initial quarterly report, the "Ending Balance" increased by \$259,305, and consequently, these funds are available for allocation. This increase is attributed to incurring \$307,910 in lesser than anticipated expenditures in programs funded under the "JJCC-Approved Base Programs," and incurring \$48,605 in greater than anticipated expenditures in "JJCC-Approved One-Time Funded Programs" equate to the \$259,305 increase in the "Ending Balance."

During the reporting quarter (July 2017 – September 2017), approximately \$3.3 million in claims has been reimbursed for programs funded under the "JJCC-Approved Base Programs," while \$0.2 million in claims has been reimbursed for programs under the "JJCC-Approved One-Time Funded Programs," for a total of \$3.5 million.¹ As indicated in Attachment I-A, the FY 2017-18 "Beginning Balance" was approximately \$31.5 million, which includes the \$259,305 cited above. The "State Allocation" was approximately \$27.8 million. The Department's "FY 2017-18 Estimate" includes \$11.0 million in growth funds that were received in September 2017. Consequently, the total JJCPA funds is approximately \$70.2 million.

The FY 2017-18 "Beginning Balance" of approximately \$31.5 million (with the exception of the previously noted \$259,305) has been fully allocated to base budget and one-time programs and services. We indicated in our initial quarterly report that we were prepared to spend up to \$44.7 million in FY 2017-18, for critical services contingent on completed contracts and providers' ability to expeditiously spend the funds. This estimate was based on the budgeted base program allocation and a greater use of master services agreements. Our revised estimate reflects that we anticipate spending approximately \$38.1 million in FY 2017-18, as adequate time will be required for the most recently-selected Community-Based Organizations (CBOs) and future CBOs to ramp up the delivery of services, and to continue preparing the necessary contracts.

We estimate a FY 2017-18 "Ending Balance" of \$32.2 million in one-time funds. Of the \$32.2 million, \$16.9 million have been allocated to fund one-time programs and services (Early Intervention and Diversion Program; expansion of programs; and new programs), and \$12.0 million is earmarked for youth diversion services, subject to JJCC's approval.² Also included is the proposal to utilize \$3.2 million to fund Public-Private Partnerships that would allow foundations to undertake some of the contracting processes and expedite the distribution of funds to community providers, as well as seek opportunities for matching funds

¹ This amount will increase as claims are processed based on expenditures.

² This will be discussed at the Juvenile Justice Coordinating Council's (JJCC) meeting on January 18, 2018.

for services. Presuming this avenue is effective, prospective unspent funds can be allocated via this partnership. Consequently, as a result of our revised estimates and the proposed allocations, now we estimate there would be no remaining unallocated funds by the end of the fiscal year.

The Probation Department is making every effort to optimize viable avenues to ensure that JJCPA funds are expeditiously allocated to meaningful juvenile programs and services. On November 21, 2017, your Board approved the Chief Executive Officer's recommendation of a funding plan to support the Office of Diversion and Reentry's (ODR) Youth Diversion and Development Unit and to implement youth diversion efforts. With Probation's support, the plan included the use of \$3.0 million for each of four years, for a total of \$12.0 million in JJCPA funds, contingent on JJCC's approval. In addition, as further indicated in Attachment I, the Probation Department has earmarked \$3.2 million to fund Public-Private Partnerships for one-time-funded program allocations to agencies for service delivery to youth and their families.³

JJCC's Next Meeting – The next meeting of the JJCC will be held on January 18, 2018. We will keep your Board apprised of the status of the earmarked funds in our next report.

Breakdown of Funding Distribution – Public Agencies in Comparison with Community-Based Organizations – A breakdown of the JJCPA funding distribution of the base allocation and one-time funds between public agencies and CBOs is provided in Attachment I (Tables 1-3). As of November 2017, it is estimated that 43% of the "total" JJCPA funds are allocated to public agencies, while 56% of the funds are allocated to CBOs, and 1% is allocated to youth services and supplies, which includes educational supplies, field trips, and stipends. However, these percentages are still being refined and do not yet include \$12.0 million earmarked for efforts to increase youth diversion services over four years. The percentages also do not include the proposal to fund Public-Private Partnerships to provide service delivery to youth and their families (\$3.2 million). We anticipate refining these percentages in our next quarterly report.

