



Los Angeles County

It Has Yet to Spend Tens of Millions of Dollars
Intended to Provide Services to Realigned Youth

August 2024

REPORT 2023-134

A photograph of a building entrance. The building has a stone facade. Above the entrance, there is a teal sign with the words "JUVENILE DIVISION" in white, serif, all-caps font. Below the sign is a set of teal double doors with dark glass panels. The entrance is framed by a white archway.



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August 20, 2024

2023-134

The Governor of California
President pro Tempore of the Senate
Speaker of the Assembly
State Capitol
Sacramento, California 95814

Dear Governor and Legislative Leaders:

As directed by the Joint Legislative Audit Committee, my office conducted an audit of Los Angeles County (Los Angeles) and its efforts to care for and supervise youth for whom the Division of Juvenile Justice (DJJ) within the California Department of Corrections and Rehabilitation had previously been responsible. We determined that Los Angeles has yet to spend tens of millions of dollars in funding the State issued to assist the county in providing rehabilitative services for youth for whom responsibility was realigned (realigned youth), and we found that its efforts to restructure the care model for such youth are ongoing.

Since fiscal year 2021–22, the State has provided to Los Angeles \$88 million in funding for the care and supervision of realigned youth. However, as of late June 2024, the county had spent only \$9.7 million of this funding. One reason for the low spending rate is that Los Angeles has yet to begin delivering many of the services that it planned to provide to realigned youth. For example, the county assigned its Probation Department (Probation) the responsibility to provide 26 programs, services, and goods for which this funding was intended to pay. However, Probation had begun providing only six of these items as of late June 2024. Therefore, we believe that Los Angeles would better ensure the provision of services and programs to realigned youth if it took additional steps to use available funding in a timely manner.

Los Angeles has implemented 12 of 27 recommendations made to it in a December 2020 report that focused on the transition of youth from DJJ to county custody. The county's limited progress in implementing these recommendations, along with its low level of spending of state funding for realigned youth, demonstrate that the county's efforts to restructure its care model for youth realigned from DJJ are still in progress.

Respectfully submitted,

A handwritten signature in black ink that reads "Grant Parks".

GRANT PARKS
California State Auditor

Selected Abbreviations Used in This Report

BSCC	Board of State and Community Corrections
CDCR	California Department of Corrections and Rehabilitation
DJJ	Division of Juvenile Justice
DYD	Department of Youth Development
OYCR	Office of Youth and Community Restoration
YJR	Youth Justice Reimagined

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Summary of Key Findings

In September 2020, the State began the process of eliminating the Division of Juvenile Justice (DJJ) within the California Department of Corrections and Rehabilitation, and DJJ's dissolution was complete in 2023. Before this change, a juvenile court could order youth it found had committed certain serious offenses into DJJ's custody. Once the State began closing DJJ, it assigned the responsibility for the youth whom DJJ had or would have supervised to county probation departments. We refer to those youth whom the State placed in the custody of county probation departments as *realigned youth*. Beginning in 2021, the State provided Juvenile Justice Realignment Block Grant (realignment block grant) funding to county probation departments to assist with the custody, care, and supervision of realigned youth. This audit focused on the Probation Department (Probation) of Los Angeles County (Los Angeles), which is the entity responsible for the supervision of realigned youth in that county.

Key Findings

- The primary source of funding for Probation's youth justice programs and services is local funding—about 75 percent of the revenue Probation used for youth justice from July 2018 through April 2024. State and federal funding comprised the remainder of the funding Probation uses to support its youth justice programs and services.
- Despite having spent realignment block grant funding in accordance with state law, Los Angeles has spent only \$9.7 million of the \$88 million it has received. The county's low spending levels are due to multiple factors, including that Probation has not yet provided most of the programs and services that the county planned for it to provide to realigned youth, such as rehabilitative services for sex offenders, family transportation, and vocational training.
- Los Angeles has taken steps to prepare for the care and supervision of realigned youth as part of its wider Youth Justice Reimagined (YJR) initiative, and it has implemented 12 of the 27 recommendations its YJR work group made related to realignment.

Agency Comments

Los Angeles generally agreed with our findings and conclusions. The county did not directly respond to all of the recommendations we made to it, but it did indicate agreement with portions of one recommendation.

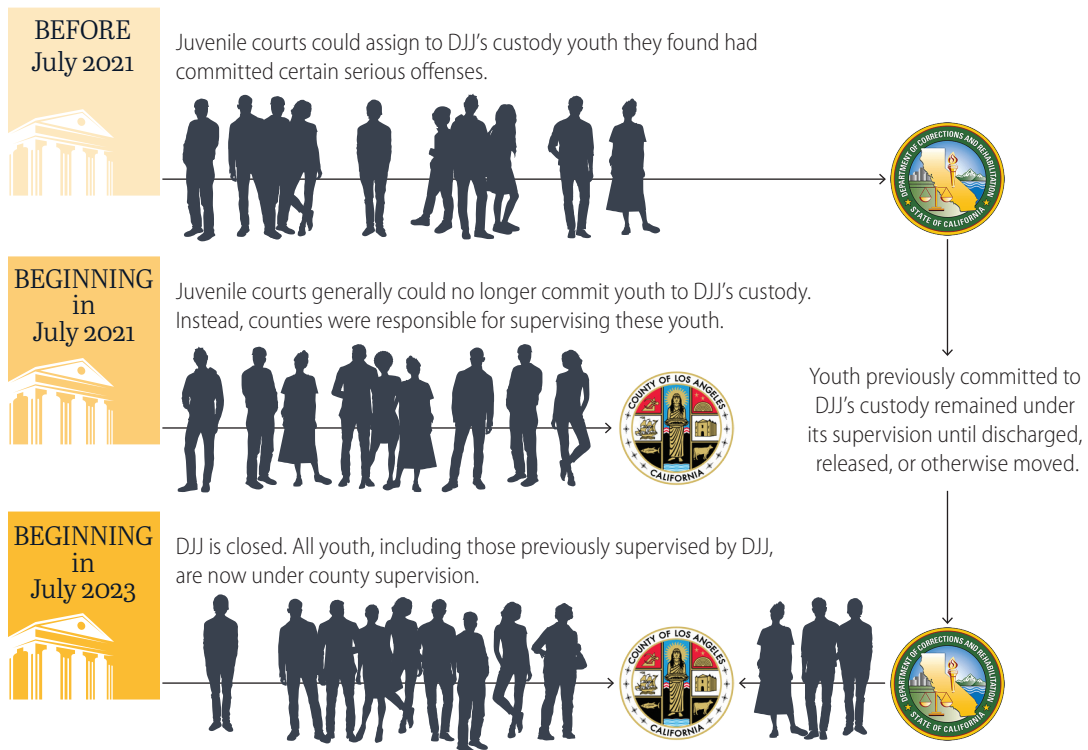
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Introduction

Background

Until its dissolution in June 2023, the Division of Juvenile Justice (DJJ) within the California Department of Corrections and Rehabilitation (CDCR) operated facilities to house youth whom a court had determined had committed certain serious offenses. DJJ’s youth population ranged from 14 to 25 years of age, although DJJ could house minors as young as 11. The State began the process of closing DJJ in September 2020 after it enacted legislation that generally prohibited the commitment of any new youth to DJJ beginning in July 2021. According to CDCR, in 2020 DJJ had an average daily population of approximately 760 youth. Figure 1 shows how county probation departments became gradually responsible for youth whom DJJ previously would have supervised. In this report, we refer collectively to these individuals as *realigned youth*.

Figure 1
 Youth Were Gradually Transitioned to County Custody as the State Eliminated DJJ



