

DOCUMENT RESUME

07444 - [C2827937]

Need To Better Administer the Juvenile Justice and Delinquency Prevention Act's Maintenance-of-Effort Requirement. GGD-78-85; B-168530. October 3, 1978. 17 pp. + 2 appendices (5 pp.).

Report to Sen. John C. Culver, Chairman, Senate Committee on the Judiciary: Juvenile Delinquency Subcommittee; by Robert F. Keller, Acting Comptroller General.

Issue Area: Law Enforcement and Crime Prevention (500).

Contact: General Government Div.

Budget Function: Law Enforcement and Justice: Law Enforcement Assistance (754).

Organization Concerned: Department of Justice; Law Enforcement Assistance Administration.

Congressional Relevance: House Committee on Education and Labor; Senate Committee on the Judiciary; Senate Committee on the Judiciary: Juvenile Delinquency Subcommittee. Sen. John C. Culver.

Authority: Omnibus Crime Control and Safe Streets Act of 1968, as amended (42 U.S.C. 3701). Juvenile Justice and Delinquency Prevention Act of 1974, as amended (42 U.S.C. 5601). OMB Circular A-102.

The Department of Justice's Law Enforcement Assistance Administration (LEAA) is authorized to finance nationwide efforts to improve juvenile justice and prevent juvenile delinquency. The Juvenile Justice and Delinquency Prevention Act of 1974 requires that a minimum level of assistance for juvenile delinquency programs be maintained from appropriations made under the Omnibus Crime Control and Safe Streets Act. This is to assure that appropriations under that act supplement rather than replace funds previously spent for juvenile delinquency programs. Findings/Conclusions: LEAA has failed to assign specific responsibilities for administering the maintenance-of-effort requirement which has resulted in a disorganized approach to implementing the requirement. Written procedures describing how juvenile effort should be determined, monitored, and reported were lacking, and compliance reports did not show the amount of funds actually expended. Data were not generally available to support amounts representing the juvenile component of projects which also served adults, and juvenile justice and delinquency prevention efforts under the Crime Control Act were overstated in some cases because of the lack of controls to assure that projects or portions of projects classified as being for juveniles were actually juvenile-related. LEAA also has not been consistent in the way it has determined compliance with the maintenance-of-effort requirement. Recommendations: The Attorney General should direct the Administrator of LEAA to: assign responsibility for administering the maintenance-of-effort requirement to the Office of Juvenile Justice and the Delinquency Prevention;

develop procedures and controls for documenting the status of maintenance-of-effort compliance at the allocation, award, and expenditure states; develop guidelines on acceptable methods of prorating the cost of projects that are only partially juvenile-related; and help State planning agencies develop procedures for determining during periodic audits whether projects claimed as being juvenile-related actually were. (RRS)

7937

REPORT BY THE

# Comptroller General

OF THE UNITED STATES

## Need To Better Administer The Juvenile Justice And Delinquency Prevention Act's Maintenance-Of-Effort Requirement

Present Law Enforcement Assistance Administration procedures do not provide assurance that the congressionally mandated juvenile justice spending level requirement is being achieved.

The Law Enforcement Assistance Administration has

- a fragmented approach toward administering the requirement and
- no adequate system of controls to assure that the requirement is being achieved.

GAO recommends improvements for program administration, and for determining compliance.

This review was requested by the Subcommittee to Investigate Juvenile Delinquency, Senate Committee on the Judiciary.



GGD-76-85  
OCTOBER 3, 1978



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

R-168530

The Honorable JOHN C. Culver  
Chairman, Subcommittee to Investigate  
Juvenile Delinquency  
Committee on the Judiciary  
United States Senate

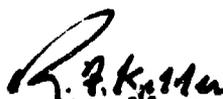
Dear Mr. Chairman:

This report, prepared in response to your request of December 31, 1977, discusses the Law Enforcement Assistance Administration's implementation of legislation requiring that a minimum level of assistance for juvenile delinquency programs be maintained from appropriations made under the Omnibus Crime Control and Safe Streets Act. The intent of this requirement, which is a part of the Juvenile Justice and Delinquency Prevention Act of 1974, is to assure that appropriations under that act supplement rather than replace funds previously spent for juvenile delinquency programs.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67). As arranged with your office, the report is available for general distribution.

Sincerely yours,

ACTING

  
Comptroller General  
of the United States

COMPTROLLER GENERAL'S  
REPORT TO THE SUBCOMMITTEE  
TO INVESTIGATE JUVENILE  
DELINQUENCY, SENATE  
COMMITTEE ON THE JUDICIARY

NEED TO BETTER ADMINISTER  
THE JUVENILE JUSTICE AND  
DELINQUENCY PREVENTION ACT'S  
MAINTENANCE-OF-EFFORT  
REQUIREMENT

D I G E S T

The Law Enforcement Assistance Administration needs to strengthen its implementation of the maintenance-of-effort program if it is to assure that the required amount of Crime Control Act funds are actually used for juvenile programs. GAO does not believe current procedures for determining compliance or the way the program is being administered provide that assurance.

The Law Enforcement Assistance Administration has not assigned specific responsibilities for administering the maintenance requirement and has not been consistent in the way it has determined compliance. Written procedures describing how juvenile effort should be determined, monitored, and reported were lacking. Also, the compliance reports prepared did not show the amount of funds actually expended.