Use of Master Services Agreement – As a result of the Board's September 5, 2017 approval of the Department's request to expedite the contracting process by obtaining delegated authority to utilize the Master Services Agreement (MSA), the Department is in the process of issuing three Work Order Solicitations which would equate to \$1.8 million in JJCPA-funded services. No additional Work Order Solicitations are necessary at this time, as all contracting needs associated with this MSA process have been addressed. However, the utilization of MSAs remains an avenue for seeking future services in an expedited manner.

³ As previously indicated, the proposal related to earmarking funds for youth diversion requires JJCC's approval.

Timely Monitoring of Referrals and Capacity of Contracted Agencies – As indicated in Attachment I, the Department is monitoring referrals and expenditures not only to ensure clients are receiving appropriate services on a timely basis, but also to make the necessary funding adjustments based on service utilization. Attachment I includes a chart that summarizes the number of referrals received for each JJCPA funded contract during the first quarter of FY 2017-18, and is based on Probation contracts funded by the base allocation. The chart indicates that while some contracts have achieved the approximate 25% target capacity for the first quarter, others have met or are below the target capacity. Referrals will be one factor in our consideration in making biannual funding adjustments.

Response to Additional Inquiries by Former Assembly Member Raul Bocanegra – On October 24, 2017, the Department received a letter from former Assembly Member Raul Bocanegra in follow-up to our August 2017 phone conversation, whereby, after several productive discussions, he rescinded his request for an audit of Los Angeles County's use of JJCPA funds, with the understanding that we will be transparent regarding our reform initiatives as they move forward.

We have prepared written responses to the inquiries and have requested an in-person meeting to discuss our responses in detail. This may serve to better ensure all concerns are fully addressed. Attempts to schedule a meeting have not been fruitful. We will advise if that changes.

SB 678 FUNDS AND INITIATIVES

As reflected in Attachment II, utilization of the SB 678 funds is being addressed through the implementation of the Five-Year Spending Plan.

Updated FY 2017-18 Estimated Expenditures – As reflected in Attachment II-A, during FY 2016-17, there were approximately \$18.5 million in SB 678 program expenditures, of which \$14.2 million were utilized for evidence-based Alternative Treatment Caseloads (ATC) which utilize intensive supervision, coupled with cognitive behavioral interventions and motivational interviewing techniques to work with probationers utilizing an interactive journaling process to facilitate rehabilitative efforts; and \$4.3 million were utilized for ODR supportive housing programming.

In our first quarterly report, based on our SB 678 Five-Year Spending Plan, we indicated that an estimated \$75.7 million would be spent in FY 2017-18, of which \$22.2 million was for Probation services, and \$53.5 million was related to ODR's allocation. Upon our current review for FY 2017-18, Probation estimates that \$16.3 million will be spent for ATC Evidence-Based Caseloads, and \$1.7 million will be spent for community programs contracted by Probation.

In addition, ODR has indicated that while \$53.5 million will be available for immediate use, due to program planning, ramp-up efforts and implementation timelines, ODR anticipates that it will utilize approximately \$26.2 million during FY 2017-18. The remaining \$27.3 million budgeted for FY 2017-18 will be reallocated to future fiscal year budgets in partnership with Probation. Consequently, we anticipate that a total of \$44.2 million will be spent in FY 2017-18, of which \$26.2 million (59%) is estimated to be spent by ODR. The following provides an update of the key actions taken since our initial quarterly report.

