Report on

Potential Impact of Reduced Fiscal Year 1980 Funding of the Law Enforcement Assistance Administration's Juvenile Justice and Delinquency Prevention Program

Submitted by the Investigations Staff, Committee on Appropriations United States Senate to the Subcommittee on State, Justice, Commerce, the Judiciary and Related Agencies

Report No. 79-4 June 1979
MEMORANDUM

June 11, 1979

TO: Hon. Warren G. Magnuson, Chairman, Committee on Appropriations
FROM: W. Donald Gray, Chief, Investigations Staff
SUBJECT: Potential Impact of Reduced Fiscal Year 1980 Funding of the Law Enforcement Assistance Administration’s Juvenile Justice and Delinquency Prevention Program

On March 30, 1979, in response to a request from the Chairman of the Subcommittee on State, Justice, Commerce, the Judiciary and Related Agencies, you authorized and directed the Investigations Staff to conduct an inquiry concerning the above-named subject.

The inquiry has been completed and the results are set forth in the attached report.
INTRODUCTION

In a letter dated March 28, 1979, the Chairman of the Subcommittee on State, Justice, Commerce, the Judiciary and Related Agencies, Senate Committee on Appropriations, requested an investigation of conflicting testimony regarding the potential impact of reduced funding of the juvenile justice and delinquency prevention program of the Law Enforcement Assistance Administration (LEAA). The Department of Justice insists there is $162 million of unspent funds from 1979 and prior year appropriations in the pipeline and on that basis has requested only $50 million for the juvenile justice program in fiscal year 1980, a reduction of $50 million or 50 percent from fiscal year 1979. Various outside organizations have testified that this is an erroneous assumption and that the funds in the pipeline are committed and not available for fiscal year 1980.

On March 30, 1979, the Chairman of the Committee on Appropriations directed the Investigations Staff to undertake such an investigation.

SCOPE OF INQUIRY

The Investigations Staff met with officials and examined records of the State Criminal Justice Planning Agencies in Alabama, California, Florida, Illinois, Michigan, New York, Ohio, Pennsylvania, and Texas. These states accounted for about 50 percent of the Federal grants to the States and Territories for the juvenile justice program in fiscal year 1979.

We also interviewed officials of LEAA, the General Accounting Office, and the National Conference of State Criminal Justice Planning Administrators in Washington, D.C. and reviewed agency instructions, summaries, and reports; and Congressional hearings, legislation, and reports.
SUMMARY

In fiscal year 1979, 51 States and Territories were receiving formula grants under the juvenile justice and delinquency prevention (JJDP) program. These grants are primarily used by the States to provide alternative housing for status offenders and non-offenders, such as neglected or abused children, who were formerly housed in institutions. Participating jurisdictions are required to achieve complete deinstitutionalization of status offenders and non-offenders five years after they initially receive funds under the act.

The Investigations Staff visited nine States, which accounted for almost 50 percent of the fiscal year 1979 formula grants to the States, to determine the impact of the Administration's proposed 50 percent reduction in fiscal year 1980 funding. Limited initial funding, a comprehensive planning and approval process, and confusion regarding program guidelines, resulted in delays and problems in implementing the JJDP act. Despite such problems, all of the States contacted believe they are administering successful programs and have in place a coordinated and comprehensive planning and approval process which carries out the mandates of the act. While programs vary from State to State, all States were making progress toward achieving the complete deinstitutionalization of status offenders.

Generally, the State officials said that the proposed reduction in program funding for fiscal year 1980 would severely damage the JJDP program and would probably preclude them from achieving the complete deinstitutionalization of status offenders within the statutory time limit. Only one said his State's program would not be harmed by the proposed funding cut; officials from the remaining States said that the funding cut could not come at a worse time because they have just overcome the initial problems in implementing a new act, have convinced local jurisdictions to participate in the program, and have otherwise developed a systematic and coordinated program for achieving the mandates of the act. Most of the States said they would not be able to undertake new projects under the reduced program funding and could not fund all existing projects for the entire fiscal year if the proposed cuts were effected.