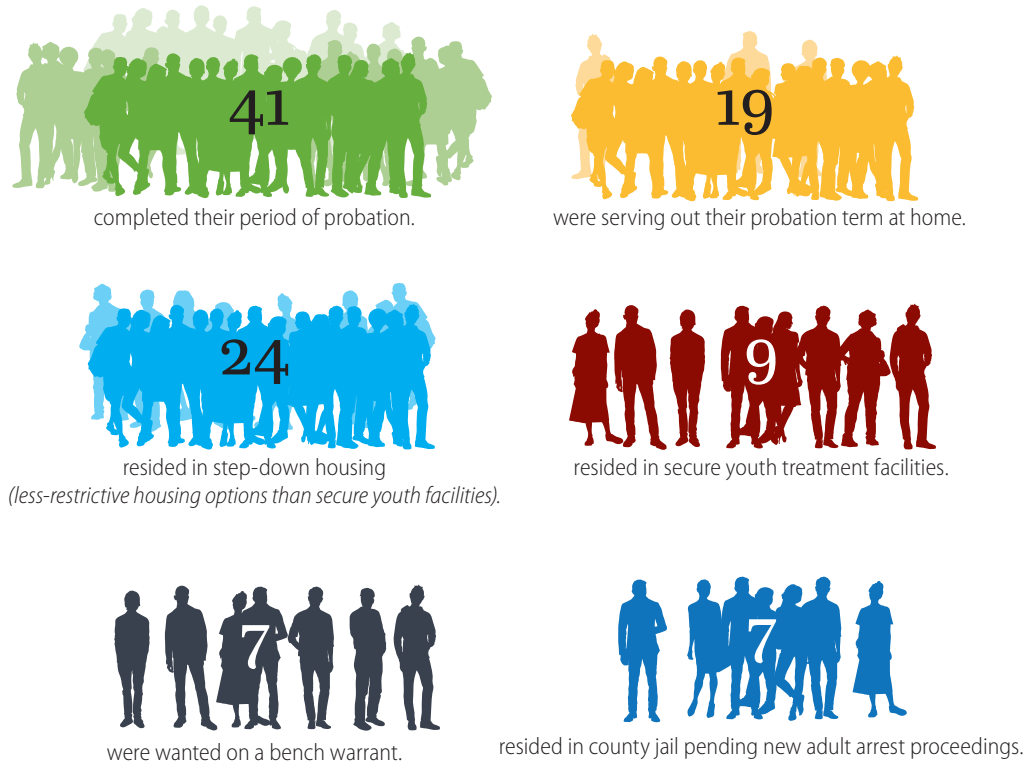
Source: State law and DJJ website.

Before the September 2020 realignment decision, in Los Angeles County (Los Angeles), the Los Angeles County Probation Department (Probation) was already responsible for the supervision of thousands of youth. As Figure 1 shows, Probation received responsibility for realigned youth in two different waves. First,

beginning in July 2021, it received youth whom courts could no longer legally place in DJJ’s custody. Then, as DJJ’s elimination in July 2023 grew imminent, Probation received custody of an additional 107 youth who had remained in DJJ’s custody until that point. Figure 2 shows the supervision and housing status of these 107 realigned youth as of May 2024. About 40 of these youth were no longer under the county’s supervision, having completed the terms of their probation.

Figure 2
Los Angeles Supervises Its Realigned Youth in a Variety of Placements

Probation received 107 youth following DJJ’s closure in July 2023.
As of May 2024:



Source: Probation population data.

Since 2021 state law has allowed counties to operate, use, or access secure youth treatment facilities (secure treatment facilities). Secure treatment facilities only house realigned youth. State law authorizes counties to operate, utilize, or access secure treatment facilities to provide appropriate programming, treatment, and education for those who have committed certain serious offenses, according to standards established by the Board of State and Community Corrections (BSCC). Secure treatment facilities may stand alone, or be a unit or portion of an existing county juvenile facility that meets the requirements described above. Probation maintains three secure treatment

facilities and reports the number of youth housed in the facilities to the BSCC. Table 1 shows the average daily number of youth whom Probation housed in secure treatment facilities in calendar year 2023 and all available months of 2024.

Table 1
The Average Daily Population of Youth Housed in Probation’s Secure Treatment Facilities Has Generally Remained Consistent

2023	AVERAGE DAILY POPULATION	2024	AVERAGE DAILY POPULATION
January	74	January	80
February	84	February	81
March	87	March	84
April	83	April	82
May	83	May	81
June	75		
July	78	DJJ Closes	
August	77		
September	73		
October	73		
November	74		
December	73		

Source: BSCC Juvenile Detention Profile Survey and Probation population data.

The Juvenile Justice Realignment Block Grant Provides Funding to Counties

In September 2020, the Legislature established the Juvenile Justice Realignment Block Grant (realignment block grant). This grant helps fund the county-based custody, care, and supervision of realigned youth. In fiscal year 2021–22, eligible counties began receiving an annual allocation of realignment block grant funding. State law specifies the formula by which the California Department of Finance determines a county’s allocation. The formula accounts for the average number of youth from each county who had previously been committed to DJJ, among other factors.

To be eligible for realignment block grant funding, state law requires counties to create a juvenile justice subcommittee (realignment subcommittee) with membership composed of representatives from certain county departments—including probation, social services, and mental health—as well as at least three community members. The realignment subcommittee must develop a plan (county realignment plan) describing the facilities, programs, placements, services, supervision, and reentry strategies the county needs to provide appropriate rehabilitation and supervision of the youth who formerly would have been assigned to DJJ. Additionally, the county realignment plan must describe how grant funds will address certain areas of need, including mental health, support programs that promote healthy adolescent development, and family engagement in programs. Each county must submit its plan

to the State's Office of Youth and Community Restoration (OYCR). Effective January 2024, the law was amended to require realignment subcommittees to update their county realignment plans annually and to require that the plan include a description of progress in the previous calendar year on plan elements. The amended law also clarified that, although OYCR determines whether it accepts the county realignment plan, no actions by OYCR can delay or withhold the allocation of realignment block grant funds to the county.

Los Angeles Is Restructuring Its Youth Justice System Through Its Youth Justice Reimagined Initiative

Over the past several years, Los Angeles has worked to change its approach to youth justice through its Youth Justice Reimagined (YJR) initiative. In August 2019, the Los Angeles County Board of Supervisors (board of supervisors) established the Youth Justice Work Group (work group), to be composed of representatives from several county departments, community and labor group stakeholders, and youth who were at the time or who had previously been involved with the justice system. The board of supervisors tasked the work group with exploring the possibility of transitioning responsibility for the county's youth justice system away from Probation and to another agency, with the goal of creating a rehabilitative, health-focused, and care-first system. Subsequently, the board of supervisors also tasked the work group with planning for DJJ's closure.

In October 2020, the work group released the *Youth Justice Reimagined* report, which included a recommendation to create the Department of Youth Development (DYD) as a key component of the county's efforts to restructure its approach to youth justice. The county established DYD in 2022, and this department has a stated mission of supporting the development of young people in Los Angeles with the goal of equitably reducing youth justice system involvement. The report also included core values guiding the county's restructured approach to youth justice, as well as a plan for phased implementation of specific goals. In November 2020, the board of supervisors approved a motion to adopt the core values from the report, which the text box lists.

The Nine Core Values of YJR

- Racial and Ethnic Equity
- Centering Community
- Youth Development
- Public Safety Achieved Through Well-Being
- Well-Being Achieved by Addressing Social Determinants of Health
- Restorative Justice and Transformative Justice
- Transparency and Accountability
- Evidence-informed Design
- Power-sharing, Coordination and Collaboration

Source: Board of supervisors' motion from November 2020.

The work group also published a report in December 2020 that had a greater focus on the transition of youth from DJJ to county custody and included several recommendations to center this transition within the broader framework of the YJR initiative. Some of these recommendations specified steps Probation could take both independently and in conjunction with other county departments to plan for the effects of DJJ's elimination. These included recommendations to plan the transition of certain Probation functions to DYD and to develop a plan to repurpose immediately some county facilities to serve as secure alternatives to DJJ.

The Joint Legislative Audit Committee (Audit Committee) approved an interim audit request directing our office to evaluate various aspects of how Los Angeles has prepared for and served realigned youth. In addition to identifying all revenues and expenditures related to services and preventative and rehabilitation functions,

the Audit Committee directed our office to evaluate Los Angeles's YJR planning and implementation efforts to fund and support the influx of realigned youth and to determine whether the county spent realignment block grant funds in accordance with state law and applicable grant conditions.

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Audit Results

Audit Objective

Identify all revenues and expenditures related to juvenile facilities and preventative and rehabilitation functions provided to Los Angeles County (Los Angeles) from July 2018 through December 2023 or most recent information available, including identifying the primary sources of those revenues and determining how the county has prioritized or adjusted its spending in light of juvenile justice realignment.

KEY POINTS

- About 75 percent of the funding Probation used for youth justice is local funding, coming mostly from the county general fund. The State also provided significant amounts of funding, totaling about 20 percent of the revenue that Probation uses to support its youth justice programs and services.
- Probation’s total spending on youth justice declined in fiscal years 2019–20 and 2020–21. Probation attributes this spending decline to the pandemic’s restrictions, which prohibited the delivery of certain services in person and an associated hiring freeze. As of the most recently completed fiscal year, spending had returned to pre-pandemic levels.
- Los Angeles’s spending priorities for realigned youth are contained in its county realignment plan, which generally focuses on establishing preventive, rehabilitative, and educational programs.

For fiscal years 2018–19 through 2023–24, the State provided Los Angeles more than \$1.1 billion to fund youth justice-related activities, according to payment records from the State Controller’s Office. Several funding sources comprise this total, and the text box shows the more significant of those sources. During the same period, the federal government also provided the county with funding related to youth justice. Los Angeles received \$650,000 in federal funding from the Enhancing Youth Defense grant. Moreover, Los Angeles received other funding from the State and from the federal government that it could use to support youth involved in the justice system. However, these funding sources were not

Major Sources of State-Provided Funding

Juvenile Probation Activities: \$564 million

Youthful Offender Block Grant: \$231 million

Juvenile Justice Crime Prevention Act: \$197 million

Source: State Controller’s Office’s payment records.