Creation of Adult Felony Probation Supervision Infrastructure and Development of Robust and Streamlined Referral Process – The Probation Department continues to engage in bi-monthly meetings with ODR and Workforce Development, Aging and Community Services (WDACS) 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. The Departments are developing a robust referral process and streamlining complementary accountability processes to ensure services provided and expenditures are appropriately billed to SB 678 or other supportive funding sources. Probation, ODR and WDACS are working with their respective contracts and grants personnel to facilitate timely contracting procedures for new services delivered to the adult felony probation population.

Continued SB 678 Budgeting, Tracking and Monitoring of Expenditures – 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 supervised caseloads, and SB 678 programs are being planned and/or implemented, our fiscal office and ODR continue to work collaboratively to ensure that we have a budget for each program, and expenditures are separately tracked, by program.

Multi-Disciplinary SB 678 Operational Steering Committee – The Department's multi-disciplinary 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, Department of Health Services – ODR and WDACS to oversee and monitor the implementation of SB 678 programs and expenditures. The most recent steering committee meeting was held on November 7, 2017. The next meeting will be held in January 2018.

Efforts for Community Stakeholders to have a Greater Voice in Newly Established SB 678 Community Advisory Committee – As we move forward, in partnership with ODR and other County partners, Probation's efforts have centered around community stakeholders having a greater voice in guiding our delivery of community-based services. Consequently, the Probation Department, in collaboration with ODR and WDACS, has established an SB 678 Community Advisory Committee (CAC) that is co-chaired by a well-respected community stakeholder. The CAC membership includes community representatives, faith-based stakeholders, and formerly incarcerated individuals with positive

experience. The first CAC meetings were held on October 16, 2017 and November 27, 2017, respectively.

Implementation of Community Re-Entry Service Center – Pursuant to the August 1, 2017 Board-approved motion, we are moving forward with our plan to implement a Community Reentry Service Center to be housed at the relocated Crenshaw Area Office, located at 3965 Vermont Avenue in Los Angeles. This venue is anticipated to open by February 2019. Probation and ODR are close to convening a County-Community Committee to provide guidance and support in the development of services that will be delivered at the Center.

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

CONCLUSION

We are confident that Probation will continue to achieve the needed progress to ensure the allocation and expenditure of JJCPA and SB 678 revenues to provide critically needed services to our highest-risk youth and adult populations. The Probation Department remains 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. Our next report to your Board will cover October 2017 through December 2017 activity.

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 (4)

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

**JUVENILE JUSTICE CRIME PREVENTION ACT
FUNDS AND EXPENDITURES
SECOND QUARTERLY UPDATE
July 2017 – September 2017**

As referenced in the Probation Department's initial quarterly report that was submitted to your Board in September 2017, we are addressing concerns related to the accumulation of unspent JJCPA funds, primarily through the Probation Department's re-establishment of the JJCPA Accountability Committee and through the oversight of the Juvenile Justice Coordinating Council (JJCC) and its JJCC Community Advisory Committee (JJCC-CAC). The following provides an update of the key actions taken primarily since our initial quarterly report.

Continue Budgeting, Tracking and Monitoring JJCPA Expenditures by Program, Including Budget Variances – As reflected in the JJCPA Program Summary in Attachment I-A, we estimate that approximately \$38.1 million in JJCPA funds will be spent in FY 2017-18 on services based on completed contracts and providers' ability to expeditiously provide services. This would be an increase of approximately \$7.4 million (24%) in comparison to approximately \$30.7 million spent in FY 2016-17. We are committed to making JJCPA funding analyses and bi-annual adjustments to address service or program providers not being able to provide services or demonstrate positive outcomes. This provides a solution for reallocating critical funds to other service providers who are better able to provide services in a timely manner.