Compliance reports based on allocation, award, and estimated data are, at best, preliminary indicators of compliance. This is illustrated by data GAO received from 49 States and 5 other jurisdictions showing expenditures of about \$10 million less than in Law Enforcement Assistance Administration reports. However, GAO noted that a final determination on compliance with the maintenance requirement could not yet be made, since fiscal year 1975 State grants, which were available for up to 3 years, were not closed out at the time of its review.

GAO also found that maintenance of effort is claimed for projects which apply only in part to juveniles, but data is not maintained to support the reasonableness of the amounts claimed. Adequate guidance for estimating the maintenance-of-effort portion of such projects has not been provided. In the States visited, GAO found some of these projects that were not juvenile-related to the extent claimed. GAO also found some projects reported as entirely juvenile-related that also served adults.

### RECOMMENDATIONS

To provide a more effective administration of the maintenance-of-effort requirement, the Attorney General should direct the Administrator, Law Enforcement Assistance Administration, to:

- Assign responsibility to the Office of Juvenile Justice and Delinquency Prevention for administering the maintenance-of-effort requirement, including development of procedures and controls for documenting the status of maintenance-of-effort compliance at the allocation, award, and expenditure stages.
- Develop guidelines on acceptable methods of prorating the cost of projects that are only partially juvenile-related and require offices to maintain supporting data justifying such prorations.
- Work with State planning agencies to develop procedures for their periodic audits to include an examination of selected projects claimed as juvenile-related to judge whether they actually were.

Although the Department of Justice expressed some concerns, it said the report correctly identified some of the problems

the Law Enforcement Assistance Administration has had in preparing its maintenance-of-effort report and concurred on the need for procedures and controls for documenting maintenance-of-effort compliance (see app. II)..

Copies of the draft report were also provided to the State planning agencies in each of the five States reviewed. Comments were received from three of the States and changes have been made where appropriate. The States which commented agreed with most of GAO's conclusions.

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### ABBREVIATIONS

GAO	General Accounting Office
LEAA	Law Enforcement Assistance Administration
OJJDP	Office of Juvenile Justice and Delinquency Prevention

## CHAPTER 1

### INTRODUCTION

The Department of Justice's Law Enforcement Assistance Administration (LEAA) is authorized to finance nationwide efforts to improve juvenile justice and prevent juvenile delinquency. LEAA was given this authority by the Omnibus Crime Control and Safe Streets Act of 1968, as amended (42 U.S.C. 3701), and the Juvenile Justice and Delinquency Prevention Act of 1974, as amended (42 U.S.C. 5601).

The Congress, in passing the Juvenile Justice Act, intended programs funded under the act to supplement, rather than supplant, juvenile-related efforts funded through the Omnibus Crime Control and Safe Streets Act. The Juvenile Justice Act required LEAA to maintain from Crime Control Act appropriations at least the same level of financial assistance, beginning with fiscal year 1975, to juvenile delinquency programs that it provided during fiscal year 1972. The Congress selected fiscal year 1972 only because it was the most recent year in which current and reportedly accurate data were available from LEAA.

Most of the funds made available under the Crime Control Act are distributed as block grants (parts C and E) <sup>1/</sup> to the States based on their relative populations. State criminal justice planning agencies receive funds (part B) to develop comprehensive plans, including annual action plans showing how the block grant funds will be used. LEAA retains about 15 percent of the part C and 50 percent of the part E appropriations for making discretionary, rather than block grants. LEAA uses these grants to fund programs or projects, including those related to juvenile delinquency, which it believes should be given special emphasis.

LEAA determined that the fiscal year 1972 base maintenance-of-effort level to be maintained in fiscal years 1975 and 1976 was \$111,851,054. This figure included grants awarded for juvenile delinquency by the States (parts C and E) plus those awarded by LEAA through its discretionary programs and its National Institute of Law Enforcement and Criminal Justice.

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<sup>1/</sup>Funds are available under part C of the Crime Control Act for all aspects of law enforcement and criminal justice. Under part E, funds are available for correctional institutions, facilities, and programs.

In order to insure that Crime Control Act funds continued to be used to maintain the same relative emphasis on juvenile programming, the Congress amended the maintenance requirement in October 1976 to require that at least 19.15 percent of Crime Control appropriations be for juvenile delinquency programs. The percentage figure was derived from the total fiscal year 1972 level of awards for juvenile delinquency, \$111,851,054 compared to the total fiscal year 1972 parts C and E appropriations, \$584,200,000. For fiscal year 1977, the required LEAA maintenance level was \$126,773,000.

Without imposing spending quotas upon the States and recognizing the need to assure compliance with the maintenance provision, LEAA has provided the States with maintenance-of-effort goals. <sup>1/</sup> In fiscal years 1975 and 1976, the goals were based on about \$1.26 per person under age 18 in each State. The 1977 goals were equal to 19.15 percent of a State's total parts B, C, and E planned expenditures (allocations). LEAA does not require States to identify part B funds used for juvenile purposes, but instead considers the percentage of a State's part B funds used for juvenile purposes to be the same as the percent of C and E funds the State used for such purposes.

