

**ALTERNATIVES TO INCARCERATION FUNDING AD HOC COMMITTEE**  
**Potential Funding Strategies**  
**December 9, 2019**  
**Submitted by: ATI Ad Hoc Funding Work Group**

The Alternatives to Incarceration Funding Work Group developed a matrix of key funding streams that currently support public safety and ATI-related efforts as a resource for the County's continuing work to build the ATI funding infrastructure. The document outlines the eligible uses, applicable County policy for utilization, and amount available for the identified funding streams.

However, the Ad Hoc Funding Committee recognizes that current funding is already largely allocated and that additional resources are needed to expand and scale up ATI efforts. To that end, the County should aggressively explore new funding sources and seek to maximize existing resources to meet the full scope of ATI recommendations. Funding strategies may include:

**Anticipated Growth in Funding Streams**

While current funding streams are largely allocated, anticipated growth in funding streams may be allocated to programs that align with the ATI initiative.

**Departmental Partnerships**

Significant county funding has already been allocated to support efforts that align with the ATI initiative. Partnerships among departments to integrate service delivery can have a multiplier effect and maximize the reach of that existing funding. The County should explore opportunities to enhance existing partnerships to further integrate service delivery.

**Flexible Use of Funding**

The use of applicable funding streams can be subject to federal, State, and County funding requirements and policy. When allowable and appropriate, County policy should support the flexible use of funding to expand the reach of support ATI-related efforts. For example, the State Department of Health Care Services is currently undertaking the California Advancing and Innovating Medi-Cal (CalAIM) initiative. CalAIM is an ambitious, multi-year effort to reform the Medi-Cal delivery system, its programs, and the related payment mechanisms, and its eventual implementation will require extensive federal, State, and local legislative changes (the outcome of which is uncertain). As another example, in 2014, the Board broadened County policy on the populations that could be served with AB 109 funding.

While funding sources often must support specific focus areas, developing county policies and practices, when possible, that promote flexibility can help provide needed programming to individuals, regardless of their case type or status.

**Legislative Advocacy**

The Chief Executive Office – Legislative Affairs and Intergovernmental Relations office, in collaboration with impacted justice and health partners, advocates for laws, policy and funding consistent with the goals of the ATI initiative. Maintaining justice reform as a priority in the County's [State Legislative Agenda](#) and [Federal Legislative Agenda](#) is central to furthering the important goals of the ATI Initiative.

Examples of recent and active legislative advocacy efforts include:

- Support of a Fiscal Year 2019-20 State budget allocations of:
  - \$74 million to fund pre-trial decision-making programs

- \$5 million to offset renovation costs to convert the Challenger Memorial Youth Detention Center to a Residential Career Training Center for justice-involved younger adults
- \$100.0 million to help participating counties expand existing or implement new mental health diversion programs focused on individuals with serious mental illnesses who have the potential to be or are deemed Incompetent to Stand Trial (IST) on felony charges
- \$5.0 million in Mental Health Services Fund to help counties develop innovative plans to increase access and quality of mental health services for the diversion of individuals with serious mental illness
- approximately \$15.0 million to support a Los Angeles County partnership with the California Department of State Hospitals to locally serve up to 150 IST patients in community settings
- \$37.3 million for youth diversion, including \$26.3 million for the youth diversion programs (of which the County was awarded \$1.0 million)
- Successful advocacy of SB 389, which allows counties to use Mental Health Services Act funds to treat all individuals subject to justice-involved supervision, including pre-trial supervision and mental health diversion.
- Current advocacy for federal legislation that would ease the Medicaid Inmate Exclusion, which prohibits states from using Federal matching funds towards health care services for individuals residing in correctional institutions, including pre-trial inmates
- Current advocacy for proposals that would repeal or ease the Medicaid Institutions for Mental Disease (IMD) exclusion, which prohibits states from using Medicaid funds for inpatient residents of an IMD between the ages of 21 to 64.

#### **Partnerships with Philanthropic Organizations**

Building community capacity is central to meeting the goals of the ATI Initiative. Partnerships with philanthropic organizations – particularly to support community infrastructure development – is a key strategy.

#### **Net County Cost (NCC)**

Net County Cost (NCC) is the portion of the County budget financed by locally generated revenues. While multiple strategies can increase resources, NCC funding should be considered to address continued funding gaps.

#### **Reinvestment of Justice Savings**

As justice reform efforts continue, outcomes should be tracked, and any associated costs savings should be identified and considered for reinvestment into ATI-aligned efforts.

#### **Grant Opportunities**

The County should implement strategies to proactively identify and pursue grant opportunities – from public agencies and private organizations – particularly to build needed County infrastructure, launch pilots, and otherwise support innovative efforts.

#### **New Local Revenues**

If the foregoing strategies are not sufficient to achieve full funding of ATI efforts, the County may consider raising new revenues and explore the need, feasibility, and value of a funding measure to support service delivery and/or a to provide one-time resources to develop the ATI infrastructure.