Implementation of a Spending Plan for Underspent Funds – The following actions continue to support efforts to address the underspent funds:

- **Identification of Services Gaps and Needs** – JJCC-CAC continues to meet to ensure obtaining widespread input from community partners regarding service gaps and needs.
- **Master Services Agreement Process Implementation for New Programs** – The Board's September 5, 2017 approval of the Master Services Agreement (MSA) process has enabled the Department to begin expediting contract execution for implementation. As of December 8, the Department is in the process of issuing three Work Order Solicitations for community-based organizations which would equate to \$1.8 million in JJCPA-funded services. No additional Work Order Solicitations are necessary at this time, as all contracting needs associated with this MSA process have been addressed. However, the utilization of MSAs remains an avenue for seeking future services in an expedited manner.
- **Increased Funding to Other County Departments & Governmental Agencies** – As reflected further below and in Attachment I-A under "Expanded and New Programs," since September 2017, Probation has increased funding to

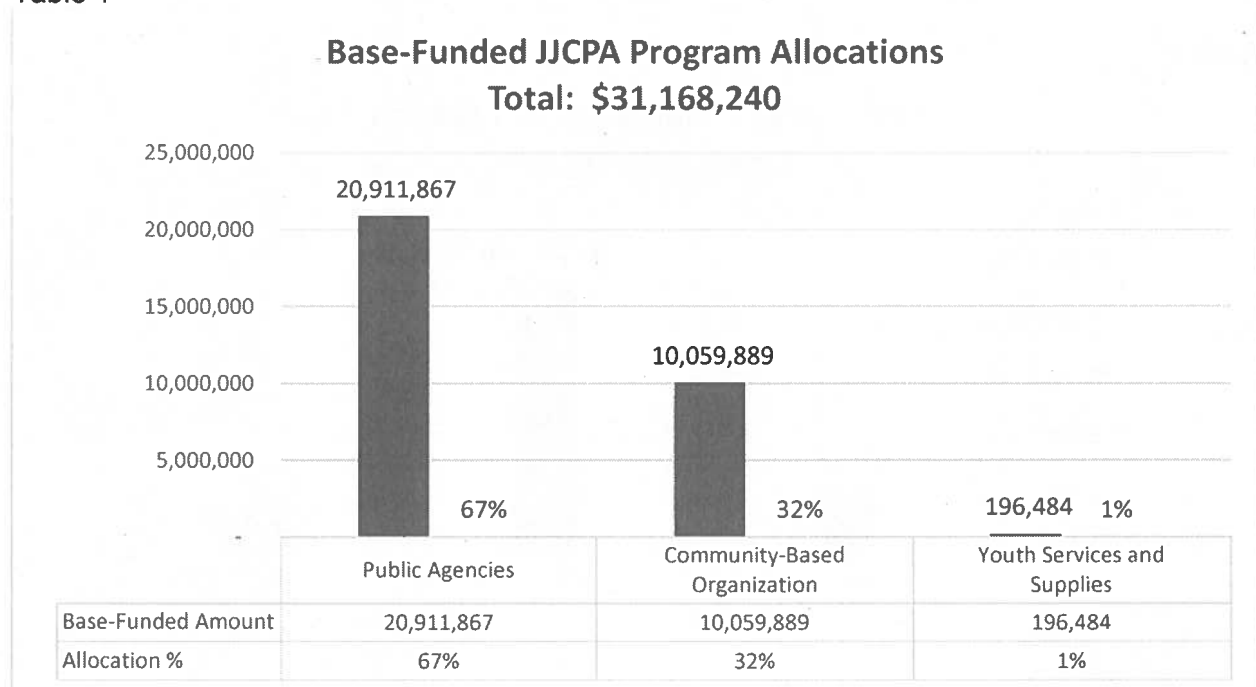
other County Departments and governmental agencies for their utilization and/or allocation to their CBOs, as follows:

