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Board of State and Community Corrections *Its Administration of Coronavirus Emergency Supplemental Funds Has Been Marred by Delays, Unfair Awards, and Insufficient Monitoring*

Background

The Board of State and Community Corrections (Community Corrections) administers the Coronavirus Emergency Supplemental Funding (CESF) program and received \$59 million in federal funding from the U.S. Department of Justice (U.S. DOJ) to prevent, prepare for, and respond to the COVID-19 pandemic. In its application, Community Corrections stated that it would distribute these funds using a predetermined formula to allocate grants to state, county, city, and tribal agencies affected by COVID-19.

Key Findings

- Despite telling the U.S. DOJ that it would use a formula-based grant process to allocate funds to state, county, city, and tribal agencies, Community Corrections deviated from this approach and significantly reduced the amount of CESF funds that were available to assist local governments.
 - » It allocated nearly 40 percent of the total CESF funds to the California Department of Corrections and Rehabilitation (CDCR) without justifying the specific needs or associated costs to respond to COVID-19.
- Community Corrections did not make funds available to cities and tribes, and it failed to consider the impact of COVID-19 when it allocated the remaining funds to the counties—it used a population-based formula for allocating these funds rather than needs-based.
- Although Community Corrections was aware in May 2020 that it would receive these funds, it did not begin its grant solicitation until 8 months later and did not award funds to counties until almost a full year later—depriving counties of these emergency funds during the height of the pandemic.
- Community Corrections' grant requirements deterred some counties from applying for funds because they were overly burdensome and more stringent than the federal requirements.
 - » It required counties to establish local advisory committees to plan and oversee the funds.
 - » It required counties to provide 20 percent of the funds to community-based organizations.
- Community Corrections failed to notify key officials in some counties about the grant opportunity, and it did not inform all potential applicants that it would allow flexibility in meeting requirements creating an unfair advantage for some counties. Nearly half of eligible counties did not apply to receive CESF funds.
- Community Corrections is not effectively monitoring CESF recipients—the lack of oversight places the State at risk of losing federal funds if the funds are unspent by the federal deadline or misused.

Key Recommendations

Community Corrections should do the following:

- Revise its grant policies and procedures by December 2021 to address issues about how it allocates emergency funds, promptness of its grant process, circumstances for which it would deviate from its requirements, and how it documents evaluations of and decisions regarding grant applications.
- Immediately develop and implement a plan to monitor the use of CESF funds and obtain all required reports on time to ensure CDCR and counties spend the funds appropriately and in a timely manner.