Block grants awarded to States allocating less than their assigned goal included a special condition that LEAA could require such States to increase their allocation if LEAA did not meet the maintenance-of-effort requirement on a nationwide, aggregate basis. This would involve aggregating the States' block allocations for maintenance as well as the amounts LEAA's headquarters offices had maintained for juvenile delinquency.

#### SCOPE OF REVIEW

Implementation of the maintenance-of-effort requirement was reviewed at LEAA headquarters and in the States of Illinois, Georgia, Alabama, Oklahoma, and Kansas. Fieldwork was performed from February through May 1978.

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<sup>1/</sup>Beginning with fiscal year 1979, LEAA now requires that each State allocate and expend at least 19.15 percent of its total crime control allocation for juvenile delinquency programs.

We reviewed the legislative history of the maintenance-of-effort requirement, and interviewed officials and examined records at LEAA headquarters, the five State planning agencies, and selected subgrantees that operated projects classified as a part of the maintenance of effort.

## CHAPTER 2

### BETTER ADMINISTRATION OF THE MAINTENANCE-OF-EFFORT REQUIREMENT IS NEEDED

#### NEED FOR BETTER COMPLIANCE REPORTING

LEAA reported that it complied with the maintenance-of-effort requirement for fiscal years 1975-77, but its method of calculating maintenance resulted in overstating amounts for juvenile programs. The overstatements occurred because LEAA determined compliance on the basis of amounts allocated and awarded rather than on amounts actually expended. LEAA also used unreliable data in determining compliance and inconsistent methods in reporting it.

Data provided to us by 49 States and 5 other jurisdictions concerning fiscal year 1975 block grants showed that their expenditures for juvenile programs were about \$10.2 million less than amounts shown in two compliance reports dated March 1976 and January 1978, prepared by different LEAA offices. At the time of our review, LEAA's compliance with the maintenance requirement for fiscal year 1975 could not be determined because fiscal year 1975 State block grants, which were available for up to 3 years, had not yet been closed out.

The potential for significant differences between planned expenditures and the amounts actually subgranted or spent had previously surfaced in a LEAA analysis of fiscal year 1972 data. LEAA had initially determined that for fiscal year 1972 the States had planned to spend about \$117 million for juvenile programs. LEAA later determined that the States had actually subgranted only about \$89 million for juvenile programs.

A basic deficiency in LEAA's compliance reporting is that reports do not follow compliance through the expenditure stage. Before receiving their block grants, the States obtain LEAA approval of their plans for allocating grant funds to various program areas, including juvenile programs. The States implement their plans by awarding subgrants to organizations and agencies responsible for operating the programs. LEAA allows the States up to 3 years to spend the grant funds; however, its compliance reports address only the allocation and award stages.

Fiscal year 1975 maintenance of effort was overstated

LEAA has issued two reports showing that it complied with the fiscal year 1975 maintenance-of-effort requirement. However, there is little assurance that the amount of effort reported was actually provided. A March 22, 1976, report, prepared by the office of Juvenile Justice and Delinquency Prevention (OJJDP) based the amount of States' efforts for juvenile programs on what the States had planned to spend, or allocate. A January 5, 1978, report prepared by LEAA's Comptroller's Office based the amount of States' efforts for juvenile programs on the amount of subgrants the States had issued. The reliability of this data is questionable because the system LEAA uses did not specifically identify those subgrants or portions of subgrants that were related to the States' maintenance-of-effort programs. LEAA did not require States to identify such subgrants in their input data.

The following table shows the amount of fiscal year 1972 base year effort for juvenile programs as determined by LEAA and as shown in the two LEAA reports on fiscal year 1975 compliance.

	<u>Fiscal year 1972 base- year effort</u>	<u>Fiscal year 1975 effort</u>	
		<u>March 1976 report</u>	<u>January 1978 report</u>
State parts C and E grant funds	\$ 89,355,432	a/\$110,662,735	\$110,647,451
LEAA headquar- ters funds	<u>22,495,622</u>	<u>16,860,326</u>	<u>15,461,764</u>
Total	<u>\$111,851,054</u>	<u>\$127,523,061</u>	<u>\$126,109,215</u>

a/Due to a mathematical error LEAA reported the figure as \$104,726,430.

To assess the reliability of LEAA's compliance reports, we requested all States and jurisdictions receiving fiscal year 1975 parts C and E grants to give us information on the amount of grant funds spent for maintenance of juvenile effort as of December 31, 1977. Fiscal year 1975 funds were generally to be spent by September 30, 1977.

We obtained data from 54 State planning agencies (49 States and the District of Columbia, Puerto Rico, Guam, American Samoa, and the Virgin Islands). The data showed

that they had spent about \$100.3 million for maintenance of effort compared to the 110.5-million allocation and subgrant award amounts shown for those States in LEAA's March 1976 and January 1978 reports. Based on that data, the actual State effort was \$10.2 million less than reported by LEAA. At the time of our review, the final amount of fiscal year 1975 maintenance of effort could not be determined because fiscal year 1975 grants had not been closed out.

Fiscal year 1976 and 1977 compliance reports

Based on State allocation and headquarters award data, LEAA's fiscal year 1976 and 1977 compliance reports show that the maintenance-of-effort requirement was satisfied. However, the States have until December 31, 1978, and December 31, 1979, to spend their fiscal years 1976 and 1977 funds, respectively. Compliance based on expenditures cannot be finally determined until that data is available. None of the five States we visited had spent all of their parts C and E funds. LEAA records showed that as of December 31, 1977, the States had spent nationally about 68 percent of their fiscal year 1976 grants and 29 percent of 1977 block grants.

