



Report Highlights

Monitoring of Non-Secure Residential Contract Providers

Office of Juvenile Justice

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Why We Conducted This Audit

The purpose of this audit was to follow up on the report we issued in December 2010 on the Office of Juvenile Justice (OJJ). The audit objective was to determine if OJJ has improved its monitoring of non-secure residential contract providers since our 2010 performance audit. Non-secure residential care facilities provide residential treatment services for OJJ youth. These youth are not considered a threat to public safety but require supervision in a more structured setting than the home.

What We Found

As of December 31, 2013, OJJ had implemented or partially implemented 11 of the 14 recommendations we made during the 2010 performance audit to assist OJJ in improving its monitoring of non-secure residential contract providers. However, we identified the following outstanding monitoring issues that OJJ still needs to address for the 12 contracts it has with non-secure residential providers:

- OJJ has not established a formula to determine rates for non-secure residential contracts as required by state law. Instead, contract providers submit a proposed rate to OJJ as part of the Request for Proposal process.
- OJJ does not conduct financial monitoring to ensure contract providers operate within their budgets and spend their per diems on required services for youth.
- While OJJ has developed standardized monitoring tools, these tools do not address all contract requirements. As a result, OJJ cannot ensure that program specialists are comprehensively monitoring providers to ensure they are fulfilling all contract requirements.
- OJJ has not established a comprehensive system to track monitoring results. As a result, OJJ cannot track the deficiencies of providers over time and ensure it is consistently imposing sanctions on contract providers for failing to adhere to all provisions in the contract.
- While OJJ collects outcome data from non-secure residential contract providers, OJJ does not ensure this data is complete and does not use this data to measure the quality and effectiveness of its contracted services.
- We also found that OJJ has not developed a plan to monitor OJJ contracts that are managed by Magellan Health Services (Magellan). Magellan started supervising OJJ youth on January 1, 2013.

Contract Amount of Non-Secure Residential Contracts As of June 30, 2013	
Non-Secure Residential Contracts	Contract Amount
1. Ware Youth Center	\$2,234,500
2. Christian Acres Youth Center, Inc.	11,900,040
3. Rutherford House	9,745,380
4. AMI Kids	5,112,365
5. Harmony Center - Camelia Group Home*	1,091,383
6. Boys and Girls Villages*	3,343,129
7. Boys Town of LA*	742,759
8. Community Receiving Home (Renaissance)	1,674,882
9. Harmony Center - Harmony III Group Home*	1,243,011
10. Educational and Treatment Council	792,671
11. Johnny Robinson's Boys Home	4,348,077
12. Allen's Consultation, Inc.*	658,777
Total	\$42,886,974
* Magellan Health Services started managing these contracts on January 1, 2013. Source: Prepared by legislative auditor's staff using OJJ non-secure residential provider contracts.	