



ERIC GARCETTI
MAYOR

February 23, 2018

Honorable Members of the City Council
c/o City Clerk
Los Angeles City Hall
Los Angeles, CA 90012

Re: 2017 Proposition 47 Grant Program Reserve Fund Loan (Council File No. 17-0758)

Dear Honorable Members:

Transmitted herewith for City Council consideration is a request for a Reserve Fund Loan related to the State of California Board of State and Community Corrections ("BSCC") Proposition 47 Grant Program. On December 1, 2017, the City Council accepted the Proposition 47 Grant award in the amount of \$5,998,384.00 for the performance period of June 16, 2017 through August 15, 2020.

Background

Proposition 47, or the Safe Neighborhoods and Schools Act, was passed by California voters in November 2014. Proposition 47 created Penal Code section, §1170.18, which allows individuals currently serving felony sentences for specified crimes to petition the sentencing court to have their sentences reduced to misdemeanor sentences. In addition, it allows individuals who have completed a sentence for certain low-level felonies to ask the sentencing court to designate the conviction as a misdemeanor. The savings from reduced incarceration costs are to be invested into mental health and drug treatment, prevention, support programs in K-12 schools, and victim services.

Pursuant to Proposition 47, BSCC is responsible for administering "a grant program to public agencies aimed at supporting mental health treatment, substance abuse treatment, and diversion programs for people in the criminal justice system, with an

emphasis on programs that reduce recidivism of people convicted of less serious crimes, such as those covered by this measure, and those who have substance abuse and mental health problems.” Assembly Bill 1056 (Statutes of 2015, Chapter 438) added additional priorities to the grant program including community-based supportive services such as job skills training, case management, and civil legal services.

In February 2017, the Mayor’s Office responded to a Proposition 47 Grant Program Request for Proposals issued by BSCC, in which the Mayor’s Office proposed the creation of Project imPACT, a program which will serve formerly incarcerated individuals, by providing employment services in tandem with peer support, legal services, and behavioral health services. Service hubs will be located in the following regions of the city: Downtown Los Angeles, San Fernando Valley, South Los Angeles and Watts. In June 2017, the BSCC awarded the Mayor’s Office \$5,998,384.00 in funding to implement Project imPACT. Project imPACT will provide employment services for justice-involved individuals with the goal of job placement and retention, combined with evidence-based multi-disciplinary supports. The multi-disciplinary supports will serve program participants holistically and include behavioral health services, legal services, and peer-based support which will be provided by sub-contractors selected through a competitive bid process. By pairing employment services with evidence-based practices that specifically serve formerly incarcerated individuals, participants will be more likely to successfully obtain and retain employment.

Reserve Fund Loan

The Proposition 47 Grant is administered by the BSCC on a reimbursement basis only. Requests for reimbursement will be accepted by the BSCC on a monthly basis. Therefore, the Mayor’s Office requests a Reserve Fund Loan in the amount of \$400,000 to facilitate cash flow and immediate disbursement of funds towards grant implementation of Proposition 47 activities and service delivery conducted by sub-contractors. The proposed Reserve Fund Loan is to be repaid by the Mayor’s Office upon reimbursement of Proposition 47 grant funds from the BSCC. At the end of each calendar year, the Reserve Fund Loan will be repaid in full. The Mayor’s Office will then request for a Reserve Fund Loan at the start of each calendar year through the grant performance period of August 2020.

Recommendations

It is therefore requested that the City Council:

1. Approve a Reserve Fund advance in the amount of \$400,000 and authorize the Controller to transfer said amount from the Reserve Fund to the Unappropriated

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Balance Fund 100, Department 58 and appropriate therefrom to the Proposition 47 Grant Fund 59S, Department 46, Account 46P304, with the Reserve Fund advance to be reimbursed upon receipt of grant funds from the California Board of State and Community Corrections (BSCC);

2. Request that the Mayor, or designee, to submit grant reimbursement invoices to the grantor on a monthly basis to ensure timely repayment of the Reserve Fund advance; and
3. Authorize the Mayor, or designee, to prepare Controller instructions and/or make technical adjustments that may be required to implement the actions approved by the Mayor and Council on this matter, subject to the approval of the City Administrative officer and authorize the Controller to implement the instructions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Eric Garcetti".

ERIC GARCETTI
Mayor

EG:eci