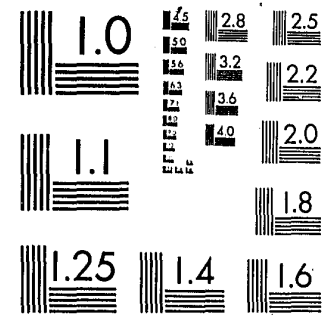


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COMMUNITY CORRECTIONS PROGRAM DEPARTMENT OF JUSTICE SERVICES

Internal Audit Report

#1-80

April, 1980



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MULTNOMAH COUNTY OREGON

Internal Audit Report #1-80
April 29, 1980

TO: Dennis Buchanan, Presiding Officer
Earl Blumenauer, Commissioner
Gladys McCoy, Commissioner
Dan Mosee, Commissioner
Gordon Shadburne, Commissioner
Don Clark, Executive Officer

RE: Community Corrections Program
Department of Justice Services

Internal Audit Report #1-80, dealing with our review of the Community Corrections Program, is attached. Our review was made in response to citizen requests for an audit and to the Board of County Commissioners' November 21, 1979, resolution questioning fiscal year 1978-79 Community Corrections revenues and expenditures.

A summary of our conclusions and recommendations is included in a digest at the beginning of the report. Recommendations 1, 3, and 5 involve policy issues that will be of concern to the Board of County Commissioners. Recommendations 2 and 4 involve suggested management improvements that have been discussed with Corrections and Department of Justice Services management, and the County Executive. A written response to our report is included as Appendix I.

As part of our audit, a State Attorney General's opinion has been requested by a letter dated April 22, 1980, from State Representative Tom Mason, concerning State and County Corrections officials' interpretation of how the legislature intended construction and reimbursement funds to be used.

We would appreciate receiving a written status report from the County Executive Officer or his designee in six months (October, 1980) indicating what progress has been made on our recommendations. Minimum circulation of that response should include all County Commissioners and the County Auditor.

78829

U.S. Department of Justice
National Institute of Justice

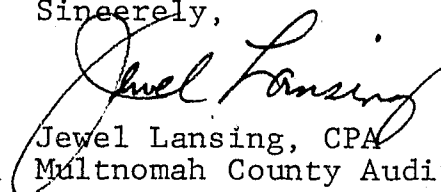
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Auditor

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We thank the Administrator of the Corrections Division, Section managers, and Corrections staff for their assistance during this audit.

Sincerely,


Jewel Lansing, CPA
Multnomah County Auditor

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Alan Percell, Audit Supervisor
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Sara Goldberg
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MULTNOMAH COUNTY OREGON

Internal Audit Report #1-80
April, 1980

COMMUNITY CORRECTIONS PROGRAM
DEPARTMENT OF JUSTICE SERVICES

DIGEST

Multnomah County's Community Corrections Program, despite intentions expressed in the Community Corrections Act and in the County's own adopted plans, is not giving enough emphasis to diverting Class C felons to community-based programs and services. During its first full year (1979) of participation in the State-funded program, Multnomah County sentenced 212 C felons to the State Corrections Division, representing a 34% increase over the previous year. At the same time, the number of Class C felons in County jails also increased.

The focus of the County's initial Community Corrections Plan, drafted largely by citizens in 1978, differed widely from the revised budget adopted piecemeal by the Board of County Commissioners by budget modifications during the 1978-79 year. Board policy puts emphasis on covering the costs of traditional institutional care rather than for the alternatives to incarceration envisioned by the 1977 Community Corrections Act and by the County's 1978 and 1979 Plans. Over 75% or \$2.3 million of Multnomah County's \$3.1 million in Community Corrections dollars during 1978-79 were allocated to pay County institutional costs.

Our audit showed that internal fiscal control weaknesses, late phasing-in of contracts for community-based services, unresolved conflicts between initial program plans and actual expenditures, and poor morale among program managers have hampered the start-up of Multnomah County's Community Corrections Program. Ambiguities in the law itself, which caused misunderstandings between citizens and Corrections personnel, are the subject of an anticipated Attorney's General's opinion which has been requested on our behalf. Conclusions as to the appropriateness of interpretations by State and County Corrections officials regarding the use of reimbursement and construction funds will depend on the results of that opinion.

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JUN 5 1981
ACQUISITION

IAR #1-80
DIGEST
COMMUNITY CORRECTIONS
April, 1980

We encourage the Board of County Commissioners to re-evaluate the County's fiscal priorities to determine if they are consistent with the wide-range of program enhancements proposed in the County's 1978 and 1979 Plans or to write the 1980 Plan to better reflect actual Community Corrections expenditures. In addition, Corrections and Department of Justice Services managers need to either accept or reject the basic premise that alternatives to incarceration can be developed in Multnomah County for non-violent, first offender C felons to reduce State and local jail populations, and to make their position on that premise known to the County Commissioners.

To assist the Board of County Commissioners and Corrections managers during their reassessment of Multnomah County's Community Corrections Program, we have made the following recommendations:

- Allocate more money to community-based alternatives for Class C felons.
- Clarify management responsibilities, goals and priorities for Community Corrections within the Corrections Division.
- Write the County's plan to more accurately reflect Board priorities.
- Upgrade deficient fiscal and accounting controls systems.
- Issue an annual progress report.



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Internal Audit Report #1-80
 April, 1980

COMMUNITY CORRECTIONS PROGRAM DEPARTMENT OF JUSTICE SERVICES

BACKGROUND

Overcrowded Jails

Multnomah County's jails have been increasingly overcrowded during the last several years. In response to the overcrowding, then Chairman of the Board, Don Clark on May 1, 1979, ordered limits placed on the inmate populations at each of the County's jail facilities. County jail populations, effective July 1, 1979, were limited to 568 men and women. The County's jail populations were reduced during 1979, from 622 in January to 550 in December. (See Table II.)

Statewide, overcrowding of state and local jails is being called a crisis. Oregon's state prison populations, which climbed to over 3,100 inmates in January, 1980, have been of particular concern. Recommended design capacities for state correctional facilities are being exceeded and inmate populations continue to grow. (See Table I.)

TABLE I
State Corrections Division
Institutional Populations
January, 1976 - January, 1980

<u>YEAR</u>	<u>INMATES</u>	<u>DESIGN CAPACITY</u>	<u>PERCENT OVER CAPACITY</u>
January, 1976	2,445	2,351	4.0%
January, 1977	2,848	2,351	21.1%
January, 1978	2,924	2,363	23.7%
January, 1979	2,826	2,363	19.6%
January, 1980	3,120	2,363	32.0%

SOURCE: State of Oregon Corrections Division

TABLE II
Multnomah County
Jail Populations
1979

MONTH	County Adult Correctional Facilities Average Daily Population				TOTAL
	Court- house	Rocky Butte	MCCF	Claire Argow Center	
January	58	373	142	49	622
February	58	353	147	53	611
March	77	372	141	51	641
April	49	378	140	48	615
May	45	363	151	40	599
June	42	292	157	30	521
<i>INMATE LIMITS</i>					
AS OF 7/1/79	70	300	155	43	568
July	46	288	153	26	513
August	43	284	144	26	497
September	44	267	137	31	479
October	56	296	155	25	532
November	69	298	150	26	543
December	71	298	153	28	550

Community Corrections Act

A State Task Force on Corrections was appointed by Governor Straub in 1975 to review the overload on the corrections system and to determine how to "reduce prison populations in a responsible constructive manner." The Task Force recommended a Community Corrections Act "as an effective alternative to expensive institutional incarceration of some felony offenders...."

The Task Force found that a large number of offenders (i.e., Class C felons*) sentenced to state correctional institutions were serving short terms for nonviolent crimes. The Task Force concluded that these offenders could be diverted from the state and local institutions if adequate supervision and rehabilitation programs existed within local communities. The Task Force stated that Community Corrections programs "could reduce the anticipated need for new state correctional institutions in the future."

Oregon's Community Corrections Act (CCA) was passed in 1977. The legislation established a voluntary program which grants financial assistance to counties wanting "to provide appropriate sentencing alternatives and to provide improved local services for persons charged with criminal offenses with the goal of reducing the occurrence of repeat criminal offenses."

State Financial Assistance

To qualify for state Community Corrections funds, counties are required to establish a local corrections advisory committee and to submit a community corrections plan to the State Corrections Division. The plan must include, among other things, an identification of local program needs, program purpose, objectives, administrative structure, proposed budget, staffing and degree of community involvement. Administrative rules developed by the State Corrections Division state that local flexibility in the development of a county's plan is allowed, and that "local priority setting will be totally accepted by the Corrections Division given county commission assurance the priorities represent their official position." (An exception to the local priority setting are mental health related programs that have to be approved by the State Mental Health Division.)

State Community Corrections funds were intended to support activities such as preventive or diversionary programs, probation, parole, work release, and community centers. The target

*Class C felons: There are three classes of felons in Oregon - Class A, B, and C. Class C felons are the least serious of the three. C felons can receive a maximum sentence of five years, and can be sentenced to either State or County jail facilities. Examples of Class C crimes are driving with suspended license, theft of more than \$200 value, vehicle theft, and burglary of commercial facilities.

TABLE III
STATE APPROPRIATIONS
 for
COMMUNITY CORRECTIONS PROGRAMS

Funding Category	Appropriations (millions)	
	1977-79 Biennium	1979-81 Biennium
State Field Services ¹	\$8.1 (37%)	\$16.5 (50%)
Enhancement ²	6.5 (29%)	12.4 (38%)
Construction ³	4.2 (19%)	0 (0%)
Probation Centers ⁴	1.7 (8%)	1.7 (5%)
Mental Health ⁵	1.5 (7%)	2.3 (7%)
TOTAL	<u>\$22.0 (100%)</u>	<u>\$32.9 (100%)</u>

SOURCE: State Corrections Division

State Field Services funds are not part of the Community Corrections appropriation, but are used to pay the State Corrections Division's cost of continuing to provide local parole and probation services for felons in both participating and non-participating counties.

²Enhancement grants are for establishing or expanding community alternatives. Participating counties do not have to use all of the enhancement funds for program development. Participating counties can use enhancement funds to reimburse their general funds for costs associated with housing felons in local jails, and to pay a penalty to the State which is required by the Act, for each C felon sentenced to the State Corrections Division after January 1, 1979. Participating counties are not to use state community corrections funds to replace local dollars for existing misdemeanor programs, or to develop, build or improve local jails. The total enhancement appropriations in 1979-81 was \$14.1 million. Probation Center operating expenses account for \$1.7 million of the total.

³Construction funds were appropriated on a one-time-only basis during the 1977-79 biennium for acquiring, constructing or renovating local facilities other than local jail facilities.

⁴Probation Center funds includes \$784,731 for operating expenses and \$900,000 for construction in 1977-79. All funding was for operating expenses in 1979-81.

⁵Mental Health funds are made up of matching (50/50) State Corrections and State Mental Health appropriations.

populations of the Act were misdemeanants*, parolees, probationers, and persons convicted of other than murder, treason, or Class A felonies. The State legislature appropriated \$22 million for the 1977-79 biennium, and \$32.9 million for the 1979-81 biennium for community corrections programs. (These figures include funds appropriated by the legislature for local parole and probation services provided by the State Corrections Division.) (See Table III.)

