

# OFFICE OF CRIMINAL JUSTICE PLANNING

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## ***Experiences Problems in Program Administration, and Alternative Administrative Structures for the Domestic Violence Program Might Improve Program Delivery***

REPORT NUMBER 2002-107, OCTOBER 2002

Office of Criminal Justice Planning and Department of Health Services' responses as of January 2003

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### ***Audit Highlights . . .***

*The Office of Criminal Justice Planning (OCJP) has not fulfilled all of its responsibilities in administering state and federal grants, including the domestic violence program. Specifically, OCJP:*

- Has not adopted guidelines to determine the extent it weighs grant recipients past performance when awarding funds.*
- Does not always provide grant applicants the necessary information or time to challenge its award decisions.*
- Missed opportunities to seek guidance an advisory committee could provide regarding program administration.*
- Has not consistently monitored grant recipients.*
- Spent \$2.1 million during the last three years on program evaluations of uneven quality, content and usefulness.*

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The Joint Legislative Audit Committee (audit committee) requested an audit of Office of Criminal Justice Planning's (OCJP) administration of its grant programs in general and of its and the Department of Health Services' (DHS) administration of their respective domestic violence programs in particular. The audit committee also asked us to identify alternatives to the current administrative structures for the domestic violence programs. We reported the following findings:

### **Finding #1: Weaknesses in OCJP's process for awarding grants may result in the appearance that its awards are arbitrary or unfair.**

OCJP has not adopted guidelines weighing grant recipients' past performance when awarding funds, nor is its review process systematic enough to identify grant recipients with poor past performance. Moreover, OCJP does not always provide unsuccessful grant applicants the necessary information or time to challenge its award decisions, and it has missed opportunities to seek the guidance an advisory committee could provide regarding certain decisions that affect program administration.

To ensure its application process is perceived as fair and impartial, we recommended that OCJP take the following steps:

- Create guidelines and criteria to determine when an applicant's past performance issues rise to the level that OCJP will consider those issues when deciding whether or not to continue the applicant's funding.

*Our review of the domestic violence programs administered by OCJP and the Department of Health Services (DHS) revealed that:*

- OCJP decided not to correct an inconsistency in its 2001 request for proposals, which resulted in fewer shelters receiving funding.*
  - DHS has not established guidelines as to how past performance will be considered when awarding grants.*
  - OCJP and DHS award the majority of their domestic violence funds to shelters for the provision of similar services.*
  - OCJP's and DHS's activities for awarding grants and providing oversight of recipients sometimes overlap.*
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- Conduct a periodic uniform review of all applicants with regard to past performance issues that includes applying weighting factors that indicate the relative importance of each such issue as it relates to future funding.
- Promptly inform grant recipients when their past performances are jeopardizing their chances for future funding.
- Properly document the rationale not to fund grant recipients and clearly state in the rejection letters sent to the applicants the reasons that they were denied funding.
- Change the process for the filing of appeals so that an applicant has 10 to 14 calendar days, depending on the type of grant award, from the registered receipt of the notification letter in which to justify and file an appeal.

To improve outreach to its grant recipients and comply with legislation that is soon to take effect, we recommended that OCJP create an advisory committee for the domestic violence program that could provide guidance on key program decisions.

***OCJP Action: Partial corrective action taken.***

OCJP stated that it had created a formal written policy to use when considering the past performance of an applicant as a factor in its funding decisions. This new policy will be used for those applying for competitive funding under OCJP's January 2003 request for proposal.

In order to address the possible view that the current appeals guidelines are overly strict in terms of the time in which an applicant may file an appeal after receiving a denial notice and the limited information provided to the applicant, OCJP has revised its appeals guidelines. The guidelines will be reviewed by an independent council that hears such appeals at the end of January 2003 and then sent to grant recipients for their input. OCJP stated it hopes to implement the revised guidelines by March 1, 2003.

Finally, OCJP stated that it is looking forward to working with the new domestic violence advisory council to be established after January 1, 2003, and composed of experts from the domestic violence community to develop funding priorities, frame the request for proposals, and solicit

applicants. OCJP also stated that it envisions working with the advisory council to set funding levels for the shelter-based program as a whole and for individual shelters.