- **Arts Commission** – CBOs for afterschool enrichment services
 - **City of Los Angeles Economic and Workforce Development** – CBOs for afterschool enrichment services
 - **Los Angeles County Office of Education** – CBOs for afterschool enrichment services
 - **Department of Mental Health** – CBOs for Multi-Systemic Therapy and Early Intervention and Diversion Program
 - **Public Defender's Office** – Psychiatric social workers to support Public Defender's Office work with youth and families
 - **Workforce Development, Aging & Community Services** – CBOs for paid work experience/employment opportunities
 - **County Library** – For non-CBO afterschool academic enrichment services
- **Earmarked \$12.0 Million for Youth Diversion Services** – The Department has earmarked \$12.0 million in JJCPA funds for youth diversion services as part of a Board-approved plan, which is based on \$3.0 million for each of four years, for a total of \$12.0 million.¹
 - **Earmarked \$3.2 Million and Release of Public-Private Partnerships Request for Information** – The Probation Department has earmarked \$3.2 million to fund Public-Private Partnerships for one-time-funded program allocations to agencies for service delivery to youth and their families. On November 22, 2017, Probation released a Request for Information (RFI) regarding Public-Private Partnerships to allow various foundations to build capacity, undertake some of the contracting processes and expedite the distribution of funds to community providers, as well as seek opportunities for matching private funds for services. It is anticipated that a request to the Board will be made before the next quarterly report to your Board.
 - **Comprehensive JJCPA Program Evaluation** – Resource Development Associates (RDA) continues to conduct their comprehensive evaluation of the current JJCPA system and overall programming. In October 2017, they presented preliminary quantitative findings to the JJCPA Evaluation Stakeholder Advisory Committee for review/input. They are in the process of drafting the Program Landscape Report and have conducted youth and parent focus groups across JJCPA programs during November and the first week of December 2017. The evaluation is targeted for completion in April 2018.

¹ The proposal related to earmarking funds for youth diversion services is subject to JJCC's approval.

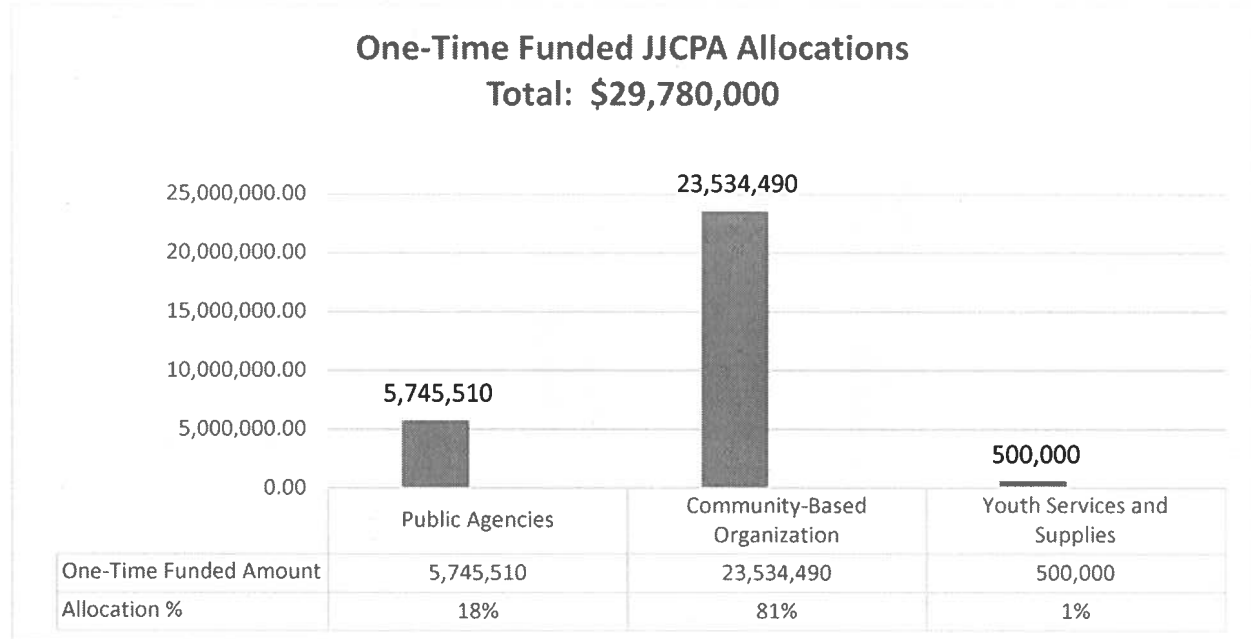
Funding Distribution: Public Agencies in Comparison to Community-Based Organizations – A breakdown of the JJCPA funding distribution between public agencies in comparison to community-based organizations is provided in Table 1. As of November 2017, it is estimated that 67% of the “base funding” is allocated to public agencies, while 32% is allocated to CBOs, and 1% is allocated to youth services and supplies, including educational supplies, field trips, and stipends. However, these percentages will be further refined in our next quarterly report.