Community Corrections in Multnomah County

Multnomah County's Community Corrections program is located in the County's Corrections Division, Department of Justice Services. (See Appendix A.) Tuck Wilson, Director of the Department of Justice Services has been designated by the Board of County Commissioners as being responsible for the development of an implementation program for the Plan. Carl Mason, Administrator of the Corrections Division is responsible for the day-to-day operations of the Community Corrections program.

State Community Corrections funds have contributed almost \$6 million to the County's Corrections budget during the last two fiscal years -- \$3.1 million in 1978-79 (39% of total budget) and \$2.8 million in 1979-80 (34% of total budget). (See Table IV and Appendix B.)

The influx of State Community Corrections funds has also resulted in an increase in the number of County Corrections personnel. (See Table IV.) Thirty-eight additional corrections positions were budgeted in fiscal year 1978-79; twenty-one of the positions were Community Corrections funded. Most of the Community Corrections personnel were phased into the Corrections Division during the last six months of fiscal year 1978-79. Eleven of the Community Corrections funded positions were corrections counselors and corrections officers, seven were administrative and clerical, and three were positions in the District Attorney's office (Restitution Program).

*Misdemeanant crimes are less serious crimes which can result in a maximum sentence of one year. Examples of misdemeanor crimes are resisting arrest, writing bad checks, possession of gambling records and theft of less than \$200 value.

TABLE IV
 MULTNOMAH COUNTY CORRECTIONS DIVISION
 BUDGET AND STAFFING*

FUNDING SOURCE	BUDGET		
	1977-78	1978-79	1979-80
State CCA	0	\$3,052,445	\$2,841,506
County General Fund	\$4,528,730	4,488,320	5,233,202
State (Non CCA)	38,542	128,073	55,858
Federal and Other	308,127	73,475	169,352
TOTAL CORRECTIONS BUDGET	\$4,875,399	\$7,742,313	\$8,299,918

FUNDING SOURCE	STAFFING		
	1977-78	1978-79	1979-80
State CCA	0	21	27
County General Fund	194	203	203
State (Non CCA)	3	5	4
Federal and Other	0	6	4
TOTAL CORRECTIONS STAFF	197	235	238

*SOURCE: Multnomah County budget documents, budget supplements, and budget modifications. Budget modifications not included in 1977-78 figures.

AUDIT SCOPE

The Multnomah County Auditor indicated on November 8, 1979, that we would audit the County's Community Corrections program, and received a formal request to do so from the Board of County Commissioners on November 21, 1979. Much attention from a variety of sources has been focused on Multnomah County's Community Corrections Program. The specific interest of the Board of County Commissioners, the large amount of state special purpose dollars involved, and allegations of fiscal irregularities combined to justify altering our schedule to accommodate this audit. (See Appendix H.)

We have reviewed Multnomah County's 1978 and 1979 Community Corrections Plans; traced certain expenditures to supporting documentation; compared fiscal year 1978-79 expenditures to the County's 1978 Community Corrections Plan; reviewed County financial reports; reviewed Corrections Division's internal control systems; and collected information on key performance indicators from state and County departments, including staffing patterns, facility populations and profiles, and contract agency services. We interviewed State Corrections Division personnel, County Department of Justice Services management, Corrections Division management, Office of County Management personnel, and representatives of the State Field Services office in Portland. Our review did not include examination of Community Corrections Mental Health funds monitored by the State and County Mental Health Divisions.

We reviewed the program's compliance with provisions of the Community Corrections Act and with stated goals and objectives in the County's 1978 and 1979 Plans. We also evaluated whether or not the program has been successfully integrated into the County's overall corrections system.

CONCLUSIONS

Multnomah County's Community Corrections program has been underway for nearly two years. Start-up has been a strain on the Corrections Division, but progress has been made and the current management team appears ready to assess what has been accomplished and to take corrective actions. This is a good time to assess what can be done in the future to further develop the community corrections concept.

We encourage Corrections and Department of Justice Services management, and the Board of County Commissioners to re-evaluate

the goals and objectives set forth in the County's 1978 and 1979 Community Corrections Plans to determine if they are still applicable. Most importantly, corrections management and the Board of County Commissioners need to reassess the County's fiscal constraints that serve as the foundation of the County's program. The Board needs to reaffirm that current policy or establish new budget priorities which are more consistent with the wide range of program enhancements that were proposed by the County's Community Corrections Advisory Committee in the 1978 and 1979 Plans.

The basic premise that alternatives to incarceration can be developed in Multnomah County for non-violent, first offender C felons also needs to be thoroughly researched and publicly discussed. Some persons with whom we spoke on the corrections staff are concerned that alternatives to incarceration are not a viable option for C felons.

In comparing Multnomah County's compliance with stated goals and objectives in the 1978 and 1979 Plans, we have reached the following conclusions:

- The County's Community Corrections Program is not giving enough emphasis to the diversion of C felons to community-based alternatives to incarceration. No short-range strategy exists for reducing the County's penalty payment for C felons committed to the State Corrections Division, and County jails are holding an increasing number of C felons. (See Recommendation 1, page 11.)
- The role of the County's Community Corrections manager is not adequately defined and as a result the program does not have the kind of leadership, focus or advocacy it needs to be successful. Community Corrections programs have not been adequately integrated into the County's overall corrections program. (See Recommendation 2, page 14.)
- An annual report detailing expenditures and evaluating the performance of the County's program is needed to keep the public and others informed about the program's progress. (See Recommendation 5, page 24.)

In response to the four specific fiscal management and accounting inquiries raised by the Board of County Commissioners, we have reviewed the internal control systems of the Corrections Division and made the following conclusions:

- FISCAL MANAGEMENT of the County's Community Corrections program during 1978-79 has been consistent with the Board's policy to maximize reimbursement to the General Fund for County-provided felon services. However, maximizing reimbursement to the General Fund has not been consistent with the program and budget proposed in Multnomah County's 1978 Plan. A basic conflict exists between the County's fiscal policy and the wide range of programs that were proposed in the Plan. (See Recommendation 3, page 17.)
- EXPENDITURES for enhancement purposes were less than the overall BUDGET as modified and approved by the Board. Some individual program areas were over or under their approved budgets largely because of end of the fiscal year budget transfers which overlooked accrued and unpaid expenditures. Budget modifications approved by the Board to implement the Department of Justice Services three-phase implementation plan were not consistent with the budget recommended by the local advisory committee in the 1978 Plan. (See Appendices D and E-1, and Recommendation 3, page 17.)
- ALLOCATIONS OF EXPENDITURES by Corrections management were not always adequately justified. Corrections management relied too heavily on arbitrary judgment calls rather than formal written guidelines when allocating certain expenses to the Community Corrections fund. (See Recommendation 4, page 21.)
- ACCOUNTING PROCEDURES were not adequate to assure accountability. The allocations of certain expenditures to the Community Corrections fund were not adequately documented. Computerized Finance Management System reports for the Corrections Division could not be relied on to produce accurate information because coding errors had not been identified and corrected by Corrections management. (See Recommendation 4, page 21.)

We have noted fiscal management weaknesses within the Corrections Division in prior audits of Rocky Butte Jail Trust Funds (Audit Reports #7-74, #I-75, #3-76, #B-76, #B-79), and Trust Funds at MCCI (#C-76, #C-79). The influx of \$6 million of Community Corrections funds has only served to accentuate the system weaknesses we have found in the past in the internal fiscal and accounting controls of Corrections facilities.

The Corrections Division has taken steps recently to give more priority to fiscal management. A new fiscal manager transferred into the Corrections Division in January 1980 from the Department of Human Services. The new manager's prior experience with the County's financial management system and the federal and state grant accounting could improve program accountability if all corrections managers understand and accept their responsibility for internal control systems within their own program areas.

During our review of the County's use of Community Corrections construction funds and the County's reimbursement formula, we found ambiguities in the legislation which made it impossible for us to determine whether or not certain expenditures were appropriate. To clarify whether State and County Corrections officials interpretation of how these funds are to be used is correct, a State Attorney General opinion has been requested on our behalf by State Representative Tom Mason on April 22, 1980. The basic questions we have asked are:

- (1) Were Construction Fund expenditures by Multnomah County, totaling over \$672,000 (including the building of a "portable" recreation facility at Rocky Butte Jail and construction costs at the Multnomah County Corrections Facility and the Courthouse Jail) an appropriate use of Community Corrections Act construction funds?
- (2) Does the pre-existing Multnomah County Corrections Institution - MECI - (now renamed Multnomah County Corrections Facility - MCCF) qualify as a local probation center under the intent of the Community Corrections Act?
- (3) Was the legislative intent of the Community Corrections Act to provide reimbursement to the County General Fund for all convicted felons housed in County corrections facilities, or only for certain convicted felons (mainly Class C).*

*Multnomah County Corrections officials and the State Corrections Division have interpreted the CCA statutes to allow reimbursement for housing of all felons rather than Class C felons only. A contrary Attorney General opinion would not change the amount of total dollars received by Multnomah County, but would decrease the allocation of the County's General Fund and, thereby, increase available funding for alternative Community Corrections programs.

RECOMMENDATION 1: Allocate more community funds to alternatives for Class C felons.

Multnomah County's 1978 and 1979 Community Corrections Plans both indicate that community-based programs and not confinement, should be used to divert misdemeanants and Class C felons. In the introduction to the 1978 Plan, the need for a wider variety of sentencing options is discussed:

In the case of Class C felons, most of the offenses are punished by a short term of imprisonment and probation. Instead of putting them in jail for a few months, or putting them on virtually unsupervised probation, we must enable them to straighten out their lives, make restitution to their victims, and refrain from committing new crimes in the future.

Despite the intentions expressed in the 1978 Plan, the Corrections Division is not giving enough emphasis to diverting Class C felons to community-based programs and services. Our review of Multnomah County's program has shown that the number of Class C felons sentenced to the State Corrections Division from Multnomah County in 1979 increased 34% over the previous year (158 in 1978 to 212 in 1979).* The number of C felons in the County's own jail facilities has also increased. During the 8-month period April to December, 1979, the number of Class C felons in County jail facilities increased 41% (130 in April to 184 in December). (See Table V.)

Penalty payment for sentenced Class C felons reduced

The target population for Community Corrections funds is not limited to C felons (see page 5). However, special emphasis was given to C felon diversion by community programs in the Act. The legislation requires that participating counties be assessed a charge for each C felon sentenced to the custody of the State Corrections Division. The penalty provision was supposed to serve as an incentive for counties to reduce the number of C felons sent to the State. The funds saved by the State due to reduction of new commitments were to be transferred to the Counties that had reduced their commitments.

*Although commitments in 1979 increased over 1978, the monthly totals decreased during the last six months. Monthly totals for 1979 were: January/February - 33; March 22; April - 16; May - 32; June - 13; July - 26; August - 14; September - 13; October - 10; November - 14; December - 19 (count submitted to State by the County pending final verification by State).