**Finding #2: OCJP does not provide consistent and prompt oversight of grant recipients.**

Although OCJP conducts a variety of oversight activities, its efforts lack consistency and timeliness. It has not visited grant recipients as planned and has not considered prioritizing its visits to first monitor recipients with the highest risk of problems. It has also been inconsistent in following up on its grant recipients' submission of required reports, and it has not always reviewed required reports promptly and consistently. In addition, it has spent nearly \$23,000 per year to review audit reports that another state agency also reviews. Finally, it has not always conducted sufficient follow-up on reports once it notified grant recipients of performance problems.

We recommended that OCJP take several actions to improve its oversight of grant recipients, including:

- Ensure prompt site visits of newly funded grant recipients.
- Establish a risk-based process for identifying the grant recipients it should visit first when it conducts monitoring visits.
- Develop written guidelines to determine when and how staff should follow up on late progress reports and ensure that existing guidelines are followed regarding the prompt follow up on late audit reports.
- Ensure that it reviews audit reports within six months of receipt in order to comply with federal guidelines and promptly follow up on audit findings until they are resolved.
- Revise its process for reviewing the audit reports for municipalities to eliminate duplicating the State Controller's Office's (SCO) efforts.
- Establish written guidelines to address how staff should follow up on problems identified in progress reports or during site visits to ensure they are resolved.
- Require that its monitors review grant recipients' corrective action plans to ensure problems identified during monitoring visits have been appropriately addressed through problem-specific narratives.

***OCJP Action: Partial corrective action taken.***

OCJP stated that it has a goal of conducting one technical site visit for a new grant recipient within the first six months of the grant period and one monitoring visit within the three-year grant period. Therefore, at a minimum, every grant recipient will receive a visit (from staff of either OCJP or DHS) at least once every three years. OCJP also stated that it is in the process of prioritizing its monitoring visits based on an internal risk assessment.

OCJP also asserted that it intends to increase coordination among its programs, audits, and monitoring branches to better address grant recipient issues and concerns, as well as to improve documentation and follow-up on grant recipient performance problems and corrective actions taken.

Finally, OCJP states that it has entered into a contract with the Department of Finance's audit unit in order to review audit reports submitted to OCJP by its grant recipients. Consequently, along with increased reviews by OCJP internal audit staff, the backlog of unreviewed audit reports is being reduced. OCJP also intends to work with the SCO and eliminate, if necessary, audit reviews of municipal grant recipients that are duplicative of the SCO's reviews.

**Finding #3: OCJP has not properly planned its evaluations or managed its evaluation contracts.**

During the last three years, OCJP's evaluation branch spent \$2.1 million on activities that culminated in evaluations of uneven quality, content, and usefulness. The branch lacks a process that would help it determine what programs would profit most from evaluations, how detailed evaluations should be, what criteria evaluations must satisfy, and, until recently, how to ensure they contain workable recommendations. The branch has been lax in management of its contracts; as a result, it did not include measurable deliverables in one contract and failed to ensure that it received the deliverables contained in others. It also circumvented competitive bidding rules in entering an agreement with a University of California extension school.

To improve its evaluations branch, we recommended that OCJP:

- Develop a planning process to determine what programs would profit most from evaluations, how rigorous evaluations should be, and that it follow its new process

for discussing the relevance and feasibility of proposed recommendations to improve their chances for implementation.

- Develop general criteria establishing what evaluations should accomplish.
- Include measurable deliverables and timelines in its contracts with evaluators and hold evaluators to their contracts.
- Withhold payments to contractors whenever they do not provide established deliverables or when the deliverables are not of the quality expected.
- Ensure that interagency agreements with university campuses comply with state guidelines regarding competitive bidding.

***OCJP Action: Partial corrective action taken.***

OCJP stated that significant efforts have been made to identify and prioritize those evaluations that are mandated, and it is working to ensure that evaluation criteria and requirements are met. OCJP also stated that one of its three program division chiefs has been assigned to oversee evaluation activities, monitor evaluation contracts, and develop evaluation-related policies and processes.

