

Executive Summary

Each year California spends nearly a billion dollars on its juvenile justice system. More than half of that amount is spent confining less than 2,000 youth offenders in state facilities. The remainder helps fund programs and services for nearly 100,000 youth supervised at the local level.¹

Spending half a billion dollars annually on such a small number of youth in state facilities is a choice the state has made. It is a sizeable investment, next year more than \$250,000 for each youth offender in confinement.² As Californians see policy-makers choose to cut budgets for higher education, health care and services for the rest of the population, they deserve an accounting for their return on this investment. They are not getting improved public safety – three out of four youth who leave state facilities commit a new crime within three years of their release.³

To a large degree, this state and its taxpayers are paying now for choices made earlier – to forego investment in adequate facilities and programs and to allow a juvenile correctional culture to develop that elevated punishment over rehabilitation.

Unsafe conditions and illegal practices in state juvenile facilities led advocates for youth offenders to file the Farrell lawsuit in 2003. In response to the litigation, the state hired experts to assess state juvenile justice operations in 2003. The experts found a system plagued by unprecedented violence and pervasive lockdowns that prevented education and counseling programs, with some youth offenders locked up 23 hours per day.⁴ In November 2004, the state entered into a consent decree in which it agreed to embark on significant reforms.⁵ The state's attempt to comply with the consent decree is a substantial driver of the rising costs. Yet nearly four years and hundreds of millions of dollars later, the state still is struggling to implement the required reforms. Though conditions have improved, the plaintiffs in the Farrell case have asked a state superior court to appoint a receiver to oversee the implementation of the agreed-upon reforms.

Realizing the state could not afford to comply with the Farrell consent decree, in 2007, policy-makers acted to reduce the number of youth offenders housed in state facilities by enacting realignment legislation

which shifted responsibility to the counties for all but the most serious youth offenders. This major step had long been recommended by youth advocates and experts, and by this Commission in 1994 and 2005, as many counties had demonstrated they were more effective and efficient in managing and rehabilitating youth offenders. As part of the realignment, the state made the historic commitment to provide counties with the money to pay for the programs and services for the shifted population.

The Commission took the opportunity to evaluate the realignment as it unfolded with the goal of making recommendations on areas in which the state could improve. This study focused on two key areas of California's juvenile justice system:

- ✓ Implementation of the realignment and what it will take to be successful and efficient.
- ✓ Effective management of the small number of youth offenders who, under the realignment legislation, will remain at the state level.

Most involved with the realignment agree that so far the process appears successful and marks an important first step in improving California's juvenile justice system, though many point to areas that require attention. In particular, while the state is giving an increasing portion of its juvenile justice budget to counties, it is not providing leadership or oversight to ensure this money is spent well or that outcomes are monitored and measured.

Juvenile justice represents a very small part – less than 10 percent by budget – of the Department of Corrections and Rehabilitation, an agency whose focus is dominated by its adult correctional operations.⁶ The agency currently is grappling with the substantial challenges of prison overcrowding and related federal litigation as well as a costly federal court receivership of its medical system. It is unrealistic to believe the agency's juvenile division will be able to get the attention it requires. The state must do what is necessary to avoid a costly court receivership of its juvenile operations. At the same time, it is untenable to continue to invest money into a system that has failed for many years and, despite recent signs of progress, will take many more years to fully turn around.

Looking forward, the state must plan to take the process to its logical conclusion – turning supervision of all youth offenders over to counties and providing the resources for counties and county consortiums to supervise the most serious youth offenders. This report provides a long-term vision for an effective, efficient and sustainable statewide juvenile justice system. In it, counties take the biggest role. The counties have

proven more adept at juvenile justice, and given time to develop or contract for programs and rehabilitation facilities and with dedicated funding, the counties could rescue the state from the grip of a fiscal and legal vice.

Realignment Leadership and Oversight

Through the 2007 realignment legislation, the state has transferred the responsibility to the counties for all but the most serious youth offenders, saving millions of dollars. The counties have long supervised the vast majority of youth involved in the juvenile justice system, but up until the realignment, they had flexibility in choosing which offenders they sent to state facilities. Under the realignment, the state has codified which offenders can be sent to the state. The realignment also dedicated new funding from the savings to counties to establish and expand programs and services for the shifted youth offender population.