TABLE V
C Felons and Misdemeanants
in County Jails
April - December 1979

<u>1979</u>	<u>C Felons</u>	<u>Misdemeanants</u>
April	130	85
May	159	81
June	153	55
July	135	56
August	131	62
September	134	48
October	164	51
November	175	51
December	184	43

Percent Change
(April through December) +41.5%¹ -49.4%¹

¹The increase in C felons in the County's jails is the result of the following factors, according to the Administrator of the Corrections Division: 1) Driving with a suspended license became a Class C felony in 1977 adding significantly to the number of C felons; 2) Circuit Court judges are sentencing more C felons to County jails in response to state overcrowding and because many judges believe they can control the time actually served better at the local level; and 3) the Corrections Division has reduced the number of misdemeanants from Multnomah County jails making room for additional C felons.

The amount assessed was originally based on the average daily cost per inmate as determined by the legislature. Currently, the penalty payment does not come close to covering the State's cost. The penalty is \$3,000 per inmate annually.* (Originally, the penalty was \$7,552, but in 1979 the legislature reduced it in order to encourage more counties to participate in the program.) State Corrections officials estimate that the annual cost in 1979 was \$10,402 per inmate.

The Class C felon penalty has not served as an incentive for Multnomah County to sufficiently increase the number of community-based alternatives for C felons to reduce the number of State commitments. We found that the County's community corrections program has no short-range strategy for reducing the annual penalty paid the State for commitments to the State Corrections Division. To date, it has been assumed that the County simply would pay the penalty required to the State. As a result, the penalty payment is deducted from the County's allotment of State Community Corrections funds before any of the funds are budgeted for community alternatives to incarceration.

Diverting C felons into community-based alternatives

The County's Corrections Division and Mental Health Division (Department of Human Services) have contracts with seven agencies at a cost of \$412,559 in fiscal year 1979-80, to provide community-based alternatives to incarceration, and to provide a range of counseling and treatment services to both incarcerated and diverted offenders. The County also contracts with seven residential care facilities serving offenders for which the County pays a per diem charge for each client housed. (See Appendix F.)

Our review of the County's Alternative Program contract agencies shows that in 1979-80 about \$242,000 is targeted for misdemeanants and about \$170,000 for felons. Most felons served are those on probation or parole or incarcerated in County jails. Except for Providence Day Treatment and TASC (treatment for substance abuse) diversion from incarceration is almost entirely limited to misdemeanants.

*The penalty a county pays cannot exceed the amount of its enhancement grant or a ceiling based on the previous two year average of C felon commitments, whichever is less. In effect, reductions in state commitments for any one year would not affect the County's penalty payments to the State until the following year.

If more priority were given to keeping C felons in the County, Community Corrections funds available for contract services could be increased. The increase would come from the amount saved by not having to pay the State the \$3,000 penalty for every C felon committed to the State Corrections Division. The County paid the State \$351,000 in fiscal year 1978-79 and has budgeted another \$438,000 for the penalty payment in 1979-80.

Pressure is increasing to build regional jail facilities to relieve State and local jail overcrowding. Regional jail facilities were recommended recently by a State Task Force to relieve jail overcrowding at the State and local level. More prison guards, and parole and probation officers have been obtained by the State Corrections Division. The money for the additional staff has come from Community Corrections Act funds.

A decision will likely be made during the 1981 legislative session regarding whether new jail facilities, State funded community-based alternatives, or a combination of the two will be used to impact State and local jail overcrowding. Unless Multnomah County gives more emphasis to Class C felon diversion, the legislature will not have a basis for evaluating whether the largest County in the State can successfully place Class C felons in community-based alternatives. The legislature will not have the information it will need to determine to what extent community alternatives to incarceration for C felons can be relied on as part of the solution.

RECOMMENDATION 2: Clarify the role
of the Community Corrections Manager
in order to achieve better program
leadership and direction.

The Community Corrections Act requires that the County's plan designate a Community Corrections Manager. The current Director of Justice Services, Tuck Wilson, has stated that he is the designated Community Corrections Manager, because the Board of County Commissioners has made him responsible for causing an implementation program to be developed. However, the Administrator of the Corrections Division (Carl Mason) is a member of the State Community Corrections Advisory Board, and as such is recognized by many as the County's designated Community Corrections Manager.

The question of who is the County's designated Community Corrections Manager is important to the extent that

someone should be specifically charged with providing the leadership, advocacy and focus that the program currently needs. The specific tasks that need to be assigned to one person are: (1) reassessing the roles and responsibilities of Corrections managers for development of the Community Corrections program; (2) improving coordination between components of the program and the County's justice system; and (3) giving greater emphasis to improving the relationship between the local advisory committee and the County's justice system bureaucracy.

Reassess roles and responsibilities

The Corrections Division's three section managers (see Appendix A) were not part of the Division when the County's initial plan was developed in 1978. The Division has also been substantially reorganized since 1978 to accommodate community corrections. Added to these changes has been the introduction of almost \$6 million in State funds over the last two fiscal years.

A reassessment is needed to assure that managers clearly understand where the program has been and where it is going. More importantly, clearer definitions of individual managers' responsibilities for completing the job of developing a viable community program is needed.

The responses we obtained during our field work indicated that morale among program managers is poor and that communications between corrections staff and management needs to be improved. We noted that agreements between Corrections managers, the Director of Justice Services, and the Administrator of the Corrections Division were too frequently not committed to writing and were not clearly understood. Deciding what direction the program will take in the future will require better documentation of individual managers' responsibilities and more effective communications among the program's management team.

Improved program coordination needed

Changes in the way misdemeanants and C felons are served by the Corrections Division impacts the entire Justice System. It is important that linkages between the various components of the system be coordinated to the maximum extent possible.

Probation services provided by the Community Corrections program are a good example of an area where the

necessary linkages need to be more clearly defined and relationships clarified. The program includes three probation components - the County's Probation Center (MCCF), County Probation Services (misdemeanants), and State Field Services (felons). (See Appendix A.) Our discussions with representatives of the three probation components revealed some confusion about the role of the County's Probation Center.

Neither the County nor State could provide us with a definition of what a Probation Center is supposed to do. The Probation Center Supervisor¹ said he has asked for clarification on how MCCF fits into the overall Community Corrections program, but to date has received none.

The County's Probation Center² has no direct link with the County Community Services Manager or with County Probation or State Field Services. Probation officers do not have authority to send persons to the facility; all offenders must come through the courts.

The County's Community Corrections program is now in place and has been operational for nearly 1½ years. The next phase of development should focus on improving coordination between the components in order to complete the integration of community-based programs into the overall County justice system.

Community support needed

A priority for the Community Corrections manager should be to maintain a good working relationship with the County's local Community Corrections Advisory Committee.³ The

¹The Facility Supervisor told us that while MCCF was designated as a "probation center," it has not changed the facility's operations. The majority of inmates at MCCF are housed there as a condition of probation, and most participate in work-release programs. However, the facility also houses unsentenced offenders and others not on probation.

²Budgeted CCA Probation Center funds were \$211,416 for 1978-79 and \$231,588 for 1979-80. CCA dollars have added three corrections officers, one counselor, one clerical position, and a part-time nurse, and funded two already existing positions at MCCF - one counselor and a counseling supervisor.

³At a minimum, the local advisory committee is to include a law enforcement officer; a district attorney; a circuit court judge; a public defender or defense attorney; a probation or parole officer; a representative of a private correctional agency; a county commissioner; an ex-offender; and seven lay citizens.

advisory committee can serve as an advocate for, as well as advisor to, the County's Community Corrections program. The requirement that participating counties have a local advisory group acknowledges that (1) the Community Corrections programs will have an impact on the entire justice system; and (2) the public's support for programs that will take felons out of jail and return them to the community is critical. Without the acceptance of the community, as well as the cooperation of the police, District Attorney and judges, the corrections program will have trouble demonstrating that community-based alternatives to incarceration can work.

Education of the general public also needs to be increased. More emphasis needs to be given to communicating the positive aspects of the Community Corrections program to the media, to civic leaders, and to community groups. Corrections programs in Multnomah County have already received a great deal of negative press. Attention needs to be given to positive innovative program changes being undertaken by Corrections management.

A final test of the success of the community corrections approach will be whether the public can be convinced that programs for non-violent C felons and misdemeanants in their neighborhoods are an acceptable alternative to building additional jail facilities. Gaining community acceptance should be high on the Community Correction Manager's list of "to do's."

RECOMMENDATION 3: Write the County's annual Community Corrections Plan to clearly reflect fiscal priorities approved by the Board.

Multnomah County's Community Corrections Plan is a public document which needs to provide the general public, state legislators, local officials, and other interested persons with an accurate description of the program being implemented by the County's Department of Justice Services.

The Board of County Commissioners approved an implementation program during fiscal year 1978-79 which differed significantly from the 1978 Plan which had been proposed by the County's local advisory committee. Although required State approval of these changes has been obtained, the 1978 Plan was never rewritten to incorporate the changes.

The County's written plan should more accurately reflect the implementation program that has been approved by the Board of County Commissioners. We have suggested a procedure on page 20 for preparing the County's 1980 Plan which could help to provide the necessary assurances that the plan does reflect the implementation strategy and fiscal priorities which are approved by the Board of County Commissioners.

County Commissioners approved budget changes

As required for participation, a local Community Corrections Advisory Committee was appointed by the Board of County Commissioners on March 2, 1978. A 36 member committee developed the County's 1978 Community Corrections Plan and submitted it to the Board for approval. The advisory committee was given license to develop innovative approaches to developing community programs, according to the Administrator of the Corrections Division. Citizen members of the committee assumed much of the responsibility for writing the plan.

The budget presented in the 1978 Plan estimated \$600,000 for reimbursement. (Community Corrections Act enhancement funds can be used to reimburse counties for "the cost of providing services for felons." For additional information, see page 4.) The plan submitted by the local advisory committee proposed that \$327,000 of the reimbursement be reallocated to institutional mental health, jail recreation and counseling, probation enhancement, and the "not responsible" offenders program. The plan left a \$273,000 uncommitted balance in the reimbursement fund. (See Appendix D.)

The Board adopted the 1978 Plan but indicated that it might revise the committee's proposed funding priorities. The Board order adopting the plan included the following condition statements:

- An amended Fiscal Conditions Policy Statement dated July 26, 1978, prepared by the Office of County Management, which among other things, required maximizing reimbursement for felon services already provided by Multnomah County.
- The Director of the Department of Justice Services to be responsible for the development of an implementation program with advice from the local advisory committee.

- Implementation should be phased in "over a reasonable period of time...."
- A provision for Board review of the implementation program and modification of the plan as appropriate.

The Director of the Department of Justice Services, in response to the Board Order, submitted a three-phase implementation plan to the Board on September 26, 1978. The implementation plan recommended \$998,000 in reimbursement rather than the \$600,000 proposed in the plan. The Administrator of the Corrections Division stated that the \$600,000 figure (which was originally developed by County staff) was not accurate, and that additional staff work correctly estimated the reimbursement to be closer to the revised figure. The proposed implementation plan also recommended retaining the entire reimbursement in the County's general fund, rather than reprogramming some of these funds back into the community programs as was recommended by the local advisory committee. The Board approved a series of budget modifications between October 1978 and June 1979, that approved the Department's three-phase implementation program.