Further, OCJP stated that it has already taken steps to ensure that evaluation contracts, as well as all other OCJP contracts, are legally compliant. Its chief legal counsel now oversees all aspects of OCJP's contracting process, and will ensure that its interagency agreements for evaluation services (as well as all other contracts) contain specific deliverables and reasonable terms and do not circumvent the competitive bidding, civil service, or other requirements.

**Finding #4: OCJP's allocation of indirect and personnel costs may have resulted in some programs paying for the administration of others.**

OCJP's method for assigning indirect and personnel costs to the various programs it administers may result in some programs paying the administrative costs for others. Its allocation of indirect costs has been inconsistent, and it has not kept adequate records of its allocation decisions to demonstrate that they were appropriate. OCJP has also failed to require its employees to record their activities when working on multiple programs as required by federal grant guidelines.

We recommended that OCJP ensure that it equitably allocates all indirect costs to the appropriate units and maintains sufficient documentation to support the basis for its cost allocation. OCJP also should establish an adequate time-reporting system that uses activity reports or certifications, as appropriate, to document the total activity for each employee and then use such reports or certifications as the basis for allocating personnel costs.

***OCJP Action: Partial corrective action taken.***

OCJP stated that it has developed a timesheet modeled after those used by other state agencies and is developing procedures to implement the use of the new timesheet throughout OCJP. Pilot testing of the time-reporting system has already begun and OCJP anticipates the system will be fully implemented by June 2003.

**Finding #5: OCJP's decision not to correct an inconsistency in its request for proposals resulted in fewer domestic violence shelters receiving funding.**

OCJP funded almost three fewer domestic violence shelters than it could have in fiscal year 2001–02 because it chose not to correct an inconsistency in the 2001 request for proposals for its domestic violence grant. This decision resulted in a reduction of nearly \$450,000 a year of funds available for shelters. The error occurred during the development of its request for proposals, when program staff set the minimum amount that a small shelter would receive at \$185,000 a year, even though an adjoining table within the proposal stated that \$185,000 was the maximum amount that a small shelter could receive. The minimum amount was over \$30,000 more for some small shelters than the minimum OCJP had previously awarded.

OCJP could provide no documentation of the decision-making process it used to arrive at the \$185,000 funding minimum, such as written input from the shelters stating that the previous minimum amount was insufficient. Furthermore, OCJP provided no indication that it had considered the consequences that raising the minimum funding amount of some shelters by as much as \$30,000 would produce.

So that it can support and defend future funding decisions affecting the domestic violence program, we recommended that OCJP document and retain the reasons for changing funding levels.

***OCJP Action: Pending.***

OCJP stated that Senate Bill 1895 provided the authority to create an advisory council effective January 1, 2003, that will be able to recommend specific future funding levels for all shelters in OCJP's domestic violence program, and it is looking forward to working with the council.

**Finding #6: DHS has not considered past performance or been able to use its advisory committee when awarding grants.**

DHS has not adopted guidelines or criteria to establish when a grant recipient's past performance has been sufficiently poor to prevent it from being awarded funds during the next grant cycle, nor has it established a systematic review process to identify grant recipients with poor past performance. Further, forces outside of its control precluded DHS from seeking counsel from a domestic violence advisory committee as required by state law.

We recommended that DHS develop guidelines and criteria to determine when a grantee's past performance warrants denying it funding in the next grant cycle, which would include performing a periodic uniform review of all grant recipients' past performance. Also, now that enough appointments have been made to the advisory council to create a quorum, DHS should meet frequently with the council to seek its input as required by law.

***DHS Action: Partial corrective action taken.***

DHS stated it has begun to meet regularly with the domestic violence advisory council and will request that the council consider whether it should use the past performance of grant recipients in preparation for awarding funds in future Request for Applications (RFA). If past performance is to be used in determining grant awards, DHS will develop specific criteria to weigh its importance.