Table 1



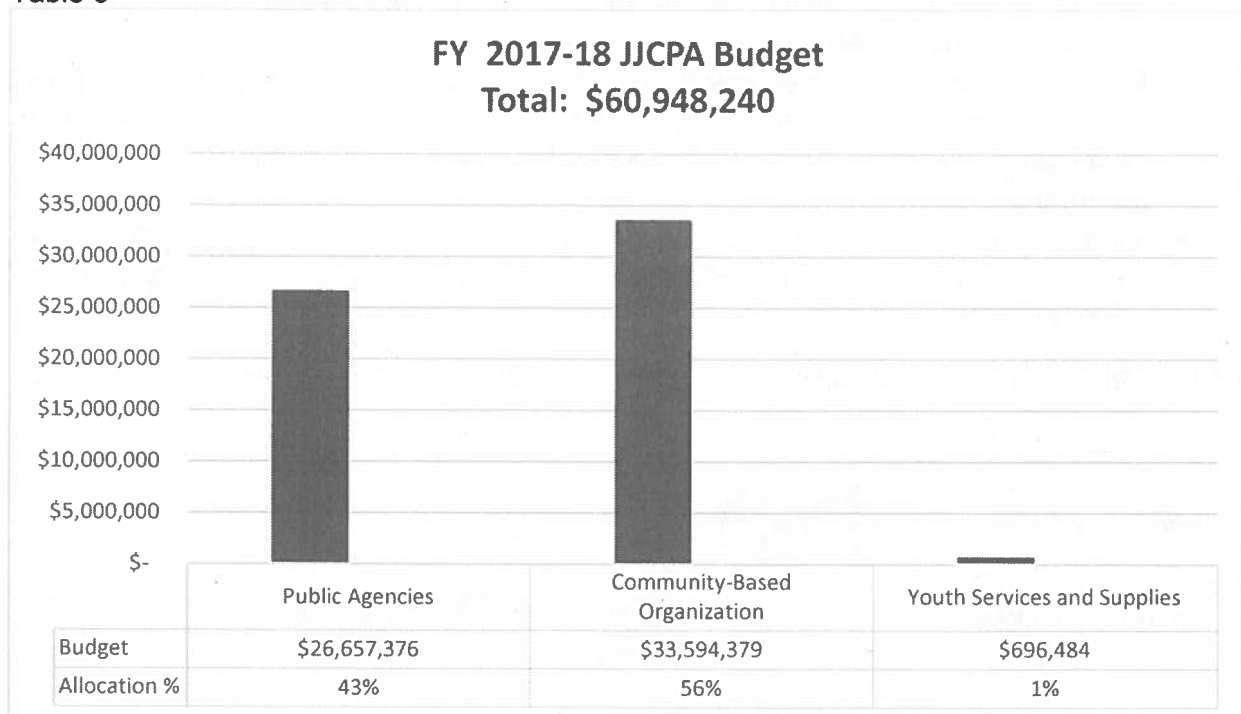
As illustrated in Table 2, as of November 2017, it is estimated that 18% of the “one-time” JJCPA funds is allocated to public agencies, 81% is allocated to CBOs, and 1% is allocated to youth services and supplies. These funding amounts and percentages are being refined and do not yet include \$12.0 million currently earmarked for efforts to increase youth diversion services, contingent on JJCC’s approval, and \$3.2 million for public-private partnerships to provide service delivery to youth and their families. An update of these percentage allocations will be included in our next report, as JJCC will have met in January 2018, and we anticipate a determination being made on the earmarked funds.