LEAA issued two reports covering fiscal year 1976 compliance. The first report, dated March 8, 1977, was by OJJDP. The second, dated January 5, 1978, was by the Comptroller and was partially revised on March 27, 1978. Although both offices' reports showed compliance, they varied in the amounts and the time period covered. The two reports, the latter of which covered the transition quarter, showed the following information:

<u>Report date</u>	<u>Months basis</u>	<u>Maintenance-of-effort amount</u>		
		<u>States</u>	<u>Headquarters</u>	<u>Total</u>
----- (millions) -----				
March 1977	12	\$103.6	\$26.7	\$130.3
March 1978	15	122.8	19.9	142.7

The required effort was \$111.9 million on a 12-month basis, or \$139.8 million on a 15-month basis. The amounts in both reports represented the State's planned allocations to juvenile programs.

In the five States visited, none of the fiscal year 1976 maintenance-of-effort allocations agreed with the March 1978 compliance report. We were unable to reconcile the differences between the States' and the Comptroller's figures.

Based on State records, the Comptroller's report overstated State maintenance-of-effort allocations by \$349,779, as follows:

<u>State</u>	<u>Allocations per State records</u>	<u>Allocations per Comptroller</u>	<u>Difference</u>
Illinois	\$ 4,969,954	\$ 4,893,790	\$ 76,164
Georgia	2,603,900	3,102,750	-498,850
Oklahoma	1,425,776	1,650,000	-224,224
Alabama	1,529,252	1,369,950	159,302
Kansas	<u>779,349</u>	<u>641,520</u>	<u>137,829</u>
Totals	<u>\$11,308,231</u>	<u>\$11,658,010</u>	<u>-\$349,779</u>

There were also differences between how OJJDP and the Office of Comptroller reported headquarters fiscal year 1976 maintenance of effort. OJJDP reported the amount of headquarters grants awarded by other LEAA offices, plus the amount of Crime Control Act funds budgeted for, but not necessarily spent or awarded by, OJJDP. The Comptroller reported only amounts actually awarded by all headquarters offices, including OJJDP, a method consistent with the way LEAA determined the 1972 base-year juvenile efforts. The Comptroller's report showed about \$7 million less in headquarters effort than was shown in the other office's report.

Only the Comptroller's office had prepared a fiscal year 1977 compliance report. The report, dated January 5, 1978, showed that the maintenance requirement was exceeded by \$4.1 million. The report was based on State allocation data, headquarters' award data, and estimated percentages of certain LEAA appropriation budget categories. An official of the Comptroller's office said no data was available showing the actual amounts related to maintenance of effort.

The allocation data for only two of the five States reviewed agreed with the Comptroller's report, as follows:

<u>State</u>	<u>Allocation per State records</u>	<u>Allocation per Comptroller</u>	<u>Difference</u>
Illinois	\$4,782,448	\$4,782,448	\$ -
Georgia	1,506,300	1,638,700	-132,400
Oklahoma	1,078,286	1,054,274	24,012
Alabama	918,000	918,000	-
Kansas	<u>625,563</u>	<u>461,224</u>	<u>164,339</u>
Total	<u>\$8,910,597</u>	<u>\$8,854,646</u>	<u>\$ 55,951</u>

OJJDP and the Office of Comptroller have both reported on compliance. However, LEAA has not clearly defined which office is responsible for determining compliance. Neither office has developed written procedures on what data will be used in compliance reporting or how the data will be obtained. Also, neither office reports compliance through all three stages--allocation, award, and expenditure. The Juvenile Justice and Delinquency Prevention Act of 1974 addressed the maintenance requirement in terms of expenditures, and LEAA guidelines directed the States to both allocate and expend maintenance-of-effort funds. But LEAA has never used expenditures to determine maintenance of effort.

By using the existing attachment to its H-1 Financial Status Report, LEAA could require States to report maintenance of effort at the subgrant award and expenditure stages. Some States have their maintenance-of-effort programs separately identified in that report, and by using this method for all States, LEAA could monitor maintenance-of-effort status quarterly on an allocation, award, and expenditure basis. The States would need to show separately the juvenile portion of multi-purpose programs.

AMOUNTS CLAIMED AS MAINTENANCE OF  
EFFORT WERE NOT ALWAYS FOR  
JUVENILE-RELATED ACTIVITIES

Although most of the maintenance-of-effort projects we reviewed appeared to be for juvenile justice or delinquency prevention purposes, in some cases the projects were not juvenile related to the extent claimed. Two of the five State planning agencies and the LEAA headquarters offices had used unsupported and sometimes unrealistic percentages in prorating multi-purpose project costs to maintenance of effort. Three States classified a number of projects as entirely juvenile related although they also served adults.

The State planning agencies in Illinois, Georgia, Alabama, Kansas, and Oklahoma awarded 688 maintenance-of-effort-related subgrants totaling \$28.2 million from fiscal years 1975-77 funds. We performed a cursory review of 589 subgrants totaling \$24.2 million and an indepth review of 234 subgrants totaling \$16.5 million. The State planning agencies had overstated the maintenance of effort on 33 subgrants by \$1.1 million and understated it on 3 subgrants by about \$15,000. At LEAA headquarters we reviewed 10 fiscal year 1977 discretionary grants and found understatements or overstatements in 6 cases, with a net overstatement of \$375,843.