Units Within Probation That Serve Youth

Juvenile Institutions Services: Supports two juvenile halls and a detention center, intake and detention control, community detention services, transportation, and probation camps.

Special Services: Provides programming and services to the highest-risk and highest-need youth and their families, including intensive gang supervision, camp community transition, school-based supervision, and residential treatment.

Field Services—Juvenile: Provides services including conducting investigations that inform dispositional recommendations to the court, case planning and management, and supervision services.

Care of Juvenile Court Wards: Supports the care of juvenile court wards after the age of 18 who are in group homes or ineligible for foster care services under Title IV-E.

Source: Los Angeles's budgets for fiscal years 2022–23 and 2023–24.

exclusive to youth justice. For example, the county received support for youth in the foster care system or those who were at risk of becoming a part of the foster care system, which included some youth the county supervised as part of its youth justice system. To remain within the limited budget of an interim audit request pursuant to Audit Committee Rule 18, we examined the funding Los Angeles used to fund youth justice activities by focusing our review on Probation, the county department responsible for overseeing realigned youth and other youth involved in the justice system.

During the past six fiscal years—from July 2018 through June 2024—Probation's annual budget has included approximately \$1 billion in expenses. Los Angeles assigned an average of 56 percent of these budgeted expenses to four budget units (units) within Probation that provide services to youth in Probation's custody or under its supervision. The text box describes these units and their general functions. Unless otherwise indicated, when we describe Probation's revenues and expenses in this report, we are referring to the revenue and expenses of these four units.

As Table 2 shows, Probation has used funding from a variety of sources to support its supervision of youth. Much of the federal funding Probation used came from the Title IV-E program—a federal program designed, in part, to support youth who are at risk of becoming part of the foster care system, a category into which certain youth under Probation's supervision fall. The State has also provided revenue through a variety of grant programs and other funding mechanisms, which total about 20 percent of Probation's revenue for youth justice. In addition to the realignment block grant funding, the purpose of which is specifically to provide county-based custody, care, and supervision of realigned youth, Probation receives a significant amount of state funding from the Youthful Offender Block Grant and from general support that the State provides for juvenile probation activities.

However, the majority—about 75 percent—of funding that Probation used for youth justice activities is money that Los Angeles allocated at the local level, and most of this funding came from the county general fund. Other sources, including cost recovery from contracted cities and charges for services, made up the balance of local funding.

From fiscal years 2018–19 through 2022–23, the annual amount Probation spent on youth justice fluctuated, as Table 3 shows. Total spending on youth justice declined during fiscal years 2019–20 and 2020–21, and this lower spending partially overlapped with a drop in external funding. Probation attributes the decline in spending to pandemic-related restrictions, explaining that service providers could not provide certain services in person inside facilities. Additionally, the county

Table 2
From July 2018 through April 2024, Most of Probation’s Expenditures on Youth Justice Came From Local Revenue Sources

REVENUE SOURCE [†]	DESCRIPTION OF REVENUE SOURCE	PROBATION UNIT (in thousands)*				TOTAL
		JUVENILE INSTITUTIONS SERVICES	SPECIAL SERVICES	FIELD SERVICES—JUVENILE	CARE OF JUVENILE COURT WARDS	
FEDERAL						
Title IV-E	Funding for youth who are candidates for foster care.	\$13,583	\$81,119	\$31,094	–	\$125,796
Medi-Cal Administrative Activities	Funding to identify and enroll potentially eligible youth into Medi-Cal.	4,930	–	–	–	4,930
Federal Grants	Funding for various programs that support youth.	6	236	–	–	242
STATE						
Juvenile Probation Activities	Funding to support juvenile probation activities.	187,261	103,538	–	–	290,799
Youthful Offender Block Grant	Funding to enhance the capacity to provide rehabilitative and supervision services.	176,156	7,930	–	–	184,086
Juvenile Justice Crime Prevention Act	Funding to implement a comprehensive, multiagency juvenile justice plan.	–	50,012	–	–	50,012
State Title IV-E	Funding for youth who are candidates for foster care.	–	46,983	–	–	46,983
Juvenile Probation Camps and Ranches Funding	Funding for a variety of services for youth under a probation department’s supervision, including mental health assessment, counseling, and home detention.	35,942	–	–	–	35,942
Juvenile Reentry Grant Program	Funding for the local supervision of persons discharged from the custody of DJJ facilities.	–	15,542	–	–	15,542
Juvenile Justice Realignment Block Grant	Funding for county-based custody, care, and supervision of realigned youth.	3,744 [‡]	–	–	–	3,744
Other	Other state sources of revenue, including the BSCC facility grant.	513	444	–	–	957
LOCAL						
Los Angeles General Fund	Funding from the Los Angeles General Fund to cover operating expenses.	1,769,816	284,048	225,577	\$12,000	2,291,441
Other	Funding from charges for services and court fees, among other sources.	2,368	4,905	76	–	7,349
TOTALS		\$2,194,319	\$594,757	\$256,747	\$12,000	\$3,057,823

Source: Los Angeles’s eCAPS accounting system, state law, U.S. Department of Health and Human Services website, and interviews with Probation staff.

Note: Descriptions of each unit’s responsibilities appear in a text box on page 10.

* Totals do not always align because of rounding.

† For several of the revenue sources listed above, Probation claims reimbursement for performing specific activities. As such, the amounts listed in this table show the total amounts Probation spent from these funding sources, not the total amount of funding available. For example, although Probation’s accounting system shows approximately \$3.7 million in realignment block grant revenue spent during the time period we reviewed, as we report later, Los Angeles has received \$88 million in realignment block grant funding since receiving its first allocation in fiscal year 2021–22.

‡ Because of how Probation accounted for realignment block grant revenue in fiscal year 2022–23, its accounting system shows approximately \$3.7 million in revenue for our review period. This is because Probation used this revenue to pay for services administered by other departments. Later, we discuss the amount of Probation’s realignment block grant spending, which totaled \$2.3 million through June 2024.

implemented a hiring freeze during the pandemic, and Probation attested that the decline in spending was partly due to this hiring freeze. Spending has increased since that period, and total spending in fiscal year 2022–23 was only 1 percent less than spending in fiscal year 2018–19.

Table 3
Spending on Youth Justice Declined After Fiscal Year 2018–19 and Has Only Recently Recovered

FISCAL YEAR	PROBATION UNIT EXPENSES (in thousands)*				
	JUVENILE INSTITUTIONS SERVICES	SPECIAL SERVICES	FIELD SERVICES—JUVENILE	CARE OF JUVENILE COURT WARDS	TOTAL
2018–19	\$380,312	\$126,811	\$41,306	\$2,685	\$551,114
2019–20	383,349	99,576	42,587	2,718	528,230
2020–21	350,418	96,173	45,339	2,548	494,478
2021–22	358,035	100,644	47,718	2,606	509,002
2022–23	403,006	95,525	45,688	1,444	545,662
2023–24†	319,200	76,029	34,109	104	429,442
OVERALL TOTALS	\$2,194,319	\$594,757	\$256,747	\$12,104	\$3,057,927

Source: Los Angeles's eCAPS accounting system.

Note: Expenses in Table 3 do not align precisely with revenues in Table 2 due to Los Angeles recording expenses in the Care of Juvenile Court Wards unit without corresponding revenue in the partial fiscal year of 2023–24. Descriptions of each unit's responsibilities appear in a text box on page 10.

* Totals do not always align because of rounding.

† Year-to-date information through April 2024.

Probation has made only slight changes to the distribution of its spending among its units since fiscal year 2018–19. In fiscal year 2022–23, the Juvenile Institutions Services unit accounted for nearly 75 percent of Probation's spending on youth justice, an increase from the 69 percent of spending that this unit was responsible for in fiscal year 2018–19. Conversely, spending from the Special Services unit was down from its high of 23 percent of spending in fiscal year 2018–19 to 18 percent of spending in fiscal year 2022–23. Probation explained that the increase in proportional spending in the Juvenile Institutions Services unit resulted from various facility improvements, expanded mental health services, and salary increases across the county. For example, Probation said that it repaired facilities, including one that houses realigned youth, conducted feasibility studies to improve the security of its facilities, and performed a conceptual study for a new secure treatment facility. Additionally, Probation explained that the decline in proportional spending in the Special Services unit was the result of a change to how Los Angeles accounted for its spending of Juvenile Justice Crime Prevention Act funds. Specifically, in October 2019 the county established a new fund to track this revenue and stopped tracking all related spending as belonging to Probation.