Impact of budget changes

Changes made to comply with the Board's directive to maximize reimbursement to the County's General Fund generated a 1978-79 budget that allocated almost 77% or \$2.3 million of the County's Community Corrections funds to pay County institutional costs (i.e., reimbursement \$998,000; penalty payment to the State \$628,346; probation center \$211,416; and jail construction \$507,622). In fiscal year 1979-80, about 67% (\$1.9 million) of the Community Corrections funds were again budgeted for institutional costs. (See Appendix B.)

Our comparison of the County's 1978 Plan with reported fiscal 1978-79 expenditures shows that program enhancements were reduced by over \$1 million. The largest reductions occurred in Mental Health programs (-\$365,993),* Purchased Alternative Residential Care (-\$211,446), Probation Enhancement

*CCA Mental Health dollars originally expected to flow through the County's Community Corrections program were actually placed under the State Mental Health Division. For more details regarding the disposition of State CCA Mental Health funds see Appendices D, E-1 and E-2.

(-\$140,000), Central Referral Program (-\$116,978), Day Treatment Programs (-\$100,000), Education Coordination and Outreach (-\$78,655), and Demonstration Projects (-\$50,000). (See Appendix E-1.) These programs represented the bulk of the alternatives to incarceration that were proposed in the County's 1978 Community Corrections Plan.

Suggested procedure for writing future County plans

To avoid having an approved Community Corrections Plan that does not properly reflect the County's strategy for using its State funds, we suggest that the Administrator of the Corrections Division should take a more active role in the initial phases of preparation of the 1980 Plan. Specifically, we suggest the following steps be taken when writing or amending the County's plan:

1. An initial draft of a plan describing an implementation program that is consistent with the fiscal policies of the Board of County Commissioners should be prepared by Corrections management with the advice of members of the advisory committee.
2. A draft of the plan should be submitted to the advisory committee, including Justice system members for their comments and suggestions.
3. Each advisory committee member should be asked to sign the document as a certification that their views are adequately reflected in the plan. An opportunity should be provided for minority reports to be attached to the plan.
4. Submit the plan to the Board of County Commissioners for their review and approval.

This approach should provide the Board with an annual plan that will require little if any change during the fiscal year, and should provide greater assurance that the plan adequately reflects Board fiscal policies.

RECOMMENDATION 4: Establish and implement written policies and procedures for allocating expenditures to Community Corrections funds.

Corrections staff has relied too much on its own informal judgment in allocating Corrections expenses to the Community Corrections fund, instead of having written guidelines to follow. The integration of State community corrections funding into the overall framework of the Corrections program without written guidelines makes allocation of costs between the County's General Fund and State funds difficult. We found numerous instances in which the rationale used for assigning costs was not explained, and support documentation was not available or was inadequate.

We believe that Corrections management must be held accountable for the use and reporting of State dedicated funds. The lack of written policies and procedures for allocating expenditures and inadequate documentation to support charges could lead to disallowance of claimed expenditures by the State.

Our review of the financial reports for Corrections for 1978-79, also revealed errors in the assignment of expenditures within the Community Corrections program categories. Corrections personnel were not properly recording expenditure information for the County's computerized financial management system, and the reports were not reviewed regularly to correct errors. As a result, the financial reports did not provide an accurate summary of Community Corrections program expenditures by category.

Better documentation of expenditures needed

The burden of proof must be on Corrections management to provide written, supportable reasons for charging expenditures against Community Corrections funds. In some cases we found it difficult to determine if Corrections expenditures during fiscal year 1978-79 were properly allocated to the State fund because documentation justifying the expenditures was not available or was inadequate.

The following are two examples which illustrate some of the problems we had tracing Community Corrections expenditures. (The results of tracing specific expenditures questioned

by the Board in its request for the audit are included as Appendix G.)

- Some of the invoices submitted by a psychologist (the total of all the invoices submitted was \$10,938) included inadequate description of the services provided; did not itemize which charges should be allocated to the General Fund as opposed to the State fund; and no written contract was found covering the first 18 months that the consultant was paid for his services with Community Corrections funds. Corrections management had apparently not asked for the needed itemization and breakdown of expenses.
- \$1,244 in phone bills at Rocky Butte Jail were charged to Community Corrections administration. No logs of the calls or guidelines for the use of Rocky Butte phones for the community programs were kept.

We were unable to determine if these expenditures were appropriately charged to State funds because Corrections management had not established written policies and procedures. Additionally, Corrections management did not require adequate justification and documentation prior to charging these expenditures to Community Corrections.

Corrections management should have documented support prior to charging Community Corrections with the type of expenses discussed above. An educated guess or estimate is not sufficient justification or documentation. Written guidelines should be established which provide a reasonable basis for assigning costs to Community Corrections activities as opposed to other Corrections programs.

Improve reporting of Community Corrections expenditures

County financial reports provide a vital link between the approved community corrections budget and program implementation. Program development can be monitored and corrective action taken based on timely and accurate reporting of expenditures.

Expenditures are reported monthly by the County's Financial Management System. Proper allocation of expenditures between the Community Corrections program and General Fund programs must be made on input documents by program staff if the financial reports are to adequately reflect costs. We found instances where reported expenditures were not assigned to the proper program area during 1978-79. The following are examples of problems we found in the reporting of contract costs for 1978-79.

- The financial report for Contract Services showed expenditures for Diversion Programs of \$22,167 while actual expenditures paid by the County were \$52,823¹ according to Corrections management.
- The financial reports showed only \$15,169 of expenses for Job Programs while actual expenses were \$25,030.
- The financial reports did not include Bridge Services, (e.g., Burnside Projects which provide shelter for West Burnside residents) but we found expenses totaling \$6,682.²

The errors discussed above occurred because Corrections management failed to establish and implement written policies and procedures for recording the costs of the Community Corrections program. Additionally, Corrections management was not requiring adequate justification and documentation to support the expenditures charged to the State fund.

We recommend that written policies and procedures for allocating costs be established immediately. Training sessions for fiscal staff and program managers should then be conducted as soon as possible. These training sessions should help ensure the proper implementation of policies and procedures and assure that there is agreement between everyone concerned in how Community Corrections expenses should be allocated and recorded in the County's Financial Management System. In addition, program managers need to carefully review the monthly financial reports to verify their accuracy. If discrepancies

¹An additional \$25,235 for Diversion Programs was paid directly to contractors by the State for a total of \$78,058.
²An additional \$71,066 for Bridge Service Programs was paid directly to contractors by the State for a total of \$77,748.

are noted, it is the program managers responsibility to alert fiscal staff so that appropriate adjustments can be made.

RECOMMENDATION 5: Develop guide-
lines for preparing annual report.

The law gives the local Community Corrections Advisory Committee responsibility for making an annual report and developing appropriate recommendations for improvement or modification of the program to the County Commissioners. To date, the advisory committee has not issued such a report.

A draft of an annual report has been prepared by Community Corrections staff, and has been circulated for advisory committee comments. The draft is a narrative description of the County's program, but offers little analysis of performance compared to the County's plan. The County's Community Services Manager stated that neither the State nor the Act offers any guidelines for preparing the annual report.

Why an annual report is needed

The Community Corrections program is controversial. Evaluation on a regular basis is necessary in order to keep the public, County Commissioners, and State legislators informed about how the program is progressing. As we get closer to the 1981 legislative session, the demand for answers to the following types of questions will increase dramatically:

- Has community corrections changed the sentencing patterns of the target population?
- Do expenditures reflect the County's program priorities?
- Has Community Corrections affected the occurrence of repeat criminal offenses?
- How effective are community-based contract agencies?
- Has there been a reduction in the number of Class C felons from Multnomah County in State Correctional facilities?

Preparation of the annual report

We suggest that the annual report be drafted by Corrections staff and be submitted to the local advisory

committee for review and comment. Input from County Commissioners, committee members, and the State Corrections Division should be obtained regarding key information to be included in the annual report. Appropriate changes in the data being accumulated on a regular basis by the program will have to be made to meet the information needs of these various groups. To assure that all advisory committee participants' viewpoints are communicated in the annual report, we suggest a sign-off process similar to the procedure we suggested for writing and amending the plan. (See page 20.)

The annual report should be submitted to the Board of County Commissioners while it is reviewing the County Executive's proposed County budget each fiscal year (i.e., March through June). The annual report should help to meet the Board's request for additional program narrative and information on the performance of County programs during the budget review process.

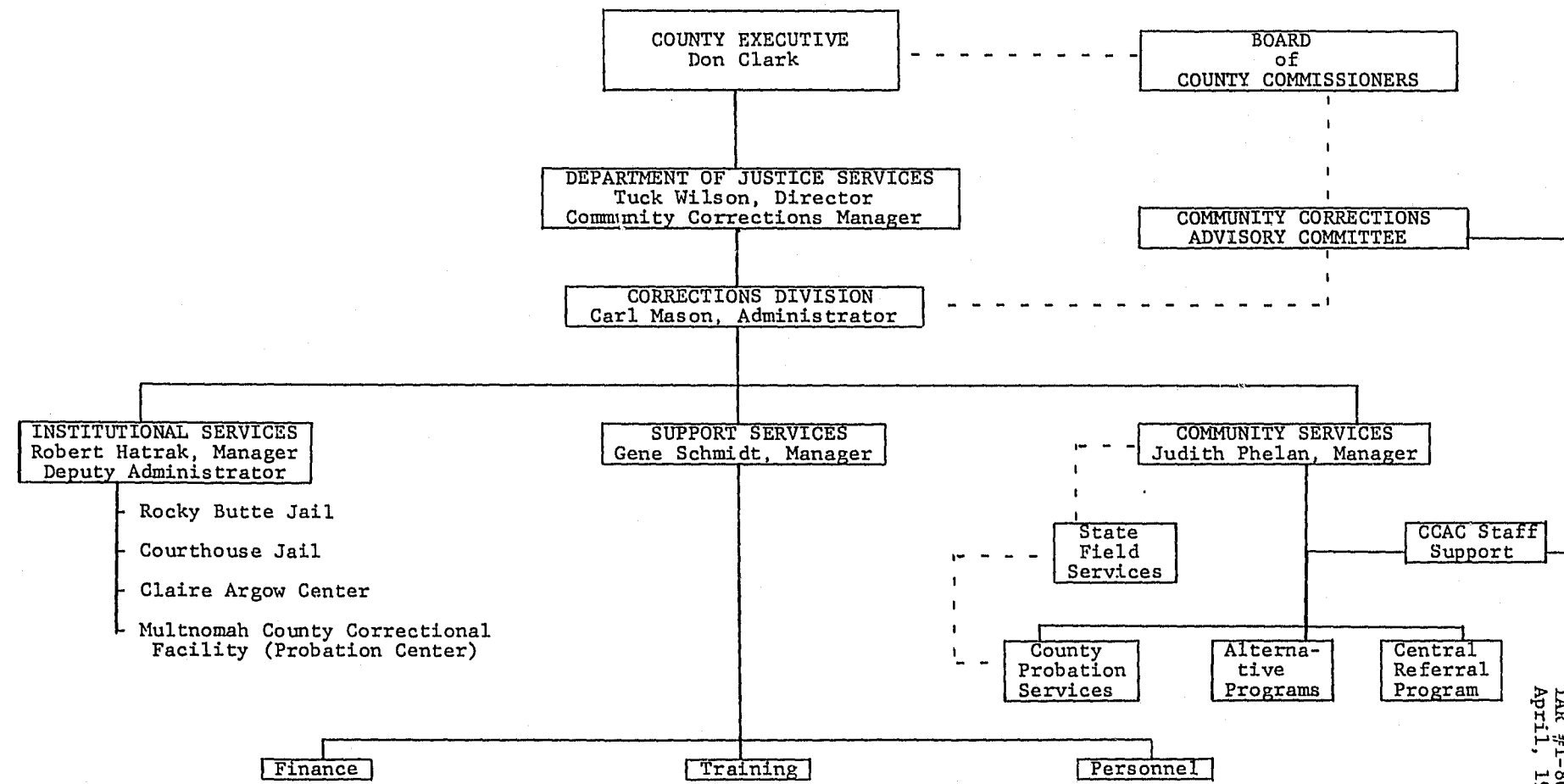
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APPENDICES

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MULTNOMAH COUNTY CORRECTIONS DIVISION
ORGANIZATION CHART

-29-



SOURCE: Compiled by Multnomah County Auditor's office from information furnished by Corrections Division personnel.