The Investigations Staff does not believe the Department of Justice has made a convincing case for imposing the proposed funding cut and still expecting States to meet the deinstitutionalization requirements contained in the JJDP act. In proposing the funding reduction, the Department apparently did not give adequate consideration to the newness of the JJDP act in comparison to other Justice and LEAA programs and the binding nature of commitments which the States have made to spend program funds in the future.

Verification of the States' statements regarding the impact on existing projects would require individual examination of States' projects—a step which was beyond the scope of the Investigations Staff's study. The General Accounting Office is currently conducting a more thorough review of the juvenile justice program which may or may not justify the proposed reduction in program funding. However, based on its study, the Investigations Staff does not believe that a fifty percent cut in JJDP formula funding to the States is justified at this time, if the States are to be held to the 5-year statutory mandate for deinstitutionalization. Moreover, such a cut could irreparably harm the program.

If the Subcommittee does not wish to fund the JJDP program for fiscal year 1980 at the same level as in the past, it may wish to consider imposing only a 25 percent reduction in the formula grants to the States which should enable most of the States to at least maintain the status quo of their JJDP programs through fiscal year
Dear Ms. Lundy

Attached, per your request, is a copy of our Report No. 79-4, "Potential Impact of Reduced Fiscal Year 1980 Funding of the Law Enforcement Assistance Administration's Juvenile Justice and Delinquency Prevention Program."

Don Gray, Chief
Investigations Staff
1980. A substantial portion of the 25 percent increase over the Administration's proposed funding of the formula grants could probably be achieved through reprogramming funds from special emphasis and other JJDP programs, such as was accomplished in fiscal year 1978.
BACKGROUND

The Juvenile Justice and Delinquency Prevention Act of 1974 was enacted to provide a comprehensive, coordinated approach to the problems of juvenile delinquency. The act was intended to:

—develop and implement effective methods of preventing and reducing juvenile delinquency;
—develop and conduct effective programs to prevent delinquency, to divert juveniles from the traditional juvenile justice system and to provide critically needed alternatives to institutionalization;
—improve the quality of juvenile justice in the United States; and
—increase the capacity of State and local governments and public and private agencies to conduct effective juvenile justice and delinquency prevention and rehabilitation programs and to provide research, evaluation, and training services in the field of juvenile justice delinquency prevention.

The act authorizes Federal grants to States to assist them in planning, establishing, operating, coordinating, and evaluating projects directly or through grants and contracts with public and private agencies for the development of more effective education, training, research, prevention, diversion, treatment, and rehabilitation programs in the area of juvenile delinquency and programs to improve the juvenile justice system. The grants are allocated annually among the States on the basis of relative population of people under age eighteen. However, no State may receive less than $225,000; no territory may receive less than $56,250.

To receive the formula grant, a State must develop an acceptable comprehensive plan which addresses the purposes of the act. Juvenile justice funds are available to the States for three years after which they revert to LEAA. Funds are administered by state planning agencies, which were previously established to administer LEAA programs authorized by the Omnibus Crime Control and Safe Streets Act of 1968. To preserve traditional funding of juvenile programs under the latter act, the 1974 act required that the States continue spending at least 19.15 percent of other LEAA funds on juvenile programs and projects to qualify for the juvenile justice funds.

Twenty-five percent of the funds appropriated annually for the juvenile justice program are available only for special emphasis prevention and treatment grants and contracts awarded at the discretion of LEAA. At least 30 percent of the special emphasis funds are to go to private, nonprofit organizations which have experience in dealing with youth.

Section 228(a) of the Juvenile Justice Act provides that in accordance with criteria established by LEAA, it is the policy of Congress that programs funded under the act shall continue to receive financial assistance providing that the yearly evaluation of such programs is satisfactory. LEAA guidelines require that each State indicate the (1) minimum duration of each juvenile justice program described in its comprehensive plan and (2) the minimum number of years that funding may be requested and received for projects in each program.