Los Angeles budgeted \$613 million for youth justice in fiscal year 2023–24, the highest budgeted amount among the years we examined. However, the county has underspent its budgeted amounts by percentages ranging from 5 to 11 percent during

each of the five previous fiscal years. Therefore, we could not use the budgeted amount to accurately anticipate what Probation’s spending would be for the year. Through April 2024, Probation had spent more than \$429 million on youth justice. At the time we conducted our review, this total was the most up-to-date information about spending in that fiscal year. With only two months remaining in the fiscal year, it is doubtful that Probation will have spent the entire fiscal year 2023–24 budgeted amount of \$613 million.

When we asked staff at Probation how spending priorities have changed to support realigned youth, they explained that the county realignment plan reflects Los Angeles’s spending priorities for these youth. Specifically, the department noted that the plan includes services for an older youth—or *emerging adult*—population, which Probation stated that it had not historically supervised. We reviewed the county realignment plan and its spending plan that allocates amounts of realignment block grant funding to specific programs, and we found that both plans generally commit the county to funding preventive, rehabilitative, and educational programs. The text box shows a selection of the programs for which the realignment subcommittee has approved funding. However, as we discuss in the next section, only a small percentage of total planned spending from the realignment block grant has occurred since fiscal year 2020–21.


**Selection of Programs and Services
 Los Angeles Plans to Provide
 With Realignment Block Grant Funds**

- Individual/group therapy
- Tutoring for high school diplomas and college courses
- Career technical education and vocational training
- Family engagement
- Arts and cultural learning
- Step-down programs (less-restrictive housing options than secure youth facilities)
- Gang intervention
- Two Probation positions for administering secure youth facilities

Source: Los Angeles’s spending plan.

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Audit Objective



Determine whether Los Angeles spent state Juvenile Justice Realignment Block Grant funds (Welfare and Institutions Code sections 1990–1995) in accordance with state law and applicable grant conditions.

KEY POINTS

- The small portion of funding that Los Angeles has spent from the realignment block grant has been used in accordance with state law.
- Of \$88 million in realignment block grant funds that Los Angeles has received, it has only planned for the spending of \$64 million and has only actually spent \$9.7 million. The county's low level of spending is partly because Probation has yet to begin delivering many approved programs and services.

Although Its Spending Has Been Allowable, Los Angeles Has Spent Only a Small Portion of the Realignment Block Grant Funding It Has Received

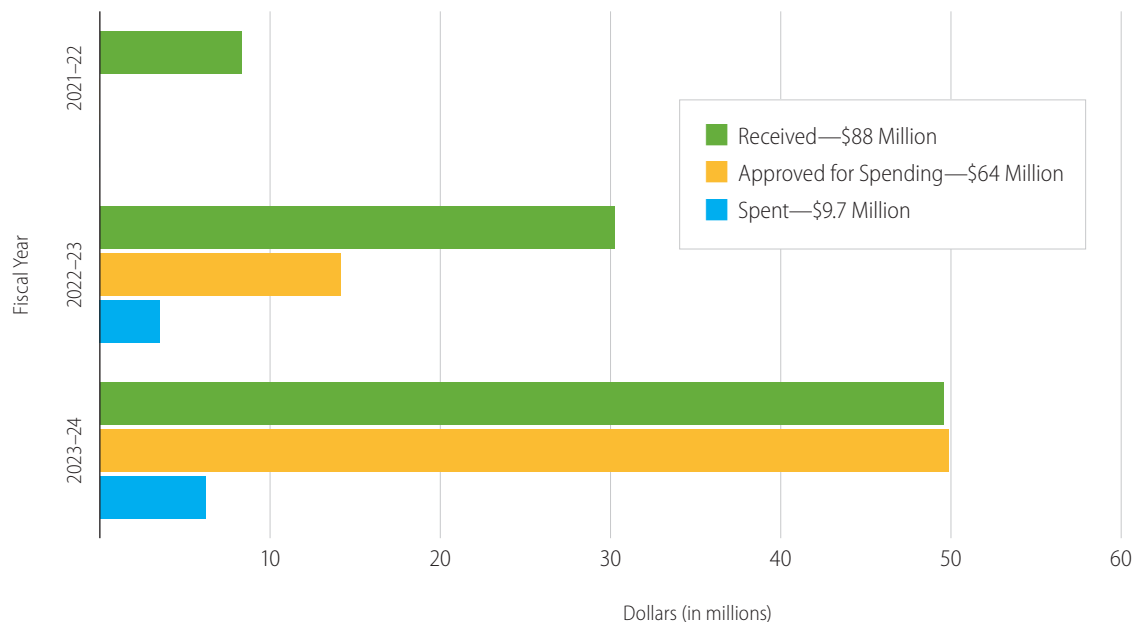
The State established the realignment block grant with the purpose of providing county-based custody, care, and supervision of realigned youth. As the Introduction describes, counties are not eligible to receive this realignment block grant funding unless they have submitted a county realignment plan to the State for approval. In addition to that county realignment plan, Los Angeles's realignment subcommittee developed a spending plan that details the way it intends to spend realignment block grant funds by listing specific services it will offer and the amount of funding allotted for each service by fiscal year. Realignment block grant funds are not subject to any grant agreement terms. Instead, state law requires the State Controller's Office to allocate funding to counties annually based on a schedule provided by the California Department of Finance. The law states that this funding is to be used to provide appropriate rehabilitative housing and supervision services.

We compared the expenses Los Angeles charged to the realignment block grant to the county plan and the spending plan by reviewing all charges for services that county departments and vendors submitted to Probation as of late June 2024. All of the expenses we reviewed were consistent with programs or services that the county realignment plan indicates that Los Angeles would provide and aligned with programs, services, and goods that the realignment committee had approved. Specifically, Los Angeles used grant funding to provide care to realigned youth, including mental health and substance abuse services, as well as life skills training and step-down programming, among other services. Because the county's spending of realignment block grant funding has aligned with the stated purposes of this funding in state law, we conclude that Los Angeles's spending is in accordance with state law.

Nevertheless, Los Angeles has spent only a small percentage of the realignment block grant funding the State has provided. Los Angeles has received \$88 million in realignment block grant funding since fiscal year 2021–22 when it received its first allocation. However, its spending through June 28, 2024, totaled only \$9.7 million, as Figure 3 shows, or only 11 percent of the funding Los Angeles has received. The state laws that create the realignment block grant funding neither set an expiration for the funding if it is unspent nor do they specify that the funds revert to the State if counties do not use them within a prescribed period. Therefore, unused funding from one year rolls over and is available to the county in subsequent fiscal years.

Figure 3

Los Angeles Has Spent Only a Small Portion of the Total Realignment Block Grant Funds It Has Received



Source: State Controller's Office disbursement records, Los Angeles's spending plan, and Los Angeles's invoices for realignment block grant spending.

We identified three key reasons for Los Angeles's low level of spending. The first reason is the more than two-year period it took the county to determine the programs on which it wanted to spend this funding. In September 2020, when the State enacted legislation shifting responsibility for youth at DJJ to the counties, Los Angeles needed to determine where to house the realigned youth who required placement in a secure treatment facility. For multiple reasons—including opposition from residents near proposed sites—the county was unable to quickly identify suitable facilities. According to statements from realignment subcommittee members, the county's difficulty in locating a facility for realigned youth delayed the subcommittee's plans to determine which programs and services the county would deliver.

The subcommittee approved its first spending plan in December 2022, authorizing the county to spend realignment block grant funds more than two years after the State’s realignment decision. However, this first spending plan was limited and allocated only about \$9 million when, at that point in time, Los Angeles had received more than \$38.5 million in realignment block grant funds. Seven months later, in July 2023, the subcommittee adopted a greatly expanded spending plan, which it subsequently revised in February 2024. This spending plan was the most current plan when we performed our audit and it allocates \$64 million across 39 programs, services, and goods for fiscal years 2022–23 and 2023–24. As we describe later, the \$64 million in planned spending is much less than the \$88 million in realignment block grant funding the county has received.

The second key reason for low spending levels is that Probation has yet to begin delivering a significant number of programs, services, and goods that the realignment subcommittee assigned it to administer. The spending plan assigns a county department as the administrator of each item to which it allocates funding. For example, the county’s Department of Mental Health (Mental Health) administers individual and group therapy services. Probation is responsible for administering 26 programs, services, and goods from the spending plan to which the subcommittee allocated \$29.1 million. As of June 2024, Probation was able to provide approved or pending invoices supporting that it had spent funding on only six of these items. The text box lists both the items on which Probation has spent funding and examples of those it has not yet provided. In addition, Probation’s spending on these items is much less than the amount the realignment subcommittee allocated. Probation has spent only \$2.3 million of \$14.8 million in approved funding for these six items.¹

Programs and Services Probation Has Provided and Not Provided

Items Provided

1. Secure Facility Staffing
2. Dog Training Program
3. Life Skills
4. Step-Down Programs
5. Gender Expansive Programming
6. Pinegrove Fire Training Camp

Examples of Items Not Yet Provided

1. Family Services, including transportation
2. Mentoring, Coaching, and Transition Planning
3. Rehabilitative services for sex offenders
4. Gang Intervention
5. Vocational Training, Cosmetology, and Music Production

Source: Los Angeles’s spending plan, invoices, and spending records as of late June 2024.