In our opinion, the unsupported and erroneous maintenance-of-effort amounts appear to result largely from the lack of definitive LEAA guidance on how and under what circumstances portions of multi-purpose programs should be included as maintenance of effort, and on which specific types of projects might properly be considered juvenile related.

Unsupported and excessive amounts claimed  
for maintenance-of-effort portions of  
multi-purpose programs

State planning agencies

The Illinois and Alabama planning agencies claimed about \$2.5 million and \$208,000, respectively, for the maintenance-of-effort portion of multi-purpose programs. These amounts were claimed as maintenance of effort at the time the States' plans were developed. Neither of the States had documentation supporting the amounts prorated, and discussions with Illinois project officials indicated that some of the amounts prorated were excessive.

As of December 31, 1977, the Illinois planning agency had awarded 35 multi-purpose subgrants totaling \$3.2 million, \$906,000 of which was prorated to maintenance of effort. The prorata percentages ranged from 5 to 50 percent and were generally based on unsupported, subjective estimates. Seven subgrants, with a \$722,000 proration to maintenance of effort, showed overstatements of about \$315,000 in five cases and an understatement of about \$5,000 in one case.

For instance, two subgrants were for community awareness type programs. Although the subgrants did not have specific juvenile components, the State planning agency estimated that the subgrants were 50 percent juvenile related. However, project operating officials estimated that, considering the number of juveniles participating in the program, more realistic estimates would have been 25 and 35 percent. Based on these percentages, the Illinois planning agency overstated maintenance of effort by about \$240,000.

In Alabama, the State planning agency could provide no data supporting its allocations to maintenance of effort from two program areas. Data available from operating officials for one program area indicated a slight understatement in maintenance of effort. We could not identify any juvenile-related subgrants for the other program area although \$27,540 had been allocated to maintenance of effort.

### LEAA headquarters

LEAA headquarters' total maintenance of effort amounted to \$19.9 million in fiscal year 1976 and \$17.4 million in 1977, according to a report by the Office of Comptroller. The amounts for the 2 years included about \$5.3 million and \$4 million, respectively, allocated from multi-purpose programs. The allocations were based on estimates the Comptroller's staff made from reviewing project descriptions and, in some cases, discussing the projects with LEAA headquarters officials responsible for monitoring the grants.

We reviewed project descriptions for 82 of the 105 multi-purpose projects LEAA funded in fiscal year 1977 but found nothing in the descriptions to support LEAA's estimates. We contacted project operating officials for 10 selected projects involving \$750,000 in maintenance of effort to obtain their estimates of the percent of project costs that were juvenile related. The officials' estimates were either higher or lower than LEAA's in six cases. In three of these, officials said the projects served no juveniles. The net overstatement of maintenance of effort for the six projects was \$375,843.

One example of such overstatement related to a community corrections center designed to provide short-term intensive treatment for offenders. LEAA overstated maintenance of effort on this project by \$400,000. LEAA had prorated 25 percent of the project's \$1.6 million costs to maintenance of effort, but project officials informed us the project would serve only adults. The center was still under construction at the time of our review.

### Inadequate LEAA guidance

LEAA has not issued adequate guidelines specifying the maintenance-of-effort portion of programs or projects which are only partially juvenile related. The extent of LEAA's guidance has been to advise States to use their best efforts in estimating the juvenile justice portion of multi-purpose grants.

LEAA's Office of General Counsel in a February 1975 memorandum on the maintenance-of-effort requirement recognized the need for guidance in this area. The memorandum stated:

"Some guidelines are needed on the question of how to prorate expenditures between juveniles and adults \* \* \*. Unless a reasonably accurate apportionment can be made no part of the funds expended should be considered to have been expended for juvenile delinquency programs."

LEAA has not issued any detailed guidelines or otherwise defined what constitutes "a reasonably accurate apportionment."

Adult and juvenile participants both served by grants classified as juvenile only

The State planning agencies in Kansas, Georgia, and Illinois overstated maintenance of effort by about \$816,000 by classifying subgrants as entirely juvenile related when they also served adults. <sup>1/</sup> We found no such misclassifications in the other two States reviewed.

For the 3-year period of our review--fiscal years 1975, 1976, and 1977--the Kansas, Georgia, and Illinois planning agencies classified 350 subgrants totaling \$20.3 million as completely related to juvenile programs.

A cursory examination of 286 subgrant files for indications that the subgrants were for purposes other than juvenile programs showed that although most of the subgrants appeared to be entirely juvenile related, some were questionable. We visited the project sites or telephoned project officials on 116 subgrants, including most of the ones identified as questionable. Of the 116 subgrants reviewed, 31 served adults as well as juveniles, as follows.

<u>State</u>	<u>Subgrants reviewed</u>	<u>Subgrants found to also serve adults</u>	<u>Maintenance-of-effort overstateme.</u>
Kansas	30	17	\$260,001
Illinois	20	8	506,913
Georgia	<u>66</u>	<u>6</u>	<u>49,573</u>
Total	<u>116</u>	<u>31</u>	<u>\$816,487</u>

In most cases we obtained enough information at the sites to determine a ratio of adult participation, and used that information in estimating the overstatement of the maintenance of effort.