Through this historic policy change, policy-makers could have, but chose not to create or designate an existing government department or committee to lead and oversee the realignment to ensure that a continuum of effective juvenile justice responses is available statewide. Policy-makers opted instead for a “hands off” approach. They tasked the Corrections Standards Authority (CSA) with administering two new grant programs:

- ✓ The Youthful Offender Block Grant, which provides annual funding to counties to expand programs and services for youth offenders.
- ✓ The Youthful Offender Rehabilitative Facilities Construction grant program, which provides up to \$100 million for counties to expand facilities for youth offenders.

Lawmakers gave the CSA a very limited oversight role.

As part of the realignment, lawmakers also revived the State Commission on Juvenile Justice and gave it responsibility for developing a Juvenile Justice Operational Master Plan by January 2009. This new commission has a short life – it will sunset when the plan is due – and although it appears to be on track with the plan development, it has not yet demonstrated whether it could live up to a broader mission of leadership or oversight. Language within a budget trailer bill to extend the life of the commission an additional year currently is under consideration by the Legislature.

Youth advocates told the Little Hoover Commission that the most serious threat to successful realignment was the lack of a leadership structure at

the state level to guide and oversee the juvenile justice system. Witnesses did not criticize state officials and staff with various state-level roles in juvenile justice, and in fact frequently praised the professionalism and dedication of those involved with the realignment and juvenile justice reforms. Witnesses also were quick to point out that the weak leadership structure was not new. Youth advocates, this Commission and others have identified this unusual structural void numerous times over the past two decades.

Now, the state has reached a critical juncture where it efficiently could establish an office to provide the leadership that has been lacking for so long. And it must do so, given the state's diminishing role in supervising youth offenders and its commitment to provide an increasing amount of taxpayer money to counties to expand their role in juvenile justice. As the state realizes savings from the reduced juvenile offender population under state supervision, it should shrink the state bureaucracy within the various juvenile justice-related entities within the California Department of Corrections and Rehabilitation (CDCR), streamline state-level juvenile justice functions and consolidate resources into a unified Office of Juvenile Justice within the governor's office. A small but focused office should be given the resources and authority to provide leadership and oversight of the state's juvenile justice system. One of its goals should be to ensure that a continuum of effective responses is consistently available statewide.

Witnesses also identified several specific shortcomings in the realignment that present opportunities for the state to bolster its efforts, including:

- ✓ The statutory code created by the realignment does not contain language to prevent counties from supplanting rather than expanding existing spending on programs and services for youth offenders with the new block grant money.
- ✓ Although counties were required to provide a plan to the state identifying how they would use the partial-year grant money provided in 2007-08, no plans are required in the future.
- ✓ Counties are not required to report how the grant money was spent, what outcomes were expected or what success they had in meeting those outcomes. A budget trailer bill that would require counties to provide an annual plan and report outcomes for the new block grant currently is pending in the Legislature.
- ✓ Grant accountability is diluted. The Corrections Standards Authority has limited oversight of the new block grants; the Department of Finance determines the grant amount; and, the State Controller's Office has fiduciary responsibility for the grants.

- ✓ The new block grant adds another funding stream to a mix of state and federal funding sources with overlapping objectives and different reporting requirements.
- ✓ The new block grant initially increased overall state funding for local juvenile offenders, until two existing state-funded grant programs – the Juvenile Justice Crime Prevention Act and the Juvenile Probation and Camps Funding – got caught in the crossfire of broader state budget maneuvering. Another funding piece is a November ballot measure that, if passed, would cement in juvenile offender funding permanently but would leave the state with little control over whether the money is used efficiently or effectively.
- ✓ Recent research has identified gaps in local juvenile offender programs, but the state lacks a way to ensure that the new money will be used to fill those gaps. In the past, significant state and federal grant money was available for juvenile hall construction. In the absence of guidance from the state, some counties overbuilt, resulting in under-utilized facilities, while other counties lack space.
- ✓ Many counties were caught off guard by the swift policy shift and are struggling to implement programs and services quickly for dangerous, severely mentally ill offenders these counties now must serve.

To ensure the success of the realignment, policy-makers should establish a state-level entity to provide leadership and oversight of the realignment effort. Additionally, policy-makers should take steps to address specific identified weaknesses in the realignment. Finally, lawmakers should lengthen the life of the State Commission on Juvenile Justice to give it the opportunity to implement its recommendations that are due in January 2009.