APPENDIX A
IAR #1-80
April, 1980

APPENDIX B
IAR #1-80
April, 1980

CORRECTIONS DIVISION BUDGET
BY FUND SOURCE AND PROGRAM AREA¹
1978-79 and 1979-80

FUNDING SOURCE	FISCAL YEAR 1978-79				
	DIVISION ADMIN.	SUPPORT SERVICES	COMMUNITY SERVICES	INSTITUTE SERVICES ²	TOTAL
STATE CCA	\$ 2,358 (0.1%)	\$ 74,524 (2.4%)	\$ 630,179 (20.7%)	\$ 2,345,384 (76.8%)	\$ 3,052,445 (100%)
General Fund	162,080 (3.6%)	127,201 (2.8%)	575,863 (12.8%)	3,623,176 (80.8%)	4,488,320 (100%)
State (Non CCA)	0 (0.0%)	0 (0.0%)	48,073 (37.5%)	80,000 (62.5%)	128,073 (100%)
Federal & Other	46,850 (63.8%)	0 (0.0%)	19,535 (26.6%)	7,090 (9.6%)	73,475 (100%)
TOTAL	<u>\$211,288</u> (2.7%)	<u>\$201,725</u> (2.6%)	<u>\$1,273,650</u> (16.5%)	<u>\$6,055,650</u> (78.2%)	<u>\$7,742,313</u> (100%)

FUNDING SOURCE	FISCAL YEAR 1979-80				
	DIVISION ADMIN.	SUPPORT SERVICES	COMMUNITY SERVICES	INSTITUTE SERVICES ²	TOTAL
STATE CCA	\$ 0 (0.0%)	\$ 50,566 (1.8%)	\$ 890,253 (31.3%)	\$ 1,900,687 (66.9%)	\$ 2,841,506 (100%)
General Fund	160,097 (3.1%)	197,661 (3.8%)	540,604 (10.3%)	4,334,840 (82.8%)	5,233,202 (100%)
State (Non CCA)	0 (0.0%)	0 (0.0%)	55,858 (100%)	0 (0.0%)	55,858 (100%)
Federal & Other	137,947 (81.5%)	0 (0.0%)	28,465 (16.8%)	2,940 (1.7%)	169,352 (100%)
TOTAL	<u>\$298,044</u> (3.6%)	<u>\$248,227</u> (3.0%)	<u>\$1,515,180</u> (18.2%)	<u>\$6,238,467</u> (75.2%)	<u>\$8,299,918</u> (100%)

¹Budget figures include the adopted budget and budget modifications approved during each fiscal year. Interdepartmental service reimbursements are included. Refer to Corrections Division organization chart - Appendix A - for sections' responsibilities.

²We have included in Institutional Services the budgets for Probation Center (MCCF) (\$211,416 in 1978-79 and \$231,588 in 1979-80), Construction (\$507,622 in 1978-79 and \$517,749 in 1979-80) budgeted for construction at RBJ, MCCF, and the Courthouse Jail, State C Felon Penalty (\$628,346 in 1978-79 and \$438,000 in 1979-80), and Felon Reimbursement (\$998,000 in 1978-79 and \$713,350 in 1979-80). The 1979-80 Construction budget includes \$372,749 that was not used in 1978-79 and was rebudgeted in 1979-80.

MULTNOMAH COUNTY CORRECTIONS DIVISION
STAFFING BREAKDOWN¹

1978-79

FUNDING SOURCE	BUDGETED POSITIONS					
	TOTAL	MANAGEMENT	CORRECTIONS OFFICERS	COUNSELORS	CLERICAL	OTHER ²
STATE CCA	21	3	3	8	2	5
County General Fund	203	10	138	18	21	16
State (Non CCA)	5	0	0	4	1	0
Federal & Other	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>4</u>
TOTAL	<u>235</u>	<u>13</u>	<u>141</u>	<u>30</u>	<u>26</u>	<u>25</u>

1979-80

FUNDING SOURCE	BUDGETED POSITIONS					
	TOTAL	MANAGEMENT	CORRECTIONS OFFICERS	COUNSELORS	CLERICAL	OTHER ²
STATE CCA	27	3	3	12	3	6
County General Fund	203	12	136	16	22	17
State (Non CCA)	4	0	0	3	1	0
Federal & Other	<u>4</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>2</u>
TOTAL	<u>238</u>	<u>15</u>	<u>139</u>	<u>32</u>	<u>27</u>	<u>25</u>

¹SOURCE: Multnomah County adopted budget documents and budget modifications.

²Includes coordinator, monitor, and Deputy D.A. for Restitution Program, training specialist, research specialists, systems analysts, volunteer coordinator, investigator, serving specialist, hearings officer, and food service workers.

APPENDIX C
IAR #1-80
April, 1980

COMPARISON OF BUDGET CHANGES
TO REPORTED COUNTY EXPENDITURES
During fiscal year 1978-79

Grant categories	1978 CCA Plan	Justice Services Plan dated 9/26/78	Budget Mod- ifications approved by Board	Adjusted FMS County Expenditures	Direct State CCA Payments to Contractors	Total Expenditures
• Enhancement						
Administration	\$ 70,000	\$ 110,000	\$ 138,226 ¹	\$ 138,895	\$ 0	\$ 138,895
Staff training	65,000	45,000	0	16,491	0	16,491
Evaluation	58,000	71,000	0	26,411	0	26,411
SUB-TOTAL	\$ 193,000	\$ 226,000	\$ 138,226	\$ 181,797	\$ 0	\$ 181,797
Central Referral Program (CRP)	187,000	132,000	42,805	70,022	0	70,022
ARC Community Development	25,000	13,000	7,088	5,384	0	5,384
Volunteer Resources	10,000	17,000	5,021	2,212	0	2,212
Jail Recreation & Counseling	45,000	29,000	36,678	38,184	0	38,184
Restitution Program	0	50,000	47,168	49,136	0	49,136
Probation Enhancement	140,000	0	0	0	0	0
Diversion Programs	102,000	60,000	25,336	52,823	25,235	78,058
Jobs Programs	120,000	65,000	25,474 ²	25,030	56,276	81,306
Day Treatment	100,000	50,000	65,260 ²	0	0	0
Education Coord. & Outreach	105,000	40,000	16,566	45	26,300	26,345
ARC I Operation	30,000	30,000	0	0	0	0
Purchased Alternative Residential Care	220,000	60,000	50,150	8,554	0	8,554
Bridge Service Programs	75,000	40,000	50,200	6,682	71,066	77,748
Demonstration Projects	50,000	20,000	0	0	0	0
Mental Health ³	565,000	403,000	57,089	4,943	194,064 ³	199,007 ³
Enhanced State Field Services	110,000	140,000	140,000	149,909 ⁴	0	149,909 ⁴
One-Time-Only Funds	0	16,000	0	0	0	0
ENHANCEMENT TOTAL	\$2,077,000	\$1,391,000	\$ 707,061	\$ 594,721	\$372,941	\$ 967,662
• Probation Center (MCCF)	250,000	211,000	211,416	300,065	0	300,065
• Reimbursement	273,000	998,000	998,000	931,912	0	931,912
• Penalty	160,000	160,000	628,346	356,501 ⁵	0	356,501 ⁵
• Construction	0	0	507,622	134,873	0	134,873
CCA TOTAL	\$2,760,000	\$2,760,000	\$3,052,445	\$ 2,318,072	\$372,941	\$2,691,013

SOURCES: Compiled by Multnomah County Auditor's staff from original documents referred to in columnar headings. The County's computerized Financial Management System (FMS) report totals were adjusted by us to more accurately reflect actual expenditures. These adjustments were reviewed and concurred on by Corrections Division personnel.

¹ Training and evaluation were budgeted as part of administration in budget modifications approved by the Board during fiscal 78-79.

² The contract for Day Care Services at Providence Hospital was not let in time, so no expenditures were made in fiscal 78-79.

³ Includes State Mental Health Division and matching (50/50) State Corrections Division CCA funds. CCA mental health funds originally expected to flow through County Community Corrections were placed under the State Mental Health Division.

⁴ The County also had a contract with the State Corrections Division asking the State to continue providing local probation services for felons. The contract provided \$883,512 of the County's CCA allotment to be passed on to the local field services office.

⁵ FMS reported an expenditure of \$356,501, but the County actually paid only \$351,000.

APPENDIX D
IAR #1-80
April, 1980

COMPARISON OF CCA PLAN ENHANCEMENT COMPONENTS
 to
 ACTUAL EXPENDITURES
 for
 1978-79

PROGRAM AREA	CCA Plan Budget ¹	Expenditures ²	Deviation from CCA Plan	% Change
Mental Health ³	\$ 565,000	\$199,007	\$ -365,993	- 65%
Purchased Alternative Residential Care	220,000	8,554	-211,446	- 96%
Probation Enhancement	140,000	0	-140,000	-100%
Central Referral Program	187,000	70,022	-116,978	- 63%
Day Treatment Programs ³	100,000	0	-100,000	-100%
Educ. Coord. and Outreach	105,000	26,345	- 78,655	- 75%
Staff Training	65,000	16,491	- 48,509	- 75%
Demonstration Projects	50,000	0	- 50,000	-100%
Jobs Programs	120,000	81,306	- 38,694	- 32%
Evaluation	58,000	26,411	- 31,589	- 54%
ARC I Operation	30,000	0	- 30,000	-100%
Diversion Programs	102,000	78,058	- 23,942	- 23%
ARC Community Development	25,000	5,384	- 19,616	- 78%
Volunteer Resources	10,000	2,212	- 7,788	- 78%
Jail Recreation & Counseling	45,000	38,184	- 6,816	- 15%
Bridge Services Programs	75,000	77,748	+ 2,748	+ 4%
Enhanced State Corrections Field Services	110,000	149,909	+ 39,909	+ 36%
Restitution Program	0	49,136	+ 49,136	NA
Community Corrections Administration	70,000	138,895	+ 68,895	+ 98%
TOTAL	\$2,077,000	\$967,662	\$-1,109,338	- 53%

SOURCE: Appendix D.

¹Budget figures do not include \$250,000 proposed in the budget for a Probation Center at MCCF, \$160,000 for the penalty payment, or a \$273,000 balance in the reimbursement fund.