Of 17 Kansas subgrants found not to be strictly juvenile related, 3 were to help a district court implement a new administrative system. The project director said the subgrants,

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<sup>1/</sup>This overstatement applies only to the projects we reviewed. It is not a final determination as to the extent of compliance with the maintenance-of-effort requirement.

which totaled about \$236,500, served both the juvenile and adult court system and estimated that only about 30 percent should be considered as juvenile related. Maintenance of effort was thus overstated by about \$165,000. The 14 other Kansas subgrants provided probation services. According to statistics provided by project officials, the projects served both adult and juvenile clients, with the juvenile participation ranging from 33 to 80 percent. Maintenance of effort was overstated for these subgrants by about \$94,500.

In Illinois two of eight questionable subgrants were for diversion of youth from the juvenile justice system. However, the projects were also serving adults. Participant data provided by project staff indicated that only 52 percent of one subgrant for \$302,200 and 50 percent of the other subgrant for \$398,700 were juvenile related.

The remaining six questionable Illinois subgrants included four projects to divert both juveniles and adults from the criminal justice system, and two projects to upgrade court services. The planning agency had erroneously classified the projects as entirely related to maintenance of effort. Statistics or estimates provided by project personnel indicated that the juvenile-related percentages for the subgrants ranged from 32 to 72 percent. The total overstatement was \$162,478 for the six subgrants. State planning agency officials generally agreed with our estimates of overstatements.

In Georgia, 41 of 44 projects reviewed were entirely juvenile related. The three other projects served some adults. The objective of one project was to divert participants from the juvenile justice system and the other two projects were to help disadvantaged or problem students in school. In one case the project director estimated 20-percent adult participation; in the second case, project data showed 16 percent adult participation. We estimated that maintenance of effort was overstated by \$49,573. In the third case, the subgrantee files gave a clear indication of participation by adults, but we were unable to determine the number involved.

**LEAA NEEDS TO ASSIGN RESPONSIBILITY  
FOR DIRECTING AND ADMINISTERING THE  
MAINTENANCE-OF-EFFORT PROGRAM**

We believe that a major cause of the problems discussed in this report is that no LEAA organization has been assigned the responsibility and accountability for implementing and enforcing the maintenance-of-effort requirement.

The Juvenile Justice and Delinquency Prevention Act states that OJJDP shall be responsible for administering the provisions of the act, which includes the maintenance-of-effort requirement. However, the LEAA Administrator has not taken action to clarify that office's responsibilities under the program. As a result, several LEAA organizations, including OJJDP, the Comptroller's office, and the Office of Criminal Justice Programs, are involved in the program. None has clearly defined responsibilities for implementing and enforcing the maintenance-of-effort requirement.

## CHAPTER 3

### CONCLUSIONS, RECOMMENDATIONS,

### AND AGENCY COMMENTS

#### CONCLUSIONS

LEAA's failure to assign specific responsibilities for administering the maintenance-of-effort requirement has resulted in a disorganized approach to implementing the requirement. No one office has clear authority to specify how compliance is to be determined and assured; no adequate system of controls has been set up to document progress toward spending the required level of funds for juvenile programs.

Data was generally not available to support amounts representing the juvenile component of projects which also served adults. Also, juvenile justice and delinquency prevention efforts under the Crime Control Act were overstated in some cases because of the lack of controls to assure that projects or portions of projects classified as juvenile related were in fact so related. LEAA should require State planning agencies and LEAA program offices to maintain documentation substantiating the reasonableness and the basis for amounts representing juvenile components of multi-purpose programs. LEAA should also require periodic reviews of such projects to assure that the amounts claimed are actually juvenile related.

LEAA has not been consistent in the way it has determined compliance with the maintenance-of-effort requirement. It has no written procedures on how the juvenile effort should be determined, monitored, and reported, and it has not specified which office has those responsibilities. None of the compliance reports showed the amount of funds expended, and there were no specific provisions for updating the reports. The required level of Crime Control Act appropriations to be spent for juvenile programs cannot be assured from the present operating system used for determining and reporting compliance.

Compliance reports based on allocation, award, and estimated data are at best preliminary indicators of compliance. The most reliable indication is how much was spent for juvenile purposes. This is illustrated by data we received from 49 States and 5 other jurisdictions which shows expenditures of about \$10.2 million less than LEAA's estimates in compliance reports for fiscal year 1975.

Determining actual compliance can take at least 3 years-- the time LEAA allows the States to spend each year's grant funds. The 3-year process involves allocation, award, and expenditure stages, and we believe that LEAA compliance reports should show the status of all three stages. The reports should be updated periodically until expenditure data shows compliance or until final expenditure data is available.

LEAA requires States to submit a quarterly financial report which could in its current format be used to provide allocation, award, and expenditure data on maintenance of juvenile effort. If a State's maintenance of effort is entirely within juvenile program areas, the attachment to that report already provides such data. LEAA could require States to separately identify all their maintenance of effort, including the juvenile portion of multi-purpose programs, in that attachment.