Recommendation 1: To improve public safety and provide statewide leadership on juvenile justice policy, the governor and the Legislature must consolidate programs and services into a streamlined Governor’s Office of Juvenile Justice outside of the California Department of Corrections and Rehabilitation, to develop a strategy for a comprehensive, statewide juvenile justice system that includes a complete and consistent continuum of evidence-based services for youth and to oversee county programs funded by state General Fund allocations. Specifically, the Office of Juvenile Justice should:

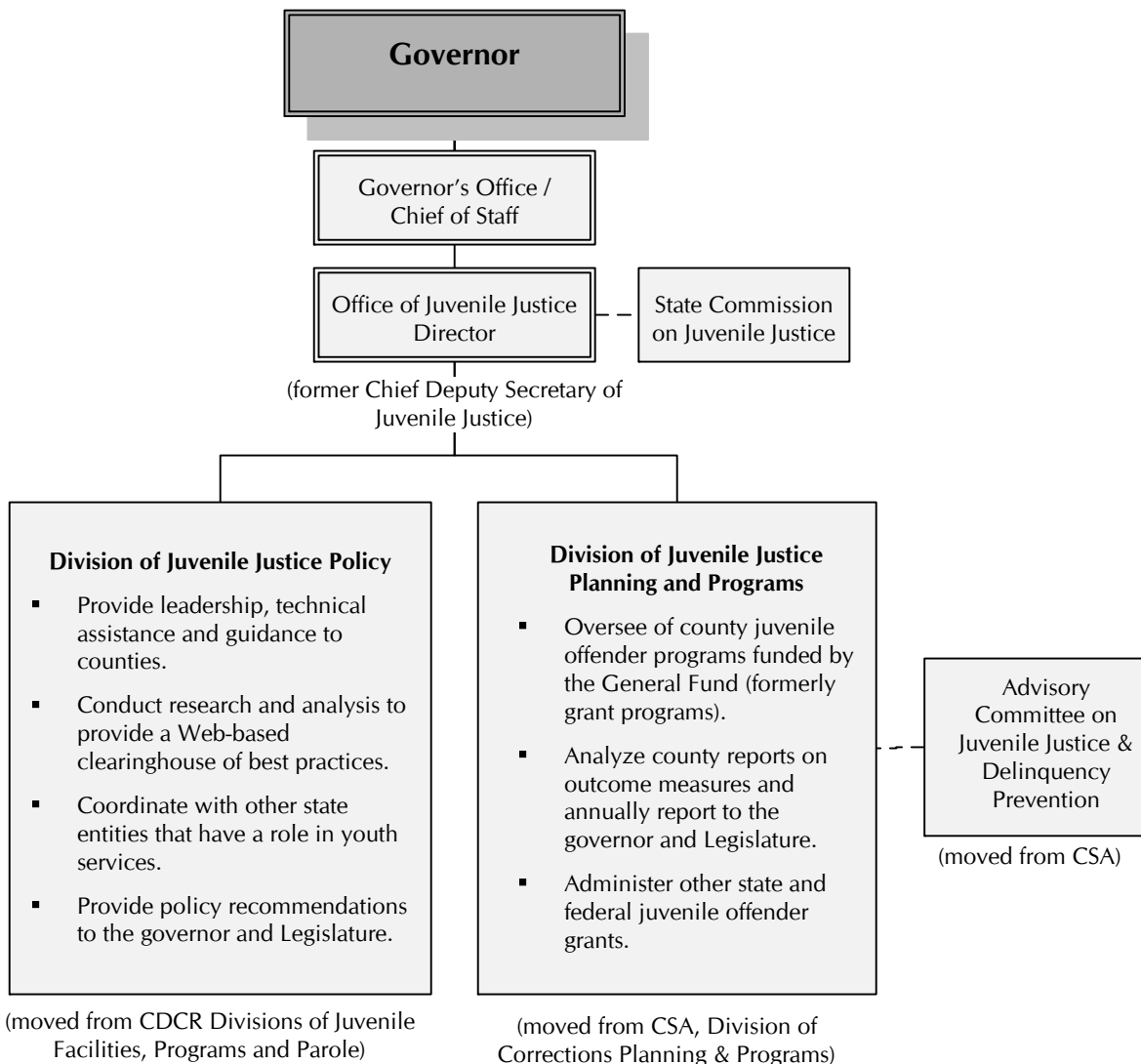
- ❑ Be led by a director, formerly the chief deputy secretary of juvenile justice, who is appointed by the governor and reports directly to the governor’s office.