To explain the low levels of spending on programs it is responsible for administering, Probation cited difficulties in contracting with providers. Probation’s staff explained that they could not contract to provide services using block grant funds until the subcommittee approved a spending plan, which as described earlier did not substantively occur until July 2023. Additionally, the realignment subcommittee has not approved the use of realignment block grant funding on staff Probation could use to help administer programs. Notwithstanding these barriers, we found that Probation could take additional steps to plan for the timely implementation of approved programs. Probation staff explained that in April 2024, the department established a working group responsible for determining which programs exist or

¹ For the Pinegrove Fire Training Camp, Probation provided pending invoices from CDCR totaling \$20,460. These invoices were dated from late June 2024, and Probation had not approved them by the time we completed our review. As such, this amount is not included in Probation’s total spent funding presented here.

are needed for realigned youth and tracking each program's development. However, the working group has not yet developed tracking tools to provide structure and transparency about the development of programs for realigned youth, although Probation stated that it anticipates establishing this tracking in July 2025.

Although Probation has not yet provided a significant number of services from the county spending plan, department staff highlighted that it is providing required services to youth in its secure treatment facilities. State regulations require Probation to provide a specific level of services to youth in its custody, including programming—such as activities designed to reduce recidivism—as well as recreation and exercise. An April 2024 inspection of Barry J. Nidorf Juvenile Hall (Nidorf facility) by the BSCC concluded that the facility was in compliance with applicable regulations regarding programs, recreation, and exercise.² Nonetheless, as Probation indicated to us during our audit, the realignment subcommittee approved the programs, services, and goods in the realignment block grant spending plan so that realigned youth—both in and outside of secure treatment facilities—could receive specific services, such as music production and dog training. Therefore, the provision of services required by state regulations is not a substitute for the implementation of the services approved by the realignment subcommittee.

The third key reason we identified for low spending levels is that other county departments are likely not charging against the funding in a timely manner. The realignment subcommittee approved \$34.9 million in spending for programs that other county departments are responsible for administering, of which Probation's records showed that only \$7.4 million had been spent. Probation's administrative deputy and chief financial officer explained that some departments may not send invoices to Probation for their services until the end of the fiscal year. Therefore, the chief financial officer expected that the amount charged to the realignment block grant would increase when the county closes out fiscal year 2023–24.

The invoice records for one service type—Individual and Group Therapy—support Probation's assertions about delayed billing. Mental Health is responsible for providing this service and charged Probation for services it rendered from September 2022 through May 2023 in a single invoice in June 2023. The invoice was for a total of more than \$2 million out of the \$2.6 million that it was allocated in that fiscal year. Further, in April 2024, Mental Health submitted claims for reimbursement for services it provided in November and December 2023, as well as for services it provided in January and February 2024. Although the total amount of realignment block grant funds the county has spent may rise when it closes its fiscal year, it is unlikely that it will fully account for the significant gap between actual spending—\$9.7 million—and approved spending—\$64 million.

Los Angeles Is at Risk of Accumulating a Sizeable Amount of Realignment Block Grant Funds

Even if Los Angeles had spent all funding that the realignment subcommittee had approved for programs in fiscal years 2022–22 and 2023–24, it would still have tens of millions of dollars in unspent funding that the State intended for the benefit of realigned youth. As described above, the realignment subcommittee has approved spending for

² The Nidorf facility houses the majority of the realigned youth who require placement in a secure treatment facility.

39 programs, services, and goods for realigned youth with about \$64 million in associated expenses. Accordingly, even if Los Angeles were to have spent all of the funds that the realignment subcommittee has approved for services by the end of fiscal year 2023–24, it would still have approximately \$24 million in funds that it had not spent—an amount equal to 27 percent of the funding it has received. Probation stated that it expects to designate a purpose for all of the funding it receives—whether holding some funding in reserve or establishing plans to spend the funding. However, as of June 2024, Probation had not prepared a plan for reserving or spending these funds.


Moreover, the amount of spending for several programs in fiscal year 2023–24 is significantly short of the amount the realignment subcommittee approved for these programs. For example, the realignment subcommittee approved approximately \$10 million in realignment block grant funding for a credible messengers program in fiscal year 2023–24. The credible messengers program uses individuals who have experience in the youth justice system as mentors to youth presently involved in the system. As of June 2024, Probation had received invoices for the first three quarters of the fiscal year totaling roughly \$413,000. At that spending pace, the total amount spent on the program in fiscal year 2023–24 will not reach even 10 percent of the allocated funding. Such discrepancies between the amount of approved funding for programs and the amount actually spent increases the risk of continuing to accumulate realignment block grant funding.

Additionally, the amount of funding Los Angeles will receive annually will likely stay the same or increase. State law prescribes an increasing amount of funding that must go to counties in the first four years of the realignment block grant's existence—from fiscal years 2021–22 through 2024–25. For every year following that period, as long as they remain eligible for funding, state law requires that the amount provided to counties will either stay the same as the previous year's amount or increase. Because of this condition, without a plan to increase its spending on services, Los Angeles is almost certain to have a continually growing balance of unspent funds that are intended to be spent on the county's realigned youth.

The conditions we found at Los Angeles highlight the absence of related accountability measures in the realignment block grant requirements. The state law that establishes the realignment block grant requires, as of January 1, 2024, county subcommittees to provide OYCR with an annual plan for using realignment block grant funds to continue receiving these funds and also requires OYCR to make annual county plans available on its website. However, it does not require the county to provide financial information about its use of the block grant funds, such as the amount of funding that the county has actually spent. As mentioned earlier in this section, the state laws that create the realignment block grant do not specify that these funds are returned to the State if they are not used. Accordingly, Los Angeles—or any other county—could accumulate a sizeable amount of realignment block grant funding without any requirement to disclose that it was doing so. Since fiscal year 2020–21, the State has disbursed about \$362 million in realignment block grant funds to counties. However, because of a lack of reporting requirements, the State does not have any readily accessible information about the pace of spending to provide critical services to realigned youth.

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Audit Objective



Evaluate the Los Angeles ‘Youth Justice Reimagined’ planning and implementation efforts to fund and support the influx of additional youth resulting from juvenile justice realignment.

KEY POINT

- Although Los Angeles has taken steps to prepare for realigned youth as part of its wider YJR initiative, it is still working on implementing most YJR recommendations related to realigned youth.

Los Angeles has implemented close to half of the realignment-related recommendations its YJR work group made in December 2020. The YJR initiative focuses on its entire youth justice system, but some aspects pertain specifically to realigned youth. The work group responsible for leading the YJR initiative published a December 2020 report focused on the transition of realigned youth from DJJ to Los Angeles. In total, the December 2020 report contains 27 recommendations, which collectively require action by several county entities including Probation and the Department of Youth Development (DYD). We obtained and reviewed evidence of the county’s progress thus far in addressing each of these recommendations and found that the county had implemented 12 of the 27 recommendations. The table in Appendix A displays each of the recommendations and our assessment of the implementation status.

Several of the report’s recommendations asked the county to develop plans or budgets for certain services related to housing, care, and programming for realigned youth. In some cases, Los Angeles is still working to achieve full implementation of the specified service. However, we considered these recommendations implemented if the county successfully created the recommended plans or budgets. For example, the report recommended that Probation and DYD collaborate to develop a plan and budget for the initial recruitment and training for the credible messengers program. We found evidence that Probation and DYD had done so, and we therefore concluded that this recommendation was implemented. Nonetheless, as we note previously, the level of spending on the credible messengers program has lagged significantly behind the allocated budget.

In contrast, we concluded that recommendations were not complete if the county had not addressed all aspects of a recommendation. For example, the work group recommended that Probation conduct a safety and security assessment of all facilities that were potential secure treatment facilities, and it recommended that this assessment also address other aspects of the facilities. We obtained a copy of the assessment that Probation conducted of potential secure treatment facility sites. The assessment documents the positive and negative elements of the assessed sites,

including observations about community and staff safety. However, the assessment does not evaluate all of the specific elements that the work group recommended, such as an assessment of each site's potential to inspire and engage youth in opportunities for growth and learning.

Although Los Angeles has implemented some recommendations from the December 2020 YJR report, the county's progress has not always directly translated to an increased delivery of youth justice services. For example, some of the recommendations are related to the formation of the realignment subcommittee—a step that was necessary to receive state funding for realigned youth but that does not tie to providing specific services. As we noted in the previous section, Los Angeles has spent only \$9.7 million of the \$88 million in realignment block grant funding it has received, and Probation has not yet spent funding on most of the services it is responsible for administering. Given Los Angeles's ongoing efforts to implement these recommendations, along with the low level of spending we report in the previous section, we conclude that the county's efforts to finalize a restructured care model for realigned youth under its YJR initiative are still in progress.