The guidelines require that each funded project shall receive funding for the minimum number of years, unless prematurely ended due to:

—a substantial decrease in Federal funding to a State under the act;
—an applicant’s failure to comply with the terms and conditions of the award; or
—an applicant’s failure to receive a satisfactory yearly evaluation.
The major thrusts of the juvenile justice act are to (1) eliminate the institutionalization of status offenders and (2) separate juvenile offenders and adults in secure detention. Status offenders are juveniles who are charged with or who have committed offenses (such as truancy or running away) which would not be criminal if committed by an adult. A juvenile offender is a juvenile who has committed an offense which would have been a crime if committed by an adult. The act calls for the deinstitutionalization of 75 percent of a State's status offenders within three years after a State receives funds under the act and complete deinstitutionalization of status offenders within five years. The act states that failure to achieve compliance shall terminate a State's eligibility for funding. A 1977 amendment to the act stated that juvenile non-offenders (such as neglected or abused children) should be afforded the same protection as status offenders. Monitoring efforts are required to determine the actual deinstitutionalization and separation.

The act established an Office of Juvenile Justice and Delinquency Prevention (OJJDP) within LEAA. The Office is headed by an Assistant Administrator appointed by the President. A 21-member Advisory Committee, appointed by the President, advises OJJDP on various aspects of its operation. Members are required to be knowledgeable in the areas of delinquency prevention and juvenile justice. A majority of the advisory committee cannot be government officials and seven members must be under age 26 at the time of their appointment.

**Program Participation and Funding**

The number of participating jurisdictions and amount of Federal funds under the program has increased since inception of the act in 1975. Fifty-seven jurisdictions (50 States, District of Columbia, American Samoa, Guam, Mariana Islands, Puerto Rico, Trust Territory, and Virgin Islands) are eligible for funding under the act. The number of participating jurisdictions grew from 43 in fiscal year 1975 to 51 in fiscal year 1979; Federal funding grew from $10.6 million in fiscal year 1975 to $63.7 million in fiscal year 1979. The following table shows the number of participating jurisdictions and the Federal funds awarded during fiscal years 1975 through 1979.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number of Participants</th>
<th>Total Federal Grants (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975</td>
<td>43</td>
<td>$10.6</td>
</tr>
<tr>
<td>1976</td>
<td>43</td>
<td>24.6</td>
</tr>
<tr>
<td>1977</td>
<td>46</td>
<td>43.2</td>
</tr>
<tr>
<td>1978</td>
<td>50</td>
<td>* 61.6</td>
</tr>
<tr>
<td>1979</td>
<td>51</td>
<td>63.7</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$203.7</td>
</tr>
</tbody>
</table>

* Excludes a supplemental appropriation of $10.1 million.

The Administration's fiscal year 1980 budget for JJDP provides $50 million allocated for:

- Formula Grant: $30,375,000
- Special Emphasis: 10,125,000
- Juvenile Justice Institute: 5,500,000
- Technical Assistance: 3,000,000
- Concentration of Federal Effort: 1,000,000

**Delays and Problems in Implementing the Act**

Limited initial funding, a comprehensive planning and approval process, and confusion regarding program guidelines, resulted in delays and problems in implementing the juvenile justice act.

Although the act authorized a $350 million program over three fiscal years, only about $78 million was appropriated during the first three years. The primary reason for the low level of appropriations was Administration opposition to higher funding.
The fiscal year 1975 appropriation for the program was only $10.6 million; the largest State grant of fiscal year 1975 funds was only $680,000. Caution dictated by the newness of the program, the lack of Administration support, the low level of funding, and the eligibility requirement that States develop a comprehensive plan for carrying out the objectives of the act contributed to delays in implementing the act. Moreover, since the act requires most of the funds to be expended at the local level, State planning agencies had to elicit support and involvement of municipalities, counties, regional planning units, and the State. Commissions or advisory boards at each level must consider and recommend approval of proposed projects.

The fact that fiscal year 1975 funds were not awarded until fiscal year 1976 caused a further delay in implementing the act. For example, Ohio did not receive its fiscal year 1975 award of $383,000 until August 1975. Ohio officials told the Staff that after receiving the award, they had to hire staff, appoint a State Advisory Committee, and write directives. Ohio's juvenile justice plan was not approved by LEAA until June 1976 after which they had to write guidelines for potential participants. None of the nine States contacted by the Staff was able to initiate a juvenile justice project with fiscal year 1975 funds before early 1976. The fiscal year 1976 award to the States was increased to $24.6 million, but it was also awarded late in the fiscal year.