Table 2



When the base and one-time allocations are combined, Table 3 illustrates that as of November 2017, it is estimate that 43% of the “total” JJCPA funds is allocated to public agencies, while 56% of the funds is allocated to CBOs, and 1% is allocated to youth services and supplies, including educational supplies, field trips, and stipends. Similar to the previous charts, these amounts and percentages are being refined and will be included in our next report, as JJCC will have met in January 2018, and we anticipate a determination will be made on the earmarked funds.

Table 3



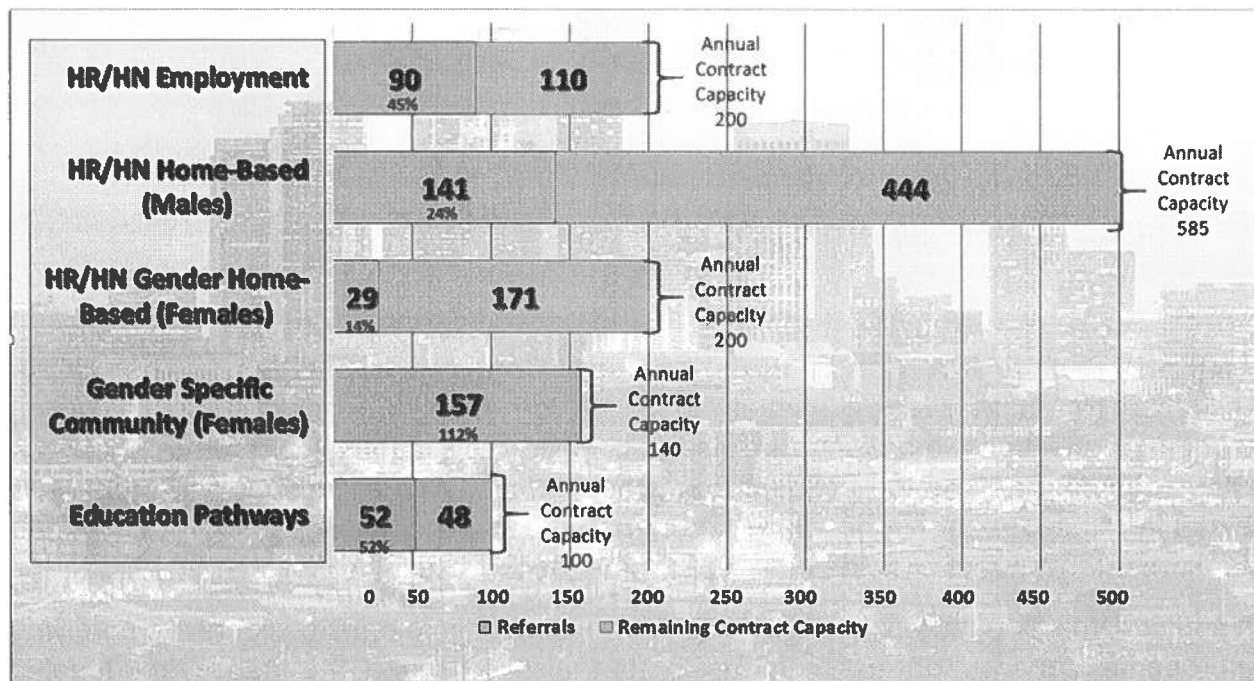
Monitoring of JJCPA Funds, Referrals and Contract Capacities – The JJCPA Accountability Committee continues to focus on tracking expenditures, providing spending projections, monitoring invoice submission and submitting information to the JJCC regarding anticipated unspent and growth funds. We are also in the process of re-staffing the Referral Unit with experienced personnel working with CBOs and Departmental contracts. To date, two staff have been hired.