Recommendations

Legislature

To ensure that the State has access to information about realignment block grant spending that could provide accountability and inform future decisions about funding levels, the Legislature should amend state law to require counties to include in their annual realignment block grant plans the amount of realignment block grant funds they have spent by fiscal year, as well as their total amount of unused block grant funding. The law should also require OYCR to report this information to the relevant budget subcommittees of the Legislature.

Los Angeles

To ensure that it is spending realignment block grant funding, Probation should do the following by September 2024:

- Project the estimated dates by which it expects to finalize agreements with service providers.
- Begin regularly reporting its progress in securing these agreements to the realignment subcommittee.

To ensure that it addresses the significant amount of unspent realignment block grant funds, the realignment subcommittee should include as part of its next annual spending plan a detailed approach to the timely and effective use of those unspent funds that it has already received and for the additional funding it expects to receive each year from the State. The plan should include provisions for avoiding an excessive reserve, and it should consider the extent to which the county should use this funding to address not-yet-fully implemented recommendations from the December 2020 YJR report.

We conducted this performance audit in accordance with generally accepted government auditing standards and under the authority vested in the California State Auditor by Government Code section 8543 et seq. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on the audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Respectfully submitted,



GRANT PARKS
California State Auditor

August 20, 2024

Staff: Bob Harris, Audit Principal
Grayson Hough, Senior Auditor
Brian D. Boone, CIA, CFE, Senior Auditor
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Appendix A

Youth Justice Reimagined Recommendations

To evaluate Los Angeles’s YJR planning and implementation efforts to fund and support realigned youth, we reviewed the county’s implementation of recommendations from a December 2020 YJR report that directed the county to take specific actions to prepare for youth realigned from DJJ. As we indicate earlier, we considered a recommendation implemented if Los Angeles successfully addressed all aspects of the recommendation, even if the county is still working on fully implementing a specified service. Conversely, we concluded that the recommendations were not complete if the county had not met all aspects of a recommendation. Table A shows the implementation status of each of the report’s 27 recommendations, of which the county has implemented 12.

Table A
Los Angeles Has Implemented Less Than Half of YJR Recommendations Pertaining to Realigned Youth

RECOMMENDATION NO.	TEXT OF RECOMMENDATION FROM THE DECEMBER 2020 YOUTH JUSTICE REIMAGINED REPORT*	HAS LOS ANGELES IMPLEMENTED THE RECOMMENDATION? (YES/NO)
1	Create a plan to phase the transition of Probation operations of Secure Alternatives to DJJ to the new Department of Youth Development (DYD) as soon as DYD has capacity.	No
2	Establish and fund a DJJ Youth Advisory Body to ensure the experience of youth impacted by DJJ remains centered in the implementation of SB [Senate Bill] 823, to inform and provide comments on any plan established by the JJCC [Juvenile Justice Coordinating Council] Subcommittee, and to provide recommendations regarding programming for Secure Alternatives to DJJ.	No
3a	Create a subcommittee of the multiagency Juvenile Justice Coordinating Council (JJCC) to immediately follow up on recommendations included in this [YJR] report and to develop a plan for the use of Juvenile Justice Realignment Block Grant [JJRBG] Funds to be allocated to Los Angeles County.	Yes
3b	In line with the DJJ Transition Team’s priority to center impacted youth voice and consistent with the motion from the Board of Supervisors in December 2017 to diversify and expand community representation [on] the JJCC, designate no fewer than four seats on the JJCC Subcommittee authorized by SB 823 to community members with experience providing community-based youth services, youth justice advocates, or people with direct experience in the juvenile justice system.	Yes
3c	To promote continuity, designate representatives who participated in the DJJ Transition Team to the JJCC Subcommittee.	Yes
3d	Continue to utilize the services of [an] experienced consultant(s) to support and provide facilitation of the planning process.	Yes
3e	Add [a] representative(s) from YDD [Office of Diversion and Reentry’s Division of Youth Diversion and Development] and other relevant county agencies relevant to the implementation of SB 823.	No
3f	Establish a policy for no fewer than once annual convening of the JJCC Subcommittee to review programs and interventions supported by JJRBG funds, data on youth served on the continuum of DJJ alternatives, including the use of Secure Alternatives to DJJ, data on youth prosecuted as adults, available outcome measures data, to receive feedback from the DJJ Youth Advisory Board and to modify their plan as needed.	No

continued on next page ...

RECOMMENDATION NO.	TEXT OF RECOMMENDATION FROM THE DECEMBER 2020 YOUTH JUSTICE REIMAGINED REPORT*	HAS LOS ANGELES IMPLEMENTED THE RECOMMENDATION? (YES/NO)
4a	<p>Develop [a] plan for immediate repurposing of the following existing County facilities to serve as Secure Alternative to DJJ, ensuring ideal facility attributes discussed by [the] DJJ Transition Team are considered and implemented:</p> <ul style="list-style-type: none"> i. Campus Kilpatrick by July 2021; ii. A pod within either Campus Kilpatrick or Dorothy Kirby Center to serve girls and youth with acute mental health needs who would otherwise be subject to DJJ by July 2021; and iii. Camp Gonzales by February 2022, if additional capacity is deemed necessary. 	Yes
4b	Develop a policy prohibiting the use of Barry J. Nidorf Juvenile Hall as a long-term post-dispositional track for any youth, including youth otherwise subject to DJJ.	No
5a	<p>Direct Probation to immediately conduct a safety and security assessment of any facility or pod under consideration to serve as a Secure Alternative to DJJ, contemplating the following considerations:</p> <ul style="list-style-type: none"> i. The existing or potential capacity of staff to establish safety and a sense of security within the facility through cultivating trust, communication and connection, a sense of belonging, and motivation among youth; ii. The existing or potential capacity of programming to inspire and engage youth in opportunities for growth and learning; and iii. The existing level of security versus the needed level of security through physical restraints that minimize the appearance and sense of institutionalization as much as possible; ideas included invisible bars, hidden cameras, high walls, gated grounds with security officers and remoteness from communities. 	No
5b	Direct Probation to request an onsite Title 24 compliance assessment of Camp Gonzales by the Board of State and Community Corrections (BSCC).	No
5c	Direct Probation, YDD and the Youth Justice Transition Advisory Group (YJTAG) to develop a budget using existing funds or JIRBG funds on any renovations necessary to establish Secure Alternatives to DJJ.	Yes
6a	Continue efforts that reduce the number of youth committed to camp, including the recommendations in YJR to pilot and expand the use of Safe and Secure Healing Centers to serve as alternatives to Camp.	Yes
6b	Direct Probation to implement elements of the LA Model in existing camps, ensuring that youth who previously benefited from any healing-based, care-first approach promoted at Campus Kilpatrick will receive the same benefits in other existing facilities.	Yes
7a	Direct Probation to collaborate with YDD and the YJTAG to immediately develop a plan and corresponding budget to submit to the JJCC subcommittee for the initial recruitment and training of a cohort of Credible Messengers to serve as staff at Secure Alternative to DJJ by July 2021 and to provide mentorship and reentry support for youth stepping down or exiting the facility.	Yes
7b	Direct Probation to collaborate with YDD and the YJTAG to develop a plan to ensure staffing of Secure Alternatives to DJJ prioritizes backgrounds in social work and cultural healing practices.	No
7c	Direct YDD and a new DYD, as it is erected, to continue to expand Credible Messengers beyond an initial pilot as part of a core staffing model of the continuum of DJJ alternatives, including Secure Alternatives to DJJ.	Yes
8a	<p>Develop a plan to incorporate the influence of YES [Youth Empowerment and Support] Teams in:</p> <ul style="list-style-type: none"> i. Court Dispositions for youth adjudicated of offenses enumerated in W.I.C. [Welfare and Institutions Code] 707(b) ii. Individual Treatment Plans for youth committed to Secure Alternatives to DJJ iii. Progress Reports for youth committed to Secure Alternatives to DJJ iv. Reentry Planning 	No
8b	Create a process for Step Down, as permissible by law, for youth committed to Secure Alternatives to DJJ, allowing youth to step down to home-like, therapeutic settings such as Safe and Secure Healing Centers or community-rooted supports and supervision as soon as a youth makes progress and demonstrates the ability to program successfully in a less restrictive setting.	Yes