#### RECOMMENDATIONS

We recommend that, to provide a more effective administration of the maintenance-of-effort requirement, the Attorney General direct the LEAA Administrator to:

- Assign responsibility for administering the maintenance-of-effort requirement to the Office of Juvenile Justice and Delinquency Prevention.
- Develop procedures and controls for documenting the status of maintenance-of-effort compliance at the allocation, award, and expenditure stages.
- Develop guidelines on acceptable methods of prorating the cost of projects that are only partially juvenile related and require State planning agencies and LEAA program offices to maintain data to justify such prorations.
- Help State planning agencies develop procedures for determining during periodic audits whether selected projects claimed as being juvenile related actually were.

#### AGENCY COMMENTS

By letter dated June 27, 1978, the Department of Justice was asked to comment on a draft of this report. The Department's comments were requested by July 21, 1978, but were not

received until September 18, 1978. The comments are included as appendix II.

The Department stated that the report correctly identified some of the problems LEAA has had in preparing its maintenance-of-effort report. The Department also stated that the report would be useful to LEAA in addressing some of the problems which require corrective action if future maintenance-of-effort reports are to accurately reflect the States' compliance with the maintenance requirement. The Department concurred in the need for improved procedures and controls for documenting maintenance-of-effort compliance and cited specific procedures that have been developed for assessing maintenance of effort in the future.

If effectively implemented, these procedures should improve LEAA's administration of the maintenance-of-effort requirement. However, we believe they fall short in addressing some of the concerns we have raised in our report. For example, LEAA will continue to determine maintenance of effort on the basis of allocation and award data and not on an expenditure basis. We believe that LEAA compliance reports should show the status at all three stages--allocation, award, and expenditure--and be updated periodically until expenditure data shows compliance or until final expenditure data is available.

The Department also pointed out certain limitations that prevent LEAA from obtaining sufficient information from the States to track maintenance of effort through the expenditure level and questioned our suggestion that the existing attachment to the H-1 Financial Status report could be used. It cites an Office of Management and Budget decision rejecting an LEAA request for clearance to obtain expenditure information on individual subgrants for inclusion into LEAA's information system. Having subgrant expenditure information, however, is not essential toward determining compliance with maintenance of effort. States currently aggregate subgrant expenditure data and report it by program categories to LEAA via the attachment to the quarterly financial status report. We continue to believe that LEAA compliance reports should show expenditure data and that LEAA should consider utilizing the financial report as a conduit for this information. The overstatements cited by the Department as justification for not using the report should be cleared up through improved guidance and audit.

The Department also stated that it would give further consideration to our recommendation that LEAA develop

guidelines on acceptable methods of prorating the cost of juvenile-related projects. It stated, however, that some degree of subjectivity will always exist because of the wide variety of programs which affect both the juvenile and adult criminal justice systems. The Department's response cited procedures calling for OJJDP to meet with the Budget Division to establish standards to be used in reviewing categorical grants to determine the percent devoted to juvenile justice. We suggest that LEAA consider the possibility of utilizing these standards in the development of guidelines for the States on prorating juvenile-related grants.

The need for guidelines on this issue may take on added importance in view of LEAA's recently amended State planning agency grant guidelines requiring each State to maintain a minimum level of Crime Control Act funds for juvenile delinquency. Under previous LEAA procedures, a State could fall below a recommended minimum level provided that maintenance of effort was achieved in the aggregate.

The Department also stated that responsibility for the administration of the maintenance-of-effort requirement has now been delegated to OJJDP. However, the instruction cited by the Department as support for this delegation was in existence during our review. The instruction is very broad and does not clearly indicate that OJJDP is responsible for administering the maintenance-of-effort requirement. It generally deals with OJJDP's responsibility for providing policy direction for all juvenile delinquency programs administered by LEAA.

We spoke with officials of various LEAA program offices including OJJDP, who indicated that a number of LEAA offices were involved in administering the maintenance-of-effort requirement. We identified two LEAA offices that had prepared reports on LEAA's compliance with the maintenance-of-effort requirement. Without coordinating their efforts, each office had prepared reports on fiscal years 1975 and 1976 compliance utilizing different methodologies and arriving at different compliance figures. We believe this highlights the need for LEAA to assign specific responsibility and accountability for administering the maintenance-of-effort requirement. Our recommendation to specifically assign such responsibility to OJJDP appears to have been addressed to some extent in the maintenance procedures cited in the Department's response. These procedures call for the Budget Division or the Office of the Comptroller to prepare the maintenance-of-effort report which will be reviewed, verified, and approved by OJJDP. Perhaps the procedures and this report will provide all of the clarification that is needed.

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**United States Senate**  
 COMMITTEE ON THE JUDICIARY  
 SUBCOMMITTEE TO INVESTIGATE JUVENILE DELINQUENCY  
 WASHINGTON, D.C. 20510

December 31, 1977

The Honorable Elmer B. Staats  
 Comptroller General of the  
 United States  
 441 G. Street, NW  
 Washington, D.C. 20548

Dear Mr. Staats:

As you are aware, the Subcommittee to Investigate Juvenile Delinquency has oversight responsibility with respect to the implementation of the Juvenile Justice and Delinquency Prevention Act of 1974. This Act provides that the Law Enforcement Assistance Administration shall maintain each year from appropriations under the Crime Control Act of 1976 a minimum level of assistance for juvenile delinquency programs.