- ❑ Have two divisions that coordinate and collaborate: the Division of Juvenile Justice Policy and the Division of Juvenile Justice Planning and Programs.
- ❑ Require the Division of Juvenile Justice Policy, consisting of positions shifted from the California Department of Corrections and Rehabilitation, including officials from the Divisions of Juvenile Facilities, Programs and Parole, to:
 - ✓ Provide leadership, technical assistance and guidance to help counties implement and expand evidence-based programs for juvenile offenders to improve outcomes, to set priorities for filling identified gaps and to lead and guide counties in developing regional consortiums and regional juvenile offender facilities.
 - ✓ Conduct research and analysis on best practices and provide a Web-based information clearinghouse.
 - ✓ Coordinate with other state entities that have a role in providing youth services, including the departments of mental health, alcohol and drug programs, social services and education, and provide guidance to counties on opportunities to leverage funding sources.
 - ✓ Provide juvenile justice policy recommendations to the governor and the Legislature.
- ❑ Require the Division of Juvenile Justice Planning and Programs, with positions shifted from the Corrections Standards Authority Planning and Programs Division, to:
 - ✓ Oversee county juvenile offender programs funded through annual state General Fund allocations to ensure that evidence-based programs are implemented.
 - ✓ Oversee and analyze county outcome reports and provide an annual report on juvenile justice performance measures to the governor and the Legislature.
 - ✓ Administer state and federal juvenile offender grants.
 - ✓ Be advised by the Advisory Committee on Juvenile Justice & Delinquency Prevention as federally required for the federal juvenile offender grants, shifted from the Corrections Standards Authority to the Governor's Office of Juvenile Justice.
- ❑ The new office should develop, in connection with the Corrections Standards Authority, standards and enforcement mechanisms to guide the transfer of the juvenile offender population to county and regional facilities.

Recommendation 2: To ensure the success of juvenile justice realignment, the governor and the Legislature must bolster the accountability and oversight of the Youthful Offender Block Grant by consolidating it with the Juvenile Justice Crime Prevention Act funding and the Juvenile Probation and Camps Funding program into one dedicated funding stream for local juvenile justice programs and services. Specifically, they must:

- ❑ Consolidate the state’s three major juvenile offender grant programs, using existing formulas, into one stable annually dedicated General Fund allocation tied to performance-based outcomes overseen by the Governor’s Office of Juvenile Justice.
- ❑ Require counties to provide an annual outcome report and streamline reporting requirements to match the outcomes currently required by the Juvenile Justice Crime Prevention Act.
- ❑ Strengthen the statutory code to prevent counties from supplanting juvenile offender funding.

Commission’s Proposed Organizational Structure for an Office of Juvenile Justice



Recommendation 3: The governor and the Legislature should extend the sunset of the State Commission on Juvenile Justice until January 2010 and charge it with assisting counties in implementing the recommendations in its master plan and providing oversight of the realignment process. The commission should:

- Serve as an advisory body to the Governor's Office of Juvenile Justice.
- Develop training and technical assistance for counties to assist in the implementation of the recommendations in the Juvenile Justice Operational Master Plan and report on progress implementing the recommendations in January 2010.
- Develop recommendations to improve and expand data elements reported to the California Department of Justice Juvenile Court and Probation Statistical System.

Juvenile Offenders Remaining at the State Level

State policy shifts and the overall reduction in youth crime in California have led to a significant reduction in the number of youth supervised in state facilities and on state parole. Despite the significant reduction in the state-supervised youth population, costs have continued to climb. The state spent \$344 million on youth offenders in state facilities in 1996, when the population peaked at 10,000 wards. In 2008, California will spend an estimated \$554 million on a population a fifth the size of the 1996 population.⁷ That amount includes an allocation for nearly 4,000 positions in 2008-09 to manage operations and supervise the nearly 2,000 youth offenders in state facilities and approximately 2,300 youth on state parole.⁸

Costs of implementing reforms the state agreed to in the Farrell consent decree are one reason the spending for juvenile offenders has risen. The state agreed to a major overhaul in six areas: education, medical treatment, access for wards with disabilities, sex offender treatment, mental health treatment and overall safety and welfare.

The reduction in the number of youth in state facilities coupled with a significant boost in spending to meet the requirements of the consent decree equates to more than a quarter million dollars spent each year for each youth in state custody. Plaintiffs in the Farrell lawsuit say that despite the increased spending and the commitment to reform by top officials in the state's juvenile justice divisions, there has been little progress. Some of the youth facilities have experienced a reduction in violence as well as other improvements, including an increasing number of youth attending and graduating from high school and other measurable outcomes, though overarching reforms to the entire system

have not occurred consistently. The plaintiffs have asked the court to appoint a receiver to take over implementation of the required reforms.