RECOMMENDATION NO.	TEXT OF RECOMMENDATION FROM THE DECEMBER 2020 YOUTH JUSTICE REIMAGINED REPORT*	HAS LOS ANGELES IMPLEMENTED THE RECOMMENDATION? (YES/NO)
9a	Direct Probation, YDD, and the YJTAG along with the DJJ Youth Advisory Group to further flesh out the programming to be provided within the DJJ Alternative and develop corresponding budget projections.	Yes
9b	Direct Probation, YDD and the YJTAG to develop a plan, including a budget, to ensure transportation for family visitation at the Secure Alternatives to DJJ given their remote locations. Family visitation is vital to ensure ongoing contact, connection and relationship-building between youth and their families—contributing to their overall wellbeing during and after commitments.	No
9c	Direct Probation, YDD and the YJTAG in partnership with the JJCC to identify and resource the needed specialization in programming based on offense types and youth needs, including for girls and youth accused of sex-related offenses.	No
10a	<p>To ensure that there are no net-widening effects in the implementation of Secure Alternative to DJJ and that the significant racial and ethnic disparities so pronounced in previous commitments to DJJ and adult court prosecutions in Los Angeles County are not replicated with the implementation [of] local alternatives, collect and make publicly available reports with data disaggregated by race/ethnicity, gender, and age at alleged offense and most serious adjudicated offense regarding:</p> <ul style="list-style-type: none"> i. Youth eligible for Secure Alternative to DJJ ii. Youth committed to Secure Alternative to DJJ iii. Youth for whom a motion for transfer to adult court is filed iv. Youth with a transfer hearing v. Youth transferred to adult court 	No
10b	Collect and make publicly available data regarding dispositional outcomes for all youth adjudicated of offenses enumerated in WIC 707(b) disaggregated by disposition, race/ethnicity, gender and age at alleged offense.	No
10c	Collect and make publicly available data regarding sentences of youth prosecuted as adults disaggregated by most serious offense convicted, adult court disposition, race/ethnicity, gender, and age at alleged offense.	No
10d	Develop a strategy for collecting, analyzing and making publicly available key outcome data for youth served by the continuum of alternatives to DJJ, including Secure Alternatives to DJJ.	No

Source: December 2020 YJR report, various documents obtained from county departments including Probation and DYD, and interviews with Probation staff.

* With the exception of slight modifications we made for clarity, which are noted by bracketed text, the text of these recommendations are stated as they appear in the December 2020 YJR report.

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Appendix B

Scope and Methodology

The Audit Committee approved an interim audit request directing our office to evaluate various aspects of how Los Angeles has prepared for and served realigned youth. Table B shows the audit objectives the Audit Committee approved and the methods we used to address those objectives. Unless otherwise stated in the table or elsewhere in the report, statements and conclusions about items selected for review should not be projected to the population.

Table B
Audit Objectives and the Methods Used to Address Them

AUDIT OBJECTIVE	METHOD
<p>1 Identify all revenues and expenditures related to juvenile facilities and preventative and rehabilitation functions provided to Los Angeles County (Los Angeles) from July 2018 through December 2023 or most recent information available, including identifying the primary sources of those revenues and determining how the county has prioritized or adjusted its spending in light of juvenile justice realignment.</p>	<ul style="list-style-type: none"> • Obtained all available payment records related to youth justice from the State Controller’s Office’s website and identified the total payments to Los Angeles from July 2018 through June 2024. • Searched federal grant program records to identify any payments to Los Angeles for youth justice activities. • Obtained and reviewed Probation financial reports containing actual revenues and expenses for fiscal years 2018–19 through 2022–23 and a year-to-date report for fiscal year 2023–24, which summarized financial activity for the period of July 2023 through April 2024. • Identified the units within Probation that provide services to youth. • Calculated all revenues and expenses for the Probation units we identified for the period from July 2018 through April 2024. • Reviewed revenue and expense information for trends. • Interviewed Probation staff about revenue and spending trends.
<p>2 Evaluate the Los Angeles “Youth Justice Reimagined” planning and implementation efforts to fund and support the influx of additional youth resulting from juvenile justice realignment.</p>	<ul style="list-style-type: none"> • Obtained and reviewed YJR reports from October and December 2020. • Obtained and reviewed select relevant meeting minutes and motions from the board of supervisors. • Interviewed Probation staff and obtained relevant records to determine the implementation status of the recommendations from the December 2020 report.
<p>3 Determine whether Los Angeles spent state Juvenile Justice Realignment Block Grant funds (Welfare and Institutions Code sections 1990–1995) in accordance with state law and applicable grant conditions.</p>	<ul style="list-style-type: none"> • Reviewed Welfare and Institutions Code sections 1990–1995 to determine any limitations in state law on how counties may spend realignment block grant funds. • Obtained and reviewed expense information from Los Angeles for the realignment block grant. • Obtained and reviewed the county plan and realignment block grant spending plan. • Compared all invoices Probation received and approved from the realignment block grant against the county plan and spending plan to assess whether the expenses were in accordance with state law. • Interviewed Probation staff and reviewed relevant documentation to determine why Probation has not spent the remaining balance of realignment block grant funds.

Source: Audit workpapers.

Assessment of Data Reliability

The U.S. Government Accountability Office, whose standards we are statutorily obligated to follow, requires us to assess the sufficiency and appropriateness of the computer-processed information that we use to support our findings, conclusions, or recommendations.

In performing this audit, we relied on reports from the county's eCAPS accounting system to determine the amount of revenue used and expenses made by Probation on youth justice from July 2018 through April 2024. To assess the reliability of these data, we verified that the reports contained logical entries, interviewed knowledgeable staff about the reports, and traced expenses of the realignment block grant to total spending in the reports. We found these reports to be sufficiently reliable for the purpose of our audit.



GUILLERMO VIERA ROSA
Chief Probation Officer

COUNTY OF LOS ANGELES PROBATION DEPARTMENT

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



July 17, 2024

Grant Parks*
California State Auditor
621 Capital Mall, Suite 1200
Sacramento, CA 95814

Dear Mr. Parks:

RESPONSE TO STATE AUDITOR'S REVIEW OF JUVENILE REALIGNMENT FUNDING

Attached is the County of Los Angeles' (County) response regarding the California State Auditor's (Auditor's) review of the County's juvenile realignment funding. The review is the result of a directive from the State's Joint Legislative Audit Committee.

The County's response is intended to address the Auditor's findings and overarching themes from the report. The report's primary theme is the pace of spending of juvenile realignment funding allocated to the County and the potential for funding surpluses. The foundational elements of this theme include budgeting for services, tracking and implementing those services, and reporting to the State regarding funding, spending, and unspent funds. The attached provides context with respect to each of these themes.

The County appreciates the Auditor's recommendations and the professionalism and collaboration of the Auditor's team. If you have questions or need additional information, please contact Robert Smythe, Administrative Deputy, Probation Department, at (562) 940-2517 or robert.smythe@probation.lacounty.gov.

Sincerely,

Guillermo Viera Rosa
Chief Probation Officer

Attachment

c: Fesia Davenport, Chief Executive Office
Dawn R. Harrison, County Counsel
Edward Yen, Executive Officer, Board of Supervisors

Rebuild Lives and Provide for Healthier and Safer Communities

* California State Auditor's comments begin on page 37.

COUNTY OF LOS ANGELES RESPONSE TO STATE AUDITOR'S REVIEW JUVENILE REALIGNMENT FUNDING

The following provides context and corrective actions pertaining to findings and recommendations from the California State Auditor's (Auditor's) recently completed review of the County of Los Angeles' (County) utilization of juvenile realignment block grant funding.

The County established a Juvenile Justice Realignment Block Grant (JJRBG) committee to oversee the Secure Youth Track Facility (SYTF) program. The JJRBG committee established a subcommittee to focus on creation and monitoring of annual budgets for SYTF funding.

- **FINDING: "Out of \$88 million in realignment block grant funds that Los Angeles has received, it has only planned for spending \$64 million and has only actually spent \$9.7 million."**

①

The County recognizes the pace of investment in SYTF youth services is increasing as Probation, its County partners, and community-based organizations implement and enhance programs. The Auditor's report describes three key factors contributing to the pace of spending not aligning with the timing of the arrival of funding:

1. The identification of suitable facilities to house SYTF youth.
2. The identification of program service categories.
3. The development of the SYTF budget.

Each of these factors contributed incrementally to challenges implementing service delivery. The Auditor noted that the identification of suitable facilities did not occur quickly due in part to competing community interests. These delays hampered the JJRBG subcommittee's determination of appropriate program categories which precedes the development of the SYTF budget. Initial SYTF funding from the State began in Fiscal Year (FY) 2021-22. Claiming against SYTF funds did not commence until the JJRBG subcommittee approved the SYTF spending plan. A "limited" SYTF budget was available in December 2022 and a "greatly expanding spending plan" was created in July 2023.

Probation Spending for SYTF Youth:

Despite the pace of spending not being consistent with desired results, the Probation Department is providing services for SYTF youth that align with the needs of a generally emerging adult population.

