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OPENING STATEMENT BEFORE THE
HOUSE COMMITTEE TO INVESTIGATE THE
ADMINISTRATION OF JUSTICE

June 18, 1974

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Executive Director
Governor's Justice Commission

Gentlemen:

Thank you for the opportunity to appear here today to discuss the needs of criminal justice planning and administration in Pennsylvania, and, more particularly, the needs of the Governor's Justice Commission.

As you know, I took the office as Executive Director of the Governor's Justice Commission on March 21, 1974, by appointment of the Governor. In this short period of time, a number of needs of the agency have come to my attention. The recent review of our agency operation by your staff has been a helpful aid to me in determining areas of needed improvement in our administration. With my appointment, I was given a strong mandate by the Governor to improve the operations of the Governor's Justice Commission, so I would like to take a few moments to discuss my ideas and plans for the improvement of the agency. I feel the following areas deserve my immediate attention and subsequent improvement:

I. COMPLETION OF THE AGENCY REORGANIZATION AND
ELIMINATION OF STRUCTURAL AMBIGUITIES.

My predecessor, Dr. E. Drexel Godfrey, Jr., instituted a complete organizational study of the Governor's Justice Commission by Arthur Young and Company, the interim recommendations of which were completed and delivered to the agency on July 20, 1973. Based on the Arthur Young recommendations, a new organization of the Commission was designed, which was approved by the Commonwealth's Executive Board on April 9, 1974. The principal advantage of this new organizational structure is that it includes specialized staff components to implement policy, program planning, evaluation, financial monitoring and audit, budget and administrative services, and state and regional operations. For the first time, the Commission has the staff and resources necessary to adequately perform these basic functions. I am pleased to inform you that, at the end of last month, this reorganization was fully implemented with all key personnel in place.

II. REGIONAL COUNCIL AND REGIONAL OFFICE STRUCTURE.

One problem in particular remains which has been a source of confusion and which I intend to clarify as quickly as humanly possible. This is the lack of clarity in the respective roles of Governor's Justice Commission regional offices and Commission regional staff versus our regional councils and Council regional planning staff. Judge Paul Chalfin of Philadelphia, who is chairman of the committee of statewide regional planning council chairmen, has called a meeting tentatively scheduled for Friday, July 12, to consider a policy statement clarifying this relationship. The present confusion is caused by the fact that the Commission does not have sufficient state and federal planning funds to employ planning staff to support our eight regional planning councils as employees of state government. This necessitates the utilization of local government share of federal planning monies to employ regional council planning staffs. This procedure has been approved by the Federal Law Enforcement Assistance Administration since 1972, but creates a bifurcation of responsibility for local planning at the regional level between state employed staff and regional council employed staff. While every regional council has delegated the joint administrative responsibility for both staffs to the Commission's regional directors in order to unify staff operations, this continues to be a source of confusion and occasional conflict. I intend to propose alternative structures to the Attorney General and the

Regional Planning Council Chairmen to resolve this situation. The most simple solution is for regional council planning staffs to become state employees. When the Commission began in 1969, all planning and administrative support to the regional councils was performed by the state-employed Commission staff under the Commission regional directors. I was one of those regional directors. This confusion in structure did not exist and the offices functioned in an efficient unified manner. As the program grew in Action funds available, the amount of Planning funds available to the Commission did not grow in parallel proportion. As a result, the Council planning staff positions were created to obtain more staff support to keep up with the volume of Action program. If the federal government had provided adequate Planning funds at the time, this situation could have been prevented. The problem persists to this day. I will resolve it.

III. EVALUATION AND PROGRESS REPORTING

A major area of improvement upon which I have focused my attention is agency monitoring of program accomplishment by its subgrantees. While required quarterly financial reporting has been 98% compliant, required quarterly program progress reporting of subgrantees has been sketchy and, in some cases, non-existent. I have taken immediate steps to require both financial and program progress reports to be submitted together on a quarterly basis as a prerequisite to release of quarterly allocations of funds to subgrantees. In other words, if subgrantees do not report on the progress of their programs, they will not receive funds. The presence of these program reports will also be an audit item which must be checked and completed before the grant is closed out as completed. Subsequent grants for continuation funding will not be approved unless subgrantees have complied with financial and program reporting requirements on their previous grants. Although subgrantee progress reports are given much less significance than the reports of independent evaluators, they are still a mandatory requirement. I am pleased to inform the Committee that we have been receiving a large volume of outside evaluation reports on all major projects for about a year and a half. Within a week, new guidelines for the Commission's evaluation program will be issued to regional offices and applicants and subgrantees. Our evaluation program was initiated in late 1972, in the rush to fulfill new mandatory federal

requirements (LEAA had no evaluation requirement until 1972). This resulted in the program being implemented too quickly, creating much uncertainty and confusion. A planning subgrant (to Washington Justice Associates, of Washington, D. C.) had to be awarded by the Commission in order to acquire sufficient personnel to fulfill the new mandatory requirements. Sufficient State personnel were not available because LEAA guidelines requiring the process were not received until long after the budget for FY 1973 had been approved and implemented. This caught the Commission with no funds in its budget to implement the mandatory evaluation effort. Thus, the agency resorted to a planning subgrant with Washington Justice Associates to fulfill this requirement. Evaluation positions were created in the Commission's budget for fiscal year 1974, and the evaluation program is now performed by State employees. Remaining services due under the final Washington Justice Associates subgrant will be performed, and that subgrant will terminate on June 30. No further services from Washington Justice Associates are anticipated at this time.

IV. POLICY DEVELOPMENT AND CODIFICATION OF OPERATIONAL PROCEDURES.

Under the new reorganization, a Policy Unit was created which I have made a policy secretariat to the Executive Office. Responsibilities of this unit will be to compile all existing policy directives of the Commission, all agency administrative directives, and all legal opinions of the Commission General Counsel to be reissued in operational manuals. In addition, the office will be responsible for drafting new policy statements for submission to the Executive Director and the Commission. Since my appointment as Executive Director on March 21, five general policy statements have been developed by this unit and approved by the