In addition, the Department is monitoring referrals not only to ensure clients are receiving appropriate services on a timely basis, but also to make the necessary funding adjustments based on service utilization.

The chart below summarizes the number of referrals received for each JJCPA-funded contract during the first quarter of FY 2017-18, and is based on Probation contracts funded by the base allocation. The goal is to reach approximately 25% of the total annual contract capacity for each of the five areas below in each quarter. However, several issues can impact service utilization, including:

- Decreases to the female probation population which affects the number of youth eligible for the HR/HN Gender Home-Based Program designed for high risk probation females;
- Not all youth have transportation to the service area sites. This can affect attendance and thereby access to services.
- Due to gender-specific services being provided in the community at school sites, which are provided commensurate with the start of the school year, thereby, decreasing utilization for the first two months of the quarter while schools are on summer break.
- Changes to campus requirements for providing services, and thus, Probation continuing to work with the School Districts and providers to comply with the requirements.

Our next quarterly report will also include this information for other applicable areas.



High-Risk/High-Need (HR/HN) Employment

High Risk/High Need (HR/HN) employment contract services are geared towards probation youth ages 17-18 with the intent to increase job readiness and job placement, and aim toward increased youth employment that can lead to successful career paths.

- **Actions Taken – Refining the Referral Process and Providing Technical Assistance to Employment Contractors** – Probation continues to refine the referral process and provide technical assistance to our employment contractors with billing and/or staff/client responsiveness. In addition, the Department will be reviewing the outcomes of the WDACS pilot (summer/holiday job training and paid work experience for youth) at the end of this fiscal year. The pilot outcomes and review of employment contract requirements will assist Probation with determining whether we, or another County Department, are the most appropriate entity to oversee employment contracts. In addition, Probation continues to encourage our contractors to be involved with our Department and WDACS in the employment process.

Probation also met with employment contractors in August 2017 to address issues and encourage them to align reimbursable fees to provide funding to implement best practices, which would allow them to utilize the reimbursement rate flexibly to meet the needs of the youth (e.g., utilization of stipends to engage youth, and waiver of full time employment when a youth's primary goal is education).

High Risk/High Need (HR/HN) Home-Based (Male)/Gender Home-Based (Female)

HR/HN Home-Based contract services targets services towards the entire family and other parts of the participant's environment, and focuses on school attendance and performance, parenting skills and family functioning.

- **Actions Taken – Refining the Referral Process and Review of Invoices** – Probation continues to refine the referral process and review utilization by monitoring invoices. After meeting with HR/HN Home-Based and Gender Home-Based providers in September 2017, the following areas were addressed: location of service delivery for families who resided with others; and timeframe for service delivery for parents when youth are in Camp.

Gender-Specific Community

Gender-Specific Services adhere to essential elements of effective gender-specific programming for adolescent girls and are provided on school campuses for at-risk female youth.

- **Actions Taken – Working with School Districts and Providers to Comply with Campus Requirements for Providing Services** – Probation continues to work with the School Districts and providers to comply with the campus requirements for providing services. In addition, JJCPA Administration is working with school districts to centralize and streamline the process to mitigate delays.

Educational Pathways and Vocational Opportunity Services

The Educational Pathways are intended to expose participants to educational and vocational opportunities that lead to career paths that result in employment, and ultimately an improved quality of life. The target population for this program are probation youth transitioning from Camp, youth at-risk for removal from the community and youth on probation supervision in the community, between the ages of 16-18 years who will not meet graduation requirements prior to their eighteenth birthday.

- **Actions Taken** – Probation continues to monitor referrals for youth to receive these services.

Conclusion

Going forward, the above cited efforts will assist the Probation Department in monitoring and tracking the utilization of JJCPA funds and mitigating the accumulation of unspent funds.