When the Commission reviewed the governor's plan to reorganize the Youth and Adult Corrections Agency into the California Department of Corrections and Rehabilitation in 2005, youth offender advocates warned that placing what was then the fairly autonomous California Youth Authority under the larger corrections organization would be detrimental to implementing the necessary reforms. In a combined system, the attention would be focused mainly on the department's 170,000 adult offenders. In testimony for this study, these advocates told the Commission that the reorganization has in fact impeded progress as they predicted.

Witnesses have said that Bernard Warner, the chief deputy secretary of juvenile justice, who was appointed shortly after the reorganization, and his staff are committed to implementing the agreed upon reforms. But the 2005 reorganization blunted their early efforts and since then, they have only made as much progress as the system would allow. The realignment further complicated the situation, despite its positive overall impact, by significantly reducing the previously projected juvenile offender population, requiring new plans for consolidation and speeding the closure of some of the state's out-dated juvenile facilities.

Seven of the state's eight juvenile facilities were built 40 or more years ago. The state's newest facility, built in 1991, was designed more like a mini-prison than the modern rehabilitative model structures that other states have designed and built successfully. The Legislative Analyst and the CDCR have written that the existing facilities are physically obsolete and are not designed to meet the rehabilitative needs of the current population of youth offenders.⁹ Building new facilities or adapting existing structures is likely to be prohibitively expensive.

Given the shrinking youth offender population, the state's dismal track record in providing effective rehabilitative programs, the costs of responding to the Farrell lawsuit and California's crumbling juvenile facilities, the state should continue the process started with the 2007 realignment and embark on a path to turn all youth offender supervision over to the counties.

This recommendation is by no means a reflection of the efforts of the dedicated and professional staff working hard to comply with the courts and bring about long-overdue reform. Under difficult circumstances, signs of progress are beginning to emerge. Unfortunately, compliance and reform come at a price that the state cannot afford to pay.

Other states have decentralized youth corrections, improving public safety and programs and services for youth offenders, and did so at a much lower cost. Missouri – often cited as a successful example of decentralization – shifted from a punitive system with two central facilities to a regionally-based rehabilitative approach with 42 facilities spread across the state. The annual cost per bed is about \$47,000, or one-fifth what California spends.¹⁰

Missouri and other states can provide models for how decentralized youth corrections should look and function, though any attempt to do so should recognize that California is one of just two states where local government is the primary source of probation funding.¹¹ Additionally, two small groups of youth offenders in state facilities – those beyond age 21 and those who will transfer to adult prison with long or life sentences – would require policy-makers to review and possibly revise state jurisdictional policies for youth offenders.

County probation departments are in no position to immediately take on the remaining serious, violent and older youth offender population, as they are still adjusting to the abrupt implementation of the 2007 realignment legislation as well as the uncertainty of state funding given California's estimated \$15 billion deficit for 2008-09.¹² Counties could, however, take on this responsibility, given time and resources to plan, develop and contract for programs; adequate time to establish regionally-based facilities; and, given a dedicated source of money to pay for these programs and facilities.

The Commission has recommended that the state establish a Governor's Office of Juvenile Justice to provide leadership and oversight of the state's juvenile justice system to improve public safety and to ensure the success of the realignment. The current leadership of the state's divisions of juvenile facilities, programs and parole should be consolidated and transferred into this new office. The new office should be outside the organizational structure of the CDCR and should guide and oversee the development of joint state-local juvenile justice strategies. These strategies should include multi-county consortiums and build-lease arrangements for regional facilities. Simultaneously, the state should develop and implement a plan to close all existing state-run juvenile facilities and eliminate all state supervision of youth offenders.

Recommendation 4: The state should eliminate its juvenile justice operations by 2011. As previously described, the governor and the Legislature must consolidate all programs and services for juvenile offenders into a Governor’s Office of Juvenile Justice. In addition to the responsibilities described previously, the office should:

- ❑ Guide, facilitate and oversee the development of new regional rehabilitative facilities or the conversion of existing state juvenile facilities into regional rehabilitative facilities for high-risk, high-need offenders to be leased to and run by the counties.
- ❑ Provide counties with sustained, dedicated funding to establish programs and services for regional facilities.
- ❑ As regional facilities become fully operational, the state should:
 - ✓ Eliminate state juvenile justice operations, including facilities, programs and parole and the Youthful Offender Parole Board. All juvenile offender release decisions should be made by presiding juvenile court judges.
 - ✓ Provide guidance and oversight of the regional juvenile facilities and administer dedicated funding to counties to manage the regional juvenile offender programs and services tied to performance-based outcomes.