Officials in every State contacted by the Investigations Staff complained about OJJDP guidelines which implement the act. State officials say that the act is well written, but that the implementing guidelines and changes thereto have caused real problems in carrying out the intent of the act. Specific areas which caused confusion were definitions of detention and correctional facilities, a requirement to specify minimum years of funding, conflicts between OJJDP guidelines and State laws, and policies toward private, nonprofit institutions. For example, officials in Michigan initially assumed that juveniles in private institutions were not covered by the act and ignored them in the planning process. However, in early 1977, OJJDP told them that private institutions were covered and later the 1977 amendments to the act specifically included such institutions in the coverage of the act. This change caused the State to completely redirect its program and substantially reduced the State's level of compliance with the act. According to a State official, the Federal Government changed the rules of the game two years after the act was passed and still expected the State to comply with the old statutory timetable.

In several States, officials told us that OJJDP's definition of correctional and detention facilities was too restrictive in that the placement of one juvenile offender in a facility would cause the facility to be considered a correction or detention facility. In New York, officials told us that in 1978, over 4,000 status offenders and non-offenders were considered as being institutionalized because they were located in facilities which handled as few as one juvenile delinquent. This had a significant adverse impact on the State's compliance with the deinstitutionalization requirements.

State officials also told us that (1) differences between the State, Federal, and subgrantee fiscal years, (2) subgrantee problems in obtaining matching funds, and (3) limited staffing capabilities at the State, local, and private institution levels also caused delays in implementing the act. Finally, some States said that the 1977 amendment which extended coverage of the act to dependent and neglected juveniles also caused them to redirect their programs and reduced their level of compliance with the deinstitutionalization requirements.

**Current Program Status**

Despite the initial problems and delays in implementing the act, officials in the nine States visited by the Investigations Staff generally believe that as of the Spring of 1979, they are administering successful programs and have in place a coordinated and comprehensive planning and approval process which will carry out the mandates of the act. While programs vary from State to State, all States were making progress toward achieving the complete deinstitutionalization of status offenders. A synopsis of
JJDP operations in the States contacted by the Investigations Staff is included as an appendix to this report.

State officials said that it has not been easy to achieve the current program status. Four of the States (California, Florida, New York, and Pennsylvania) have enacted State laws which prohibit the institutionalization of status offenders. However, the existence of such a law does not per se provide for deinstitutionalization. Officials in California told us that no funds were appropriated to implement the law until a year after the act's passage. In Florida, officials told us that there were certain rural sections of the State where there was just no alternative to institutionalizing status offenders.

The other five States have had different problems in achieving deinstitutionalization. Officials told us that they have had to convince policemen, communities, juvenile judges, corrections officials, and the criminal justice system in general to provide for deinstitutionalization and separation, and these alternatives often run counter to the traditional treatment of juveniles. Texas' Family Code conflicts with the JJDP requirement that status offenders be released within 24 hours. The Family Code provides that the following four types of status offenders will not be released until their safety and welfare is provided for:

- a child who refuses to identify himself;
- a runaway who is awaiting return to parents or guardians;
- a carrier of a communicable venereal disease; and
- a combative child who will probably do harm to himself or others or to property.

As a result of the conflict between the laws, the State may never be able to achieve complete deinstitutionalization of status offenders.

The 3-year availability of the funds, coupled with the previously described problems in implementing the act, has resulted in a retarded flow of funds in the States. One State official told us that the very nature of the JJDP act precluded a rapid expenditure of formula funds during the early years of the program because the act focused on alternative placement of status offenders. Moreover, even after a typical project, such as a boys' or girls' home, had been approved and the funds committed or subgranted, the subgrantee had to locate and acquire a residence (which often includes overcoming community resistance), furnish the home, and obtain qualified staff. These activities and the lag in reporting expenditures to the State planning agency might result in the passage of several months between the project award and the first reported expenditures.