²Expenditure figures include \$372,941 in payments to contract agencies by the State but exclude \$300,065 for a Probation Center at MCCF, \$356,501 for penalty, \$931,912 for reimbursement and \$134,873 for construction.

³Mental Health dollars originally expected to flow through the County's Community Corrections program were actually placed under the State Mental Health Division. Actual expenditures for CCA mental health include State Mental Health Division, matching State Corrections Division, and County CCA funds. (See Appendix D.)

APPENDIX E-2
IAR #1-80
April, 1980

COMPARISON OF BOARD APPROVED BUDGET
to
ADJUSTED FMS EXPENDITURES
1978-79

PROGRAM AREA ¹	BUDGET APPROVED BY BOARD ²	ADJUSTED FMS EXPENDI- TURES	AMOUNT OF DEVIATION FROM BUDGET	PERCENT OF DEVIATION FROM BUDGET
OVER BUDGET				
Probation Center Administration, Evaluation, Training	\$211,416	\$300,065	\$ 88,649 ³	42%
Diversions Programs	138,226	181,797	43,571 ⁴	32%
Central Referral Program	25,336	52,823	27,487	109%
Enhanced State Field Services	42,805	70,022	27,217 ⁴	64%
Restitution Program	140,000	149,909	9,909	7%
Jail Recreation and Counseling	47,168	49,136	1,968 ⁴	4%
	<u>36,678</u>	<u>38,184</u>	<u>1,506</u>	4%
SUBTOTAL	\$641,629	\$841,936	\$200,307	31%
UNDER BUDGET				
Construction	507,622	134,873	(372,749) ⁵	(73%)
Penalty	628,346	356,501	(271,845) ⁴	(43%)
Day Treatment	65,260	0	(65,260) ⁶	(100%)
Reimbursement	998,000	931,912	(66,088)	(7%)
Mental Health	57,089	4,943	(52,146)	(91%)
Bridge Services Program (Halfway Houses)	50,200	6,682	(43,518)	(87%)
Purchased Alternative Residential Care	50,150	8,554	(41,596)	(83%)
Education, Coordination & Outreach	16,566	45	(16,521)	(99%)
Volunteer Resources	5,021	2,212	(2,809)	(56%)
ARC Community Development	7,088	5,384	(1,704) ⁴	(24%)
Jobs Program	25,474	25,030	(444)	(2%)
SUBTOTAL	\$2,410,816	\$1,476,136	(\$934,680)	(39%)
TOTAL	\$3,052,445	\$2,318,072	(\$734,373)	(24%)

SOURCE: Appendix D

¹Does not include Probation Enhancement, ARC I Operation, Demonstration Projects, or one-time-only funds, for which funds were not budgeted nor were expenditures incurred.

²Many budget modifications were approved by the Board during the year. Amounts shown are the result of modifications made through June 30, 1979.

³\$145,000 in additional CCA funds were allocated to the Probation Center but no budget modification was found to cover the new revenue.

⁴\$96,868 was transferred from CRP, Administration, Restitution, and ARC Community Development to penalty on June 21, 1979.

⁵Carried over to next fiscal year.

⁶The contract for Day Care Services at Providence Hospital was not let in time, so no expenditure is shown for fiscal 78-79.

ALTERNATIVE PROGRAM CONTRACTS
Fiscal Year 1979-80

CONTRACT AGENCY	1979-80 Contract		First Six Months Actual Clients Served/Percent Felons
	Maximum Cost ¹	Clients to be Served (Minimum)	
<u>AGUILA</u> Provides alternatives to prosecution and/or confinement for Spanish and English speaking offenders not in custody. All staff are bilingual in Spanish. Serves misdemeanants mostly.	\$61,511	Screen: 720 Enroll: 432	289/ 7% 210
<u>FIRST OFFENDER PROGRAM</u> Provides alternatives to traditional prosecution and sentencing through pre-trial diversion for non-dangerous first offenders, including supervision, counseling, restitution, employment and/or training and community service work. The County DA's office refers first time offenders to Labor's Community Service Agency. Serves misdemeanants mostly.	65,378	Clients to be Accepted: 300	6/ 0%
<u>JOB THERAPY</u> Provides a variety of employment and training services, including access to job placement services. Serves felons and misdemeanants.	73,000	Intakes: 800 Enrollment: 450 Placement: 300 Skill Development: 40	471/65% 286 191 51
<u>BURNSIDE PROJECTS</u> Provides shelter, personal hygiene services, food and clothing, counseling and related services for offenders who do not exhibit violent behavior. Most are residents of West Burnside Skidrow area. Accepts referrals from CRP only. Serves misdemeanants mostly.	21,000	Accept: 360	140/12%
<u>PORTLAND COMMUNITY COLLEGE (PCC) EDUCATION OUTREACH</u> Provides education and vocational information and counseling to criminal justice system clients. PCC staff make regular visits to County jails to contact clients. Also accepts referrals from CRP and probation counselors. Serves felons and misdemeanants.	52,010	Pre-Enrollment Coun: 400 Devlp. Fin. Aid Pkgs: 255 Enroll. Voc. Ed Prgms: 300	72 437 180/66%
<u>PCC RECREATION</u> Provides supervised physical fitness and recreational activities to inmates at RBJ, MCCF, and CAC. Serves felons and misdemeanants.	17,000	Hours of Recreation: 1200	780/66%

(Footnotes on page 2)

APPENDIX F
IAR #1-80
April, 1980
Page 1 of 2 pages

ALTERNATIVE PROGRAM CONTRACTS
Fiscal Year 1979-80

CONTRACT AGENCY	1979-80 Contract		First Six Months Actual Clients Served/Percent Felons
	Maximum Cost ¹	Clients to be Served (Minimum)	
<u>PROVIDENCE DAY TREATMENT</u> Provides evaluation and treatment for severely disturbed, dysfunctional criminal justice clients. Referrals are through CRP, County Probation Services, and State Field Services. Contract monitored by County Mental Health Division, serves misdemeanants and felons.	\$50,000	Evaluate: 52 Enroll: 16	57/39% 27
<u>TASC</u> Drug and Alcohol abusers are screened, evaluated, monitored, and referred for appropriate services. Contract monitored by County Mental Health Division. Felon and misdemeanant referrals come from CRP, probation counselors and institution counselors.	72,660	Screen: 5,500 Evaluate: 2,000 Refer & Monitor: 1,340	1,397/70% 734 422
TOTAL	<u>\$412,559</u>		

CONTRACTUAL HOUSING	Per Diem Cost	Average Residents per month/total care days (Percent Felons)
Provides housing facilities and needed therapy, counseling, and prescribed treatment for alcoholic dependency, and other related corrections services, including employment, placement assistance, and financial counseling. Serves mostly felons as condition of probation.		
Alcoholic Rehabilitation Association	\$ 9.50 per D/R ² 15.00 per D/R	4.0/587
Oregon Halfway House	30.00 per D/R	1.7/267
Native American Rehabilitation Association	28.00 per D/R	.3/ 58
St. Vincent DePaul Alcoholism Treatment Center	16.00 per D/R	NA/NA (62%)
Portland Women's Center	billed "actual per diem expense"	7.1/814
Burnside Projects (Shelter) ³	\$ 1.83 per D/R	10.0/493
Exodus House	9.00 per D/R	NA/NA

¹Contract stipulates that County agrees to pay "Contractor an amount not to exceed...."

²Per D/R = per day per resident

³Burnside Projects provides shelter only, no treatment or care under the contractual housing agreement.

SOURCE: Compiled by Multnomah County Auditor's office from information furnished by Corrections Division personnel.

RESPONSES TO QUESTIONS POSED
by
BOARD OF COUNTY COMMISSIONERS
(See Board Resolution, Appendix H)

The answers to these questions are based primarily on Fiscal Year 1978-79 information.

1. LEGALITY OF CCA EXPENDITURES

1A. One-half the cost of the training coordinator was to be charged to the General Fund. Was that done?

The Community Corrections Plan (July 27, 1978, p. 79) calls for a "Training Officer" and a "Fiscal Clerk," each to be paid half-time by Community Corrections. The Board of County Commissioners approved full-time CCA funding for both positions for part of the fiscal year 1978-79. According to the County Personnel Office, the CCA Training Coordinator was paid from the General Fund for the period November 20, 1978 to March 25, 1979, and was paid totally out of Community Corrections monies for the period March 26, 1979 to November 5, 1979. The position has been vacant since November, 1979.

On October 5, 1978, the Board approved a budget modification for CCA funding of a full-time Financial Specialist for the last nine months of the fiscal year. Payroll records show that the fiscal specialist was first paid out of CCA funds on February 9, 1979.

Full-time CCA funding of the training position was continued in the County's 1979-80 adopted budget. In Fiscal Year 79-80, the Financial Specialist was funded entirely by County General Funds.

1B. A firm that has performed consulting/psychological work did substantial work for the division. Was the proration of the charges between CCA funds and the General Fund correct?

The firm that has performed consulting/psychological work for Corrections Division is Organizational Development, Inc. We could not find adequate justification for the proration of the \$10,938 charged to the General Fund (\$7,186) and Community Corrections (\$3,752). This occurred because of: (1) The lack of a written contract between Multnomah County Corrections Division and Organizational Development for the eighteen months prior to January, 1980; (2) the

brevity of submitted invoices; and (3) poor accounting controls (e.g., lack of proper sign-off authorizations, lack of time records, and inconsistent assignment of program category designations).

- 1C. About \$2,800 of CCA funds was paid to the consultants for the Center for Sentenced Offenders Study for additional alternatives. Since the CCAC requested only one additional alternative, should this change be prorated?

The consultant for the Center for Sentenced Offenders Study was the architectural firm of Walker, McGough, Foltz, Lyeria, Inc., of Spokane. Their contract with Multnomah County (which existed before Community Corrections Act monies were involved) called for eleven different option proposals for replacing the sentenced offender function at Rocky Butte Jail. The Community Corrections Advisory Committee added another proposal to the contract (Proposal #A-1) which dealt with an Alternative Residential Center.

The total cost of the contract with the County was \$15,452. The architectural firm assigned the cost of \$2,800 to the CCA portion of the contract (Proposal #A-1). There appears to be no basis for proration of this charge.

2. POLICY APPROPRIATENESS OF EXPENDITURES

- 2A. What category and what amount of Community Corrections dollars went to jail recreation building and programming?

The jail recreation building (Butler building at Rocky Butte Jail) was built with construction funds appropriated as part of the Community Corrections Act. The Rocky Butte Jail recreation building is charged to "Construction Projects" in the FMS computer reports. For 78-79, costs recorded were \$102,694; thus far in 79-80, \$104,279 has been recorded. Additional 79-80 costs of \$12,000 for camera surveillance equipment and \$2,909 in architect and project management fees will bring the total construction costs to \$221,882.

Jail recreation programming is categorized as "Jail Recreation" in the County's Financial Management System (FMS) reports for 1978-79. For that period, \$38,184 was spent on jail recreation programming by Community

Corrections. Of this amount, \$4,683 was directly attributed to Rocky Butte Jail for recreation instruction provided through a contract with Portland Community College.

- 2B. Is there a policy in legislation for the plan limiting reimbursement to the County General Fund?