The legislation that enacted juvenile realignment programs includes reference to County care and custody services for youth formerly housed in State facilities. Probation provides care and custody services such as housing, security, recreation, and educational enrichment. These services qualify for, but are not billed against, SYTF funding. The County made a conscious decision consistent with the themes of Youth Justice

Response to State Auditor’s Review Juvenile Realignment Funding Page 2

Reimagined (YJR) to not charge Probation care and custody services against SYTF funding to ensure a larger pool of SYTF dollars to support services through community-based providers, and services such as mental health, substance use disorder care, and credible messengers in conjunction with specialized County partners.

If Probation’s contributions to the operation of its SYTF facilities were claimed against SYTF funding, the spending levels would have been significantly more robust. The intentional emphasis away from spending by Probation and toward community-based providers is aligned with YJR goals and the greater care needs for youth and families.

- **FINDING: “County departments are likely not charging against the funding in a timely manner.”**

②

The timing of the Auditor’s report was such that it did not capture the full impact of Fiscal Year (FY) 2023-24 claiming against the SYTF budget. A substantial portion of services for SYTF youth are delivered through County partners such as the Department of Mental Health, Department of Youth Development, the Department of Health Services, and the Department of Public Health. It is common within some of these departments, as it is with other County departments, that the timing of expenditure claiming occurs in the last month of the fiscal year.

The precision of each fiscal year’s SYTF spending projections becomes clear in mid to late July for the fiscal year ending June 30. The Auditor’s finding about spending not aligning with allocations remains accurate, but the level of spending is anticipated to be substantially higher than the \$9.7 million identified by the Auditor.

Departments’ expenditure claims are routed through a review process by Probation, on behalf of each department, to transfer reimbursement from the special revenue fund established for SYTF resources. This special revenue fund was established to separate Probation’s budget from SYTF resources in a manner similar to the separation of Probation’s budget from Juvenile Justice Crime Prevention Act resources.

In addition to the challenges noted above, our County partner agencies experience program ramp-up timelines involving curriculum design, space allocation, and the hiring of staff including staff hired by our partner agencies’ subcontractors. Recruitment, onboarding, and background checks are each vital steps in matching the skillsets of talented people and ensuring they are appropriate stewards of sensitive services for vulnerable clients.

- **FINDING: “...Probation has yet to begin delivering a significant number of programs, services, and goods...”**

The Auditor identifies some programs that are not yet operationalized. These programs tend to involve substantial need for infrastructure and/or logistics such as developing family transportation services across the many community

Response to State Auditor's Review Juvenile Realignment Funding **Page 3**

origination points, or establishing the logistics, licensure, and safety protocols for vocational programs such as construction, cosmetology, and music production. We anticipate these programs will provide some of the most popular and beneficial services for clients and families, and we seek to balance expedited delivery with due diligence needs and implementation fidelity.

- ③ We anticipate a nimble future for service ramp-up. Program development and the resulting spending for SYTF youth services will experience a substantial increase in FY 2024-25 because of actions the County Board of Supervisors (Board) has taken to hasten the path of bringing services to fruition.

On May 2, 2023, the County Board expanded delegation of procurement and contracting authority to Probation's SYTF facilities and for Los Padrinos Juvenile Hall (LPJH). The Board subsequently provided similar delegation of authority to the Department of Youth Development. Through these delegations, the County is better able to utilize a nimble approach to service acquisition that reduces service contracting timeframes from a year or more to a matter of months. Various attributes contribute to the relative speed of contracting. But suffice to say each contracting process now advances at a far more rapid pace. The Board also provided delegated authority for procurement of commodities such as supplies that contribute to service needs.

- **FINDING: “[implement]...tracking tools to provide structure and transparency about development of programs...”**

The Auditor's discuss Probation's establishment in April 2024 of a weekly working group focused on programs for its two largest facilities: Barry J. Nidorf-SYTF and LPJH. Probation shared with the Auditor's team the goals of the working group including maintaining an inventory of implemented programs at each facility, monitoring next-steps and the timing of milestones for programs that are in the process of being developed, and convening contracting and procurement experts with operational leads to rapidly diagnose and resolve development challenges. The Auditor's finding reiterates what working group members shared with them including the group's stated intention toward utilization of tracking tools to provide structure and transparency to the monitoring of program development.

- **FINDING: “Los Angeles is at risk of accumulating a sizeable amount of realignment block grant funds.”**

The County has accumulated significant unspent realignment funds. Some of the other findings in the Auditor's report are contributing factors to the accumulation of funding. As described above, examples of these factors include the timeframes for selection of SYTF facilities, convening of the JJRBG subcommittee, preparation of the SYTF budget, acquisition and implementation of programs, and hiring timelines for service provider staff.

Response to State Auditor’s Review Juvenile Realignment Funding Page 4

Revisiting and Informing the JJRBG Approved Budget:

The current impact of SYTF program delivery and expenditure oversight is informing future decisions about SYTF budget allocations. Probation will be partnering with the JJRBG and its subcommittee to provide recommendations about funding allocations that benefit from expenditure trend analysis. These recommendations will include attributes such as shifting funding from over-allocated programs to those that demonstrate greater need. In addition, Probation and the JJRBG will collaborate to develop processes for future budget adjustments that are more agile in their enactment yet provide the transparency that is so vital to accountable allocations.

Auditor’s Recommendations

The Auditor provides two recommendations for the County.

④

RECOMMENDATIONS:

- **Project the estimated dates by which it expects to finalize agreements with service providers.**
- **Begin regularly reporting its progress in securing these agreements to the realignment subcommittee.**

These two recommendations are addressed within discussion, above, of the work group Probation established to track developing programs.

The Auditors describe that legislation creating the juvenile realignment program is “...absent of...accountability measures...” Probation offers that these measures include Statewide establishment of annual comparisons of budget allocations to spending. Probation has already implemented these measures within the County by creating reports that compare annual budget line items to spending to better inform the JJRBG committee members. Probation anticipates report-backs to the JJRBG each August or September contingent upon committee convening timeframes.

As noted in our cover letter, the County appreciates the Auditor’s recommendations and the professionalism and collaboration of the Auditor’s team.

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Comments

CALIFORNIA STATE AUDITOR’S COMMENTS ON THE RESPONSE FROM THE COUNTY OF LOS ANGELES

To provide clarity and perspective, we are commenting on the county’s response to our report. The numbers below correspond with the numbers we have placed in the margin of its response.

Los Angeles inaccurately states the three reasons we identified for its low rate of realignment block grant spending. Beginning on page 16, we describe the following reasons:

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- The two years the county took to determine the programs on which it wanted to spend realignment block grant funding.
- The significant number of programs, services, and goods that Probation has yet to deliver using realignment block grant funding.
- Delayed billing by other county departments that administer programs using realignment block grant funding.

Our report provides an accurate amount of how much realignment block grant funding Los Angeles spent as of the time of our review. The \$9.7 million we report on page 16 is inclusive of all expenses of realignment block grant funding that Probation had approved as of June 28, 2024, the last business day of the fiscal year. We acknowledge on page 18 that the total amount spent may rise when the county closes out fiscal year 2023–24. However, we also state that it is unlikely any increase will fully account for the significant gap between actual spending of realignment block grant funds—\$9.7 million—and the amount of approved spending—\$64 million.

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In its response, Los Angeles indicates its belief that it will soon substantially increase program development and spending of realignment block grant funding to support realigned youth. We look forward to reviewing the progress that the county makes as it addresses our recommendations on page 23. However, we are uncertain that one of the factors Los Angeles cites will actually assist it in moving at an accelerated pace. Although Los Angeles explains that the delegated authority for procurement and contracting that the board of supervisors granted to Probation in May 2023 will allow it to increase the pace of service delivery, this authority predates the July 2023 authorization to spend realignment block grant funding. In other words, Probation’s delegated authority has been in place for more than a year, and thus is not a new factor that would allow it to move faster than it has in the recent past. As such, on page 23, we make recommendations to Los Angeles that will allow it to better plan for and report on its progress in delivering services to realigned youth, and to better plan for how it budgets and uses realignment block grant funds.

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- ④ Los Angeles's response does not fully address all recommendations we made to the county. First, although Los Angeles responded to our recommendation that the county plan for and report on its progress in securing agreements to deliver programs, services, and goods for realigned youth to the realignment subcommittee, its response does not mention our recommendation deadline of September 2024. We believe that Los Angeles's adherence to this timing is crucial for better ensuring that the county delivers critical services to realigned youth in a timely manner. Second, on page 23, we recommend that the realignment subcommittee—which is responsible for budgeting realignment block grant funds—plan for the timely and effective use of unspent realignment block grant funds, including provisions for avoiding an excessive reserve, in its next annual spending plan. This action will help ensure that Los Angeles addresses the significant amount of unspent funds that it has received. We look forward to reviewing the county's progress in implementing these recommendations as it reports to us during our regular post-audit follow-up process.