California officials cited the following example of problems with juvenile justice fund flow. In February 1976, a county proposed a $56,000 project for shelter diversion of status offenders. In September 1976, the State Criminal Justice Commission approved funding of the project with fiscal year 1976 funds. Following OJJDP approval of the State's comprehensive plan, the county issued a request for proposal specifying that the project was to be conducted by a private agency. Only one response to the RFP was received in January 1977 and sole source approval was requested for the award. In March 1977, during the approval process, the private agency notified the county that it was withdrawing its response to the RFP because it was unable to find suitable housing with the budget limitation in the prospective contract. Subsequently, the county Board of Supervisors negotiated for three months with the zoning commission and later passed an emergency appropriation for matching funds and authorized establishment of the placement facility in a vacant county property. Additional time was required to furnish the facility and staff the project, and the State Planning Agency did not actually award the funds for the project until March 1978. Because of normal reporting lags, project expenditure data for March 1978 would probably not have been reported to LEAA until July or August 1978.

States also have different policies toward funding individual juvenile justice projects. Ohio initially agreed to fund projects ad infinitum as long as the project did not receive a negative evaluation, but in 1978 changed its policy to fund projects for a
specific period of time, usually 3 years. The following table shows the length of time the remaining eight States agree to provide Federal funds to subgrantees:

<table>
<thead>
<tr>
<th>Length of time (years)</th>
<th>Number of States</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>2½</td>
<td>1</td>
</tr>
<tr>
<td>3½</td>
<td>1</td>
</tr>
<tr>
<td>3-10</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
</tr>
</tbody>
</table>

States either fully fund projects for the specified length of time or phase down Federal funding over the length of their participation.

State officials said that the fiscal year 1978 awards were finally large enough to support a meaningful juvenile justice program within their States. Only Texas experienced serious problems in finding applicants for its funds and most States said they had waiting lists of potential subgrantees. The following table shows for fiscal years 1975-1978 the total amounts awarded to each of the nine States, the amounts and percentages obligated or subgranted for specific projects and programs, and the amounts and percentages expended as of March 30, 1979.

### Fiscal Years 1975–1978 Fund Flow

<table>
<thead>
<tr>
<th>State</th>
<th>Total Award</th>
<th>Funds Committed</th>
<th>Funds Expended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Federal</td>
<td>Amount</td>
<td>Percent</td>
</tr>
<tr>
<td>Alabama</td>
<td>$2,093</td>
<td>$1,810</td>
<td>86.5</td>
</tr>
<tr>
<td>California</td>
<td>14,413</td>
<td>13,010</td>
<td>90.3</td>
</tr>
<tr>
<td>Florida</td>
<td>4,930</td>
<td>4,021</td>
<td>81.6</td>
</tr>
<tr>
<td>Illinois</td>
<td>8,093</td>
<td>5,873</td>
<td>72.6</td>
</tr>
<tr>
<td>Michigan</td>
<td>6,953</td>
<td>6,607</td>
<td>95.0</td>
</tr>
<tr>
<td>New York</td>
<td>12,419</td>
<td>10,469</td>
<td>84.3</td>
</tr>
<tr>
<td>Ohio</td>
<td>7,932</td>
<td>5,728</td>
<td>64.7</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>8,123</td>
<td>4,837</td>
<td>59.6</td>
</tr>
<tr>
<td>Texas</td>
<td>8,270</td>
<td>6,564</td>
<td>79.4</td>
</tr>
<tr>
<td>Total</td>
<td>$73,226</td>
<td>$58,319</td>
<td>79.6</td>
</tr>
</tbody>
</table>

According to the States, the amount obligated or committed is the significant measure of the program’s success because it reflects the amount of funds which are morally (and in most cases, legally) obligated to specific projects. They believe that LEAA’s references to the low level of program expenditures are misleading and ignore the situation in the real world. States are required to submit quarterly reports to LEAA on program expenditures, but are not required to report on amounts subgranted. States are requested to submit subgrant data, but not all States comply. According to an LEAA official, the value of the subgrant data which is submitted is marginal because of inconsistencies in the States’ reporting procedures.