We could not find any reference in the Community Corrections Act that limited reimbursement to the County General Fund. However, the County Board of Commissioners adopted a policy statement on July 28, 1978, calling for maximum reimbursement to the County General Fund as part of Multnomah County's conditions for participation in the Plan.

- 2C. Telephone bills were paid with CCA funds. Were these appropriate?

We identified \$1,244 in phone bills at Rocky Butte Jail which were inappropriately charged to CCA administration. In the absence of a tallying system for "CCA calls" and "non-CCA calls" and/or guidelines and criteria for identifying CCA calls, we believe these charges were inappropriate.

- 2D. Were CCA funds used for dues for membership(s) in the Oregon Corrections Association? If so, does this conform to County policy?

We found no payment for membership dues to the Oregon Corrections Association with Community Corrections dollars.

The only County policy we found concerning this subject was contained in a memo by then Chairman Don Clark to Division Heads dated February 18, 1975. This memo states that Multnomah County would not pay for individual memberships in organizations. However, the County does pay for some County memberships in organizations such as the National Association of Counties and the Municipal Finance Officers Association.

- 2E. The water cooler at the release center at Rocky Butte Jail was purchased with CCA funds. Was this appropriate?

The water cooler at the release center was ordered on a Building Management request form by the Building Management Section. The computer number used on the order form was appropriately coded for Rocky Butte's General Fund. The Corrections Division staff member who prepared the payment authorization said he had not seen a copy of the requisition and assumed the payment request to be for an identical cooler ordered by MCCF from CCA funds. Both coolers were mistakenly charged to CCA funds. The result was an inappropriate charge to CCA funds of \$304, which the Corrections financial manager plans to correct through next year's budget.

3. MANAGEMENT EFFICACY

Does the Community Corrections Plan include a program which tracks and measures diversion of Class C felons in Multnomah County?

The Department of Justice Service's system for tracking Class C felons, as well as other categories of arrested, jailed, and sentenced persons in Multnomah County is fragmented. We have made this same observation in two previous audit reports dealing with the District Attorney's office (IAR #4-77) and overall growth in the Department of Justice Services (IAR #5-78).

Jail populations are reported daily at all jail facilities, and profiles by type of offense are reported weekly at all facilities except for the Courthouse jail. In addition, the number of Class C felons incarcerated monthly by the State is determined several weeks after each month's end. The State Corrections Division sends the County a list of C felons and the County reduces the list based on information recorded on individual offender files.

Not all Community Corrections "clients-served data" is monitored or verified by the County Corrections Division. For example, citations in lieu of arrest (a program objective of CRP is to increase the use of citations) are not monitored by the Corrections Division. Contract agencies of the Corrections Division do report monthly the number of clients served, but do not report clients-served by class of offender.

The Corrections Division has had a federal grant since 1978 to study jail overcrowding and develop a management information system (MIS), to include offender-based case tracking from arrest to exit from the criminal justice

system. The MIS is estimated to be completed and in operation by early 1981.

4. ADEQUACY OF ACCOUNTING PROCEDURES

The five programs administered by the Division of Corrections (CRP, administration, probation, jail recreation and counseling, community development) all show large increases in June expenditures. Can these increases be explained? Can these expenditures be projected?

Coopers and Lybrand, the County's external auditors, reviewed the June expenditures and concluded that the expenditures were reasonable. We also reviewed June expenditures and found that all costs could be accounted for. Normally, year-end accruals can be projected in advance. Coopers and Lybrand concluded that the June increases were consistent with the late start-up and phased-in implementation that occurred in FY 1978-79.

5. SPECIFIC ACCOUNTING QUESTIONS

5A. What were the original dollars allocated for Community Corrections administration? Was this amount increased? Did expenditures exceed allocations? If so, by what authority, to what level, and what did these increases buy?

The Board of Commissioners initially approved a budget of \$206,244 for RU 788 - "Administration" - which included funds for evaluation and training. (The CCAC plan, dated July 27, 1978, proposed \$193,000 for Administration, Evaluation, and Training. The implementation plan submitted by the Department of Justice Services, dated September 26, 1978, proposed a budget of \$226,000 for administration, training, and evaluation.)

The actual expenditures for administration, training and evaluation were \$181,797 of the \$206,244 originally approved by the Board. However, the Board approved two budget modifications in May and June 1979, that reduced the approved budget for administration, training, and evaluation by \$68,018 (transferred \$67,668 to penalty and \$350 to support services) resulting in a revised budget of \$138,226 as reported in the FMS. The combined

administration, training, and evaluation category was therefore exceeded by \$43,571, apparently inadvertently. (See also question 5B and Appendix E-2.)

5B. Which items budgeted in the CCA plan as approved by the Board of County Commissioners reflected excess funds or over expenditures?

The CCA budget approved by the Board of Commissioners does not follow the CCAC budget plan. The Board of Commissioners significantly reduced the overall enhancement budget from \$2,077,000 per the CCAC plan to \$707,061 (see Appendix D) and reallocated most of the funds to Reimbursement and Penalty.

Reported expenditures were generally within approved budget categories until ten days before the end of fiscal year '79. On June 21, 1979, the Corrections Division transferred \$96,868 from categories of Administration, Central Referral, Restitution and ARC Community Development to the Penalty category (through a budget modification presented to the Board). This transfer resulted in shortages in the first three categories because funds from each had been previously committed but not yet paid. (See Appendix E-2 for listing of programs over/under budget.)

5C. How many professional service contracts were signed with Applied Social Research? For what services? At what cost?

There were three professional service contracts signed with Applied Social Research at a total cost as reported by FMS of \$12,400.

1. A contract dated June 21, 1979, provided that Applied Social Research was to evaluate the Community Corrections Program for a cost not to exceed \$4,995. Applied Social Research issued a report assessing County agencies on September 5, 1979.

2. A contract dated June 21, 1979, provided that Applied Social Research was to evaluate the contract agencies of Community Corrections for a cost not to exceed \$4,995. Applied Social Research issued a second report on contract agencies on August 31, 1979.

3. A contract dated March 15, 1979, provided that Applied Social Research was to set up a monitoring system for Community Corrections contract agencies for a cost not to exceed \$2,410. Contract agencies are using the system developed by Applied Social Research to report monthly to the County on the number of persons served.

5D. What were the actual expenditures for purchased alternative residential care?

According to FMS Report June 30, 1979, \$3,225 was spent on Purchased Alternative Residential Care. We identified another \$5,329 reported in the administration section of the FMS for a total expenditure of \$8,554. The adopted budget was \$50,150. Purchased Alternative Residential Care therefore spent only 17% of their adopted budget.

<u>CCAC PLAN</u>	<u>PROPOSED BUDGET</u>	<u>ADOPTED BUDGET</u>	<u>ACTUAL EXPENDITURES</u>
\$220,000	\$60,000	\$50,150	\$8,554

5E. A memo dated August 13, 1979 from Bob Paine to Pat Burton, subject "outline of CCA Training -- Fiscal Year 1978-79" lists training programs paid for by CCA funds. The total of the listed expenditures is \$8,068. Work sheets from Connie Mattingly indicate \$14,180 spent on training. What is the explanation for the difference between these two figures?

Not all training expenditures were included in the memo dated August 13, 1979. Further investigation showed that all expenditures were also not included in the Community Corrections Support Services records.

We found supporting documentation for \$16,491 of training expenditures, although the computer financial report includes only \$13,418 of expenditures. The difference was caused by Corrections management's failure to properly categorize expenditures within the administration responsibility reporting unit.

<u>PAINÉ</u> <u>MEMO</u> <u>8/13/79</u>	<u>MATTINGLY</u> <u>WORKSHEETS</u>	<u>FMS</u> <u>REPORT</u> <u>8/29/79</u>	<u>AVAILABLE</u> <u>SUPPORT</u> <u>DOCUMENTATION</u>
\$8,068	\$14,180	\$13,418	\$16,491

6. ADDITIONAL QUERY NOT INCLUDED ON ABOVE LIST

Has cross-over of County and State field services been carefully computed?

Multnomah County provides probation services to misdemeanants. Through a contract with the State Corrections Division, parole and probation services are provided to sentenced felons. The law states that any cost incurred by State Field Services for supervising misdemeanor probationers should be deducted from the County's reimbursement. The cross-over of these services has not been carefully computed.

A memo from the State Corrections Division to the Multnomah County Community Corrections states that the handling of felons and misdemeanants should be handled as a cost offset, and therefore be a wash-out between the State and the County. Multnomah County Corrections management thereafter directed County Corrections staff to reduce the number of referrals to State field staff to cause an equilibrium in the cross-overs. However, no accurate accounting is occurring.

Further discussion of this subject will be the object of a separate Report to Management by the County Auditor's office which we will issue in May or June, 1980, after more thorough investigation of these records.

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

In the Matter of Auditing)
Community Corrections Expenditures)
and Disbursements Relative to the) RESOLUTION
1978 Community Corrections Plan)

WHEREAS, The Board of County Commissioners has demonstrated considerable interest in Multnomah County's Community Corrections Plan; and

WHEREAS, On July 27, 1978, the Board approved the Community Corrections Plan as submitted by the local Corrections Advisory Committee, in accordance with the Community Corrections Act; and

WHEREAS, The Corrections Division of the State of Oregon subsequently approved that plan thereby funding Community Corrections in Multnomah County; and

WHEREAS, The Board of Commissioners has determined that expenditures and disbursements relating to the plan have been questioned; and

WHEREAS, It is the pleasure of the Board that these questions be answered expediently; it is therefore

RESOLVED, That the Board of County Commissioners submit the attached questions to the County Auditor's office for the purpose of auditing the expenditures and disbursements of Community Corrections.

Dated this 21st day of November, 1979.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY
By Carl Blumensaw
Presiding Officer

APPROVED AS TO FORM:

JOHN B. LEAHY
County Counsel for
Multnomah County, Oregon

By John B. Leahy

1. Legality of Expenditure. Have all disbursements come from the proper fund as outlined in the plan? Has there been improper transfer of funds from Community Corrections to the general fund?

- A. One-half the cost of the training coordinator was to be charged to the general fund. Was that done?
- B. A firm that does consulting/psychological work did substantial work for the division. Was the proration of the charges between CCA funds and the general fund correct?
- C. About \$2800 of CCA funds were paid to the consultants on the Center for Sentenced Offenders Study for additional alternatives. Since the CCAC requested only one additional alternative, should this charge be prorated?

2. Policy Appropriateness of Expenditures. Have Community Corrections expenditures, or lack of expenditures, properly reflected appropriations made by the Board of Commissioners as recommended by the CCAC in its 1978 plan?

- A. What category and what amount of Community Corrections dollars went to jail recreation building and programming?
- B. Is there a policy in legislation for the plan limiting reimbursement to the county general fund?
- C. Telephone bills were paid with CCA funds. Were these appropriate?
- D. Were CCA funds used for dues for membership(s) in the Oregon Corrections Association? If so, does this conform to county policy?
- E. The water cooler at the release center at Rocky Butte Jail was purchased with CCA funds. Was this appropriate?

3. Management Efficacy. Has fiscal management of the program been adequate to insure that program activities reflect policy decisions at the county and State level?