**Finding #7: DHS has not fully met its responsibility to oversee grant recipients.**

DHS does not have a process to conduct state-mandated site visits of its grant recipients. Moreover, it has not considered prioritizing its visits to first monitor those with the highest risk of problems. It has also been inconsistent in following up on its grant recipients' late submission of required reports, and it has not always reviewed required reports promptly and consistently.

To ensure better oversight of its shelters, we recommended that DHS:

- More efficiently use its resources when complying with state law mandating technical site visits to all its shelters by establishing a risk-based process for identifying which shelters it should visit first.
- Develop a structured process for staff to use to follow up on late progress reports. This process should include documenting follow-up efforts.
- Ensure that staff follow existing guidelines regarding the prompt follow-up of late audit reports.
- Ensure that it reviews all submitted progress reports promptly.

***DHS Action: Partial corrective action taken.***

DHS stated that it has put a system in place to ensure the timely review and follow up of progress reports that includes a status log that lists all the deliverables required from the shelters, including progress reports. The status log contains a “notes” column to record staff follow-up efforts regarding late reports, and all written communication or e-mail contacts with the shelters will be maintained in the working file.

In addition, DHS stated that it had developed and maintains an audit-tracking log to monitor the receipt of audit reports, and has developed guidelines to ensure that audit reports are received on time. Finally, DHS stated that it would meet with OCJP to assess staff resources and develop a system to ensure all domestic violence shelters are visited by either OCJP or DHS at least once per grant cycle.

DHS also stated that it has developed a review tool, which it started using in October 2002 during its initial site visits and a risk-assessment process to prioritize the shelters it will visit first.

**Finding #8: OCJP and DHS require separate grant applications for similar activities.**

OCJP and DHS conduct separate grant application processes. As a result, shelters must submit separate applications describing how they will use each program’s funds, although the applications and the services themselves are similar.



To reduce the administrative burden for the shelters, we recommended that OCJP and DHS coordinate the development of the application processes for their shelter-based programs and identify areas common to both where they could share information or agree to request the information in a similar format.

***OCJP's and DHS's Actions: Pending.***

According to the governor's proposed budget for fiscal year 2003–04, all domestic violence programs administered by OCJP are to be transferred to DHS, subject to legislative approval.

**Finding #9: OCJP and DHS perform some of the same oversight activities.**

OCJP and DHS require shelters to submit periodic progress reports containing similar information, except that each requires the information for a different time period. Furthermore, as a result of a new legislative requirement, DHS will perform site visits to shelters to assess their activities and provide technical assistance, even though OCJP already conducts such visits.

To avoid duplicate oversight activities, we recommended that OCJP and DHS consider the following changes to their administrative activities and requirements:

- Align the reporting periods for their progress reports so that shelters do not have to recalculate and summarize the same data for different periods.
- Coordinate technical site visits, monitoring site visits, and audits that they schedule for the same shelters.
- Establish procedures for formally communicating on a regular basis with each other their ideas, concerns, or challenges regarding the shelters.

***OCJP's and DHS's Actions: Pending.***

According to the governor's proposed budget for fiscal year 2003–04, all domestic violence programs administered by OCJP are to be transferred to DHS, subject to legislative approval.

**Finding #10: Greater cooperation or consolidation between OCJP's and DHS's programs could increase efficiency.**

Because of the similarity of OCJP's and DHS's programs and the overlap between their application and oversight activities, adopting an alternative administrative structure could improve the efficiency of the State's approach to funding domestic violence services.

To improve the efficiency of the State's domestic violence programs and reduce overlap of OCJP's and DHS's administrative activities, we recommended OCJP and DHS, along with the Legislature, should consider implementing one of the following alternatives:

- Increase coordination between the departments.
- Develop a joint grant application for the two departments' shelter-based programs.
- Combine the two shelter-based programs at one department.
- Completely consolidate all OCJP's and DHS's domestic violence programs.

***OCJP's and DHS's Actions: Pending.***

According to the governor's proposed budget for fiscal year 2003–04, all domestic violence programs administered by OCJP are to be transferred to DHS, subject to legislative approval.

***Legislative Action: Unknown.***

We are unaware of any legislative action with regards to this recommendation.