States contend that LEAA’s use of low expenditure data to justify funding cuts is also misleading in that it fails to consider a $10.1 million supplemental award of fiscal year 1978 funds which was not awarded to the States until the latter part of September 1978, leaving insufficient time to spend it during the fiscal year. In the case of California, the supplemental award represented about 16.5 percent of the State’s initial award for the fiscal year. According to an LEAA official, the States knew as early as June or July of 1978 that they would be receiving a supplemental award of between $10 and $30 million due to the reprogramming of the special emphasis funds. Texas told us that it refused to accept its portion of the supplemental award because it had strings attached saying the funds had to go to deinstitutionalization projects. California said it would not spend any of the 1978 supplemental until they learned of final action on the fiscal year 1980 appropriation. If funding is cut, it plans to use the supplemental funds to take up some of the slack.
Finally, the States pointed out that the expenditure figures cited by LEAA are further understated because of as much as a five to six month lag in the reporting of program expenditures to LEAA. Except for Texas, officials believe they are moving funds as quickly as can be expected under the program. They feel it is unfair to compare the expenditure rate of the juvenile justice program with other LEAA programs because the State Planning Agencies have had five to six more years experience in dealing with the other programs and because the other programs are better accepted by the criminal justice community.

All the States believe that the juvenile justice program is a good one and addresses an area that had not been receiving enough emphasis under the traditional approach. All of the States believe that they are making substantial progress toward meeting the objectives of the act.

**Impact of the Proposed Fiscal Year 1980 Reduction in Program Funding**

Generally, the State officials said that the proposed reduction in program funding for fiscal year 1980 would severely damage the juvenile justice program and would probably preclude them from achieving the complete deinstitutionalization of status offenders within the statutory time limit.

Only Texas said that its juvenile justice program would not be harmed by the proposed funding cut, because they have had problems in moving their funds. State officials said the local jurisdictions' top priority is violent juvenile offenders and they are just not interested in deinstitutionalization projects. They stated that they have "force fed" JJDP funds to everybody in the State that will take them and they have substantial funds just sitting in the bank waiting for deinstitutionalization applicants.

The remaining States unanimously stated that the funding cut could not come at a worse time because they have just overcome the initial problems in instituting a new program, have convinced local jurisdictions to participate in the program, and have otherwise developed a systematic and coordinated program for achieving the mandates of the act. Only Michigan would be able to undertake new projects under the reduced program funding and that would involve only three new projects. The other States said that they would be unable to start any new projects or could not fund all existing projects for the entire fiscal year if the proposed cuts were effected. They stated that their inability to start new projects would substantially curtail their efforts to achieve further deinstitutionalization and would probably preclude them from achieving complete deinstitutionalization within the statutory time limit.

All nine States said the psychological impact of the reduced fiscal year 1980 funding would be disastrous to the continued, systematic implementation of the act because it will be interpreted by the local jurisdictions as the first step by the Federal Government to abandon the objectives of the act. Specifically, the States feel that the proposed funding cut might:

- destroy the goodwill they have established with participating local governments;
- discourage nonparticipating jurisdictions from applying for projects under the act;
- cause the termination of some projects, such as alternative homes, leaving no alternative to sending some juveniles to institutions; and
- at the worst, result in States dropping out of the program and reverting to previous policies toward status offenders and other juveniles.

Verification of the States' statements regarding the impact on existing projects would require individual examination of State's projects—a step which was beyond the scope of the Investigations Staff's study. Obviously, States would prefer to have funding of the juvenile justice program continued or increased from the level of funding in fiscal year 1979. However, the Staff's dialogue with State officials provided indications that most of the States could at least maintain the status quo of their programs with less than the full funding level of fiscal year 1979, if.
program funding and Federal support of the act at the fiscal year 1979 level were continued in fiscal year 1981; and
the deadline for compliance with the deinstitutionalization requirement was postponed.

If reduced funding of the juvenile justice program is inevitable in the fiscal year 1980 appropriations process, an alternative course of action favored by many of the States would be recognition of the latter two points in the appropriations law and funding of the program at 75 percent of the fiscal year 1979 level.
CONCLUSIONS AND RECOMMENDATIONS

The JJDP program has laudable objectives and the nine States contacted by the Investigations Staff appear to have implemented systematic and meaningful programs aimed at achieving the objectives of the act.