As Chairman of the Subcommittee, I would like to request that your office conduct a review of the implementation of this "maintenance of effort" requirement. Since the Subcommittee presently contemplates holding oversight hearings dealing with the administration of the Juvenile Justice and Delinquency Prevention Act sometime this summer, I would appreciate a summary of GAO's findings by early June of 1978.

Josephine Gittler, the Chief Counsel for the Subcommittee, will be happy to provide your staff any additional information regarding the scope and extent of the survey requested.

Best wishes for the holiday season.

Sincerely,

  
 JOHN C. CULVER  
 Chairman

JCC/jg



## UNITED STATES DEPARTMENT OF JUSTICE

WASHINGTON, D.C. 20530

Address Reply to the  
Division Indicated  
and Refer to Initials and Number

SEP 18 1978

Mr. Victor L. Lowe  
Director  
General Government Division  
United States General Accounting Office  
Washington, D.C. 20548

Dear Mr. Lowe:

This letter is in response to your request for comments to the Congress entitled "Need for Better LEAA Administration of the Juvenile Justice and Delinquency Prevention Act's Maintenance of Effort Requirement."

The report correctly identifies some of the problems the Law Enforcement Assistance Administration (LEAA) has experienced in preparing its maintenance of effort report. Although most of the problems were known to LEAA, the report will be useful in addressing areas needing corrective action so that future maintenance of effort reports will accurately reflect the States' compliance with the maintenance of effort requirements of the Juvenile Justice and Delinquency Prevention Act. However, the report does not adequately reflect some of the complexities involved in obtaining accurate and reliable data nor LEAA's efforts to remove some of the barriers impacting on the collection of this data.

We agree that the reliability and accuracy of data collected and reported by LEAA relating to the maintenance of effort requirement are significant problems. As pointed out in the report, the primary cause for this problem lies in the fact that LEAA does not have a system capable of tracking funds allocated and awarded through block grants to both the subgrant award and expenditure stages. In January 1978, LEAA requested clearance from the Office of Management and Budget (OMB) for including subgrant information in the LEAA Grant Program File (PROFILE) System. This request was denied on the basis that it did not comply with the requirements of OMB Circular A-102 "Uniform Administrative

Requirements for Grants-in-Aid to State and Local Governments." LEAA has appealed the decision, and we doubt that any serious impact toward improving the reliability and accuracy of the data collected can be made until the matter is resolved with OMB.

The suggestion on page 9 of the report that subgrant awards and expenditures can be reported and controlled by using the existing attachment to the H-1 Financial Status Report is based on an unfounded premise. This premise assumes that all States have the capability of gathering only accurate and reliable data before aggregating it at the State level. As the report clearly points out, the States included in the review did not have such capability, overstating their maintenance of effort on 33 subgrants by as much as \$1.1 million. Moreover, modification of the H-1 Financial Status Report would provide only summaries of program level data and would not provide the detail necessary to trace allotted funds to subgrant and expenditure levels. Since there may be more than 16,000 projects initiated each year by the States, we believe that expansion of the existing PROFILE system to include data on each subgrant awarded is the most effective and economical method that LEAA can use to meet its reporting requirements and have some assurance of the reliability and accuracy of the data reported.

Regarding the recommendation that LEAA assign responsibility to the Office of Juvenile Justice and Delinquency Prevention (OJJDP) for administering the maintenance of effort requirement, this assignment has now been delegated to OJJDP by LEAA Instruction I 1310.40B.

We also concur with the need for improved procedures and controls for documenting the status of maintenance of effort compliance. Accordingly, LEAA has developed the following procedures for administering the maintenance of effort requirement:

--OJJDP will collect data on each State's yearly allocation of Part C and E Crime Control funds for juvenile justice and provide it to the Budget Division of the Office of the Comptroller for inclusion in the maintenance of effort report.

- The Budget Division will collect data on categorical grants and contracts and compile the yearly maintenance of effort report.
- CJSDP will review, verify, and approve the maintenance of effort report prior to issuance.
- OJJDP will meet with the Budget Division to establish standards for use in reviewing categorical grants to determine the percent devoted to juvenile justice. In addition, OJJDP and the Budget Division will jointly explore the possibility of modifying the existing project summary form so that other LEAA offices can indicate the percent devoted to juvenile justice at the time categorical grants are awarded.

The recommendation that LEAA develop guidelines for States to use in determining acceptable methods of prorating juvenile justice expenditures is conceptually appealing. However, from a practical point of view, some degree of subjectivity will always exist because of the wide variety of programs which impact on both juvenile and adult criminal justice systems. We do recognize that the recommendation has merit and LEAA will give further study to resolving the problem.

The report also recommends that LEAA "work with State planning agencies to develop procedures for their periodic audits to include an examination of whether selected projects claimed as being juvenile-related actually were." LEAA policies currently require that audits of grantees by State planning agencies be performed to determine the fiscal integrity of financial transactions and reports and compliance with laws, regulations, and administrative requirements. In addition, LEAA issued a new audit guide dated September 1, 1978, entitled "LEAA Guide for Financial and Compliance Audits of State Planning Agencies," which contains audit steps for verification of policies, procedures, and actual practices pertaining to maintenance of effort requirements. It is our belief that current audit policies and procedures will now adequately address this issue.

We appreciate the opportunity to comment on the report. Should you desire any additional information, please feel free to contact us.

Sincerely,

  
Kevin D. Rooney  
Assistant Attorney General  
for Administration