- A. Does the Community Corrections Plan include a program which tracks and measures diversion of Class C felons in Multnomah County?

4. Adequacy of Accounting procedures. Are the procedures used to track revenues and expenditures sufficient to insure accountability within the program? If not, what methods should be implemented to insure that accountability?

- A. The five programs administered by the Division of Corrections (CRP, administration, probation, jail recreation and counseling, community development) all show large increases in June expenditures compared with previous monthly expenditures. Can these increases be explained? Can these expenditures be projected?

5. Specific Accounting questions.

- A. What were the original dollars allocated for Community Corrections administration? Was this amount increased? Did expenditures exceed allocations? If so, by what authority, to what level, and what did these increases buy?
- B. What was the actual expenditure for purchased alternative residential care?
- C. A memo dated August 13, 1979 from Bob Paine to Pat Burton, subject "Outline fo CCA Training -- Fiscal Year 1978-79" lists training programs paid for by CCA funds. The total of the listed expenditures is \$8,068. Work sheets from Connie Mattingly indicate \$14,180 spent on training. What is the explanation for the difference between these two figures?
- D. Which items budgeted in the CCA plan as approved by the Board of County Commissioners reflected excess funds or over expenditures?
- E. How many professional service contracts were signed with Applied Social Research? For what services? At what cost?



MULTNOMAH COUNTY OREGON

DEPARTMENT OF JUSTICE SERVICES
ROOM 809, COUNTY COURTHOUSE
PORTLAND, OREGON 97204
(503) 248-3701

DONALD E. CLARK
COUNTY EXECUTIVE

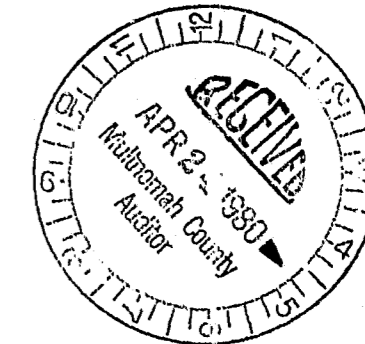
MEMORANDUM

TO: JEWEL LANSING, CPA
Multnomah County Auditor

FROM: *John Wilson*
TUCK WILSON, Director
Department of Justice Services

DATE: April 24, 1980

SUBJECT: INTERNAL AUDIT REPORT NUMBER 1-80
COMMUNITY CORRECTIONS PROGRAM
DEPARTMENT OF JUSTICE SERVICES



This will acknowledge the April 15, 1980 transmittal of IAR #1-80 performed by your office. Your staff has given a thoughtful assessment of a very complex program and deserve commendation for their effort.

OVERVIEW

Any organization has limited capacity in its ability to absorb and accommodate increased programmatic and financial responsibility. The phasing in of Community Corrections Program in Multnomah County has necessitated major adjustments in our operation. There have been significant advances and further adjustments are undisputably required. The opportunity to examine our directions and accomplishments in six months time is welcome.

FISCAL MANAGEMENT

Fiscal management of the County CCA program during 1978-79 has been consistent with the Board's policy to maximize reimbursement to the general fund for County-provided felon services.

Your conclusion that fiscal management of the County CCA program during 1978-79 was consistent with the Board's policy to maximize reimbursement to the general fund for County-provided felon services is acknowledged. There is no question that this policy meant curtailment in a number of alternative programs that would have been both desirable and effective in meeting the numerous unmet needs in community corrections identified by Corrections Division staff and members of the CCA Advisory Board in development of The Plan.

EXPENDITURES

Expenditures for enhancement purposes were less than the overall budget as approved by the Board.

Funds were held in reserve to cover the potential State penalty requirements and program expenditures were curtailed in May and June accordingly. Funds were then transferred within the budget for penalty payment. A favorable Attorney General's opinion on that matter resulted in much of the unexpended balance. However, from \$717,513 total under-expenditure, \$517,749 was carried over into the 1979-80 fiscal year for construction.

Further, a number of the alternative services were not immediately available within the community and required staff assistance to develop these private resources.

Staff hiring delays along with the time required to develop contracts and adequate monitoring procedures to meet the State regulations contributed to some of the slow implementation experienced in the nine (9) months of the 1978-79 fiscal year.

ALLOCATIONS OF EXPENDITURES by Corrections management were not always adequately justified.

Two such examples were cited on pages 30 and 31 of the audit report covering invoices from a consultant for total payments of \$12,328 of which \$3,297 was charged to CCA Administration for training. \$1,244 in phone bills at Rocky Butte Jail was also charged to CCA Administration and questioned in the report.

In the case of the charges to Training, copies of announcements for all such sessions were issued by the Training Coordinator indicating type of training sessions to be held, date and list of staff members who were to attend. This information was prepared in the same offices where the bills were paid and should have been used as basis for charging the cost of the consultant. Two of the sessions were for training staff of MCCF where the new CCA Funded Probation Center was located. It included 18 Corrections Counselors and Corrections Officer staff members. Charges covering nine separate management training sessions for Facility Managers, Sergeants, and the Training Coordinator were also paid, however, the cost for only one of these sessions was made to CCA Fund, which was reasonable since the Training Coordinator, which was a CCA funded position attended all sessions. The telephone bills at Rocky Butte Jail for \$1,244 charges to CCA Funds was a judgemental decision with inadequate support and will be adjusted along with several other coding errors that were identified after the County's Audit had been completed. These adjustments will be made with the State during the current 1979-80 year.

Accounting procedures were not adequate to assure accountability.

Addition of the \$3.0 million in State grant funds for the Community Corrections Program in 1978-79 placed a recognized strain on the limited fiscal staff within the Division and although a new position of Financial Specialist was requested and approved in the CCA budget for Administration it was not filled until January, 1979.

Prior to this time, the Division Fiscal and Management Staff had very little experience in grant accounting and specifically with program budgets which are required by most state and federal grants. The County's FMS system of accounting has the capacity to handle program accounting and with the January, 1980 appointment of a new fiscal management director in the Division, the knowledge and skills to assure acceptable accountability are in place. A series of improvements beginning late in the 1978-79 funding year to date are noted in Recommendation #4 below.

You also note a request for an Attorney General's opinion on a legality of use of Construction Funds by the County. We simply indicate that the projects were prepared for consideration and approved by the State Corrections Division prior to construction and we will be please to work further with you or others on the matter.

AUDIT RECOMMENDATIONS AND COMMENTS

1. ALLOCATE MORE COMMUNITY FUNDS TO ALTERNATIVES FOR CLASS C FELONS

Contract agencies serve both misdemeanants and felons. During 1979, the greater portion of services went to the misdemeanor population. The anticipated consolidation of the Central Referral Program and Pre-Trial Release Services and the recent delegation of authority from the Circuit Court to release Class C felons on recognizance will result in an increased number of Class C felons receiving contract agency services. This delegation of authority from the Circuit Court highlights the interdependence of all components of the criminal justice system in order to achieve program goals and objectives.

2. CLARIFY THE ROLE OF THE CCA MANAGER IN ORDER TO ACHIEVE BETTER PROGRAM LEADERSHIP AND DIRECTION

The above recommendation addresses three specific factors of management responsibility: (a). reassessment of the roles and responsibilities of corrections managers, (b). the need for improved coordination between components of CCA programs and other elements of the justice system and (c). need for greater emphasis on improving the relationship between the local advisory committee and the criminal justice system bureaucracy.

- (a) Thoughtful review of the identification of the CCA manager will occur. The Director of the Department has been so designated to date because the range of community corrections programs includes other divisions within the department beyond Corrections. Our view that corrections and community corrections are indivisible furthers the integration efforts which you properly accentuate in the audit report and the Corrections Division is organized accordingly.
- (b) Improved program coordination among justice system elements is of high priority, and examples are noted:
1. The improving relationship between the Central Referral Program and the courts.
 2. Court delegation to Corrections for recognizance release.
 3. Development of population control procedures involving court authorization.
 4. Court/Corrections committee efforts in resolution of scheduling and calendaring issues.
 5. Increasingly productive efforts in our relationship with law enforcement agencies most exemplified in the 56% use of citations by the Portland Police Bureau (contrasted with an early rate of 21% per use previously).
 6. Corrections participation in judicial education programs focusing on community corrections activities.
 7. An assessment of County Probation operations is now underway. After review of the client population, the priorities and service levels of probation services will be shaped. At that point in the reassessment process, the participation of the State and probation center will be included. To achieve a workable definition of probation center operations, both the circuit and district courts will be influential.
- (c) We recognize the importance of a good working relationship with the Community Corrections Advisory Committee. The assistance of the committee has been invaluable, particularly in achieving community acceptance of the proposed ARC. As with any new organization and program there have been developmental issues that have interfered with a good working relationship. Clarification and re-clarification of the role of the CCAC is an on-going process. We note, also, that CCAC has undergone one reorganization and is currently reviewing a possible second re-structuring. Their visibility and efforts throughout have been a healthy, while controversial contribution.

3. THE COUNTY'S ANNUAL CCA PLAN TO CLEARLY REFLECT FISCAL PRIORITIES APPROVED BY THE BOARD

As Community Corrections programs are reviewed and evaluated and as a fully integrated correctional system becomes a reality, a refinement of the Community Corrections plan is appropriate. The County budgeting process now underway, and anticipated reprogram being for certain CCA funding in the next fiscal year is an opportune time to commence plan revisions which would likely be in place by July 1, 1980.

We note that the December, 1979 site visit by the State Division of Corrections found Multnomah County to be in compliance with the Community Corrections Plan for 1979-81 and program implementation has, as you recognize, been consistent with the County's fiscal priorities as articulated to date.

4. ESTABLISH AND IMPLEMENT WRITTEN POLICIES AND PROCEDURES FOR ALLOCATING EXPENDITURES TO CCA FUNDS

The audit cites several specific deficiencies for the 1978-79 fiscal year in community corrections expenditures. These include errors in assignment of expenditures within CCA program categories and the FMS reports, inadequate documentation for charges to CCA in training, in administrative categories, and inadequate identification reporting of CCA expenditures. Procedures were established to handle adjustments of such errors following the Coopers and Lybrands audit.

The need for strong procedures within the Division for cost allocation is recognized. A number have been established to date supplementing the County's own policies and administrative procedures.

The following actions are in process for implementation by July 1, 1980:

1. Develop guidelines for assigning costs of administration and support services to the several programs within the Corrections Division.
2. Realign 1980-81 budgets in the FMS to reflect program areas of responsibility.
3. Implementation of new and revised FMS BUC systems to reflect appropriate cost centers for accumulation of expenditures.
4. Development of 1980-81 training plan (new Training Coordinator will be on duty May 5, 1980) and procedures for charging training costs.

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5. Training of program managers and review and reconciliation of FMS reports.

5. DEVELOP GUIDELINES FOR PREPARING ANNUAL REPORT

The contents of an annual report is within the discretion of each CCA participating county. A review with the State Corrections Division and other participating counties regarding contents of the annual report will be conducted. Wherever the data is available, the audit recommendations and process will be incorporated into the preparation of the next annual report.

SUMMARY

We are pleased that the audit report credits our recent management efforts in strengthening fiscal and accounting matters while pointing to specific deficiencies. Those have and will continue to have our highest attention in our stewardship of the public trust.

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END