The proposed reduction in program funding will severely damage the JJDP program and will probably preclude most States from achieving deinstitutionalization within the statutory time limit. The reduction will also have a significant adverse effect on local jurisdictions' perception of the JJDP program and may undermine efforts made to date to encourage local participation in the program.

The Investigations Staff does not believe the Department of Justice has made a convincing case for imposing the proposed funding cut while still expecting States to meet the deinstitutionalization requirements contained in the JJDP act. In proposing the funding reduction, the Department apparently did not give adequate consideration to the newness of the JJDP act in comparison to other Justice and LEAA programs and the binding nature of commitments which the States have made to spend program funds in the future.

The General Accounting Office is currently conducting a more thorough review of the juvenile justice program which may or may not justify the proposed reduction in program funding. However, based on its study, the Investigations Staff does not believe that a fifty percent cut in JJDP formula funding to the States is justified at this time, if the States are to be held to the 5-year statutory mandate for deinstitutionalization. Moreover, such a cut could irreparably harm the program.

If the Subcommittee does not wish to fund the JJDP program for fiscal year 1980 at the same level as in the past, it may wish to consider imposing only a 25 percent reduction in the formula grants to the States which should enable most of the States to at least maintain the status quo of their JJDP programs for fiscal year 1980. A substantial portion of the 25 percent increase over the Administration's proposed funding of the formula grants could probably be achieved through reprogramming funds from special emphasis and other JJDP programs, such as was accomplished in fiscal year 1978.

Finally, if the Department of Justice wishes to accomplish a budget cut which it contends is truly aimed at fighting inflation, the Investigations Staff believes it should target a program with a high rate of expenditures rather than a program such as juvenile justice which has a comparatively low rate of expenditures.
APPENDIX

SYNOPSIS OF JJDP OPERATIONS IN STATES CONTACTED BY INVESTIGATIONS STAFF

ALABAMA

Alabama did not enter the JJDP program until fiscal year 1977. Prior to this, State officials thought the funds to be minimal with too many strings attached. Since 1977, the State has received about $3.2 million in formula grants ranging from $813,000 in fiscal year 1977 to $1.1 million in fiscal year 1979. Under the Administration's proposed fiscal year 1980 budget, the State would receive $492,000. Alabama funded its first project in October 1977 and is now funding 19 projects, most of which are community-based residential facilities. Projects are funded with 3 to 10 year commitments. According to Alabama officials, under the proposed budget cut, they would fund no new projects, would probably fall short of their fiscal year commitments, and could anticipate some projects dropping out of the program.

CALIFORNIA

California has received $20.4 million in formula grants ranging from $680,000 in fiscal year 1975 to $5.9 million in fiscal year 1979. Under the Administration's proposed fiscal year 1980 budget, California would receive about $2.7 million. A 1977 State law prohibits institutionalization of status and non-offenders. California funded its first project in early 1976 and funds projects for three years. As of May 1979, California was operating about 68 JJDP projects. Because of the State law and related funding, California funds a larger percentage of projects which do not deal with deinstitutionalization. According to California officials, under the proposed budget cut they would fund no new projects, fund as many continuation projects as they can, prematurely terminate some projects, and use their presently uncommitted supplemental award from fiscal year 1978 to cushion the shortage of funds in 1980.

FLORIDA

Florida has received $7.1 million in formula grants ranging from $216,000 in fiscal year 1975 to about $2.2 million in fiscal year 1979. Under the Administration's proposed fiscal year 1980 budget, Florida would receive $957,000. Florida's first project was funded in September 1976. Projects receive funds for 3 to 5 years; however, Statewide projects funded to not-for-profit organizations do not have the required assumption funds and may be funded longer than 5 years. Currently, Florida is funding about 103 JJDP projects, the majority of which are for diverting juveniles from the juvenile justice system and new approaches toward preventing juvenile delinquency. According to Florida officials, under the proposed cut, they would fund no new projects, fund as many continuation projects as could be funded and monitored, probably lose their automated data system, and lose staff to administer the Act.

ILLINOIS

Illinois has received about $11.3 million in formula grants ranging from $389,000 in fiscal year 1975 to $3.2 million in fiscal year 1979. Under the Administration's proposed fiscal year 1980 budget cut, Illinois would receive about $1.4 million. Illinois funded its first project in October 1976 and funds projects for 4 years. As of May 1979, the State was operating about 61 projects, which primarily involved juvenile
delinquency prevention and deinstitutionalization and network services. According to Illinois officials, under the proposed funding cut, they would fund no new projects, would have a 30 percent shortfall in funding for existing projects and make either an across the board or selective cut in such projects, and may lose some program personnel. They said that even if full funding were continued in fiscal year 1981, they would not be able to fund any new projects because all funds would be needed for existing projects.

**MICHIGAN**

Michigan has received $9.7 million in formula grants ranging from $333,000 in fiscal year 1975 to $2.7 million in fiscal year 1979. Under the Administration's proposed budget for fiscal year 1980, Michigan would receive $1.2 million. Michigan started its first project in April 1976 and is currently operating about 55 projects. Michigan initially funded projects for 3 years but later reduced this to 30 months. Michigan officials said that under the proposed cut they could continue their existing projects and start three new projects. However, the funding cut will have a serious effect on the State's ability to start new projects to deal with status and non-offenders in private institutions, which the State did not address in the early years of the Act.

**NEW YORK**

New York has received $17.3 million in formula grants ranging from $599,000 in fiscal year 1975 to $4.9 million in fiscal year 1979. Under the Administration's proposed fiscal year 1980 budget, New York would receive about $2.2 million. New York started its first project in January 1976 and currently is operating about 38 projects. Projects are funded for 4 years. A State law prohibits placement of status offenders in secure detention after counties have been certified to have adequate nonsecure facilities. New York officials said that under the proposed cut, they would cut State and local staff by half and reduce funding of existing projects by 25 percent.

**OHIO**

Ohio has received $11 million in formula grants ranging from $383,000 in fiscal year 1975 to $3.1 million in fiscal year 1979. Under the Administration's proposed budget for fiscal year 1980, Ohio would receive about $1.4 million. Ohio did not fund its first project until April 1977 and as of April 1979 was funding about 65 projects. Until 1978, Ohio funded its projects ad infinitum as long as the projects did not receive a negative evaluation. Starting in 1978, Ohio began funding projects for a specific period of time, usually 3 years. Because of its lateness in instituting a JJPD program and its cautious approach toward the program, Ohio had not obligated half its fiscal year 1978 funds or any of its fiscal year 1979 funds as of the Staff's visit in April 1979. Ohio officials told the Staff they had not decided how to deal with the proposed fiscal year 1980 cut in program funding. Ohio officials subsequently told the Investigations Staff that they plan to award $4.7 million to new and continuing projects in July 1979 and under the Administration's proposed cut will have a shortfall of $1.1 million in fiscal year 1980 and will have to curtail some projects.

**PENNSYLVANIA**

Pennsylvania has received $10.8 million in formula grants ranging from $395,000 in fiscal year 1975 to $3.2 million in fiscal year 1979. Under the Administration's proposed fiscal year 1980 budget, Pennsylvania would receive about $1.4 million. Pennsylvania funded its first project in December 1976 and is currently operating about 45 projects. Projects are funded for 2 years. A State law prohibits the placement of status offenders in secure detention. A State official said the proposed cut would scuttle the State's effort to get local governments to include JJDP in their normal planning process. Under the proposed cut, Pennsylvania could start no new programs, may switch to 1-year funding, and has a 30 percent chance of withdrawing from the program completely by the end of 1979.
Texas

Texas has received $9 million in formula grants ranging from $410,000 in fiscal year 1975 to about $3.8 million in fiscal year 1979. Under the Administration's proposed fiscal year 1980 budget, Texas would receive about $1.7 million. Texas funded its first project in January 1976 and currently funds about 54 projects. Projects are funded for 5 years. Texas officials said they have not been able to subgrant all of their JJDP allocation because many local governments cannot meet the strict Federal guidelines. For example, Texas law requires that status offenders be released within 48 hours while OJJDP guidelines require release within 24 hours. Texas officials said the proposed funding cut would have no adverse effect on their program because they have a substantial amount of uncommitted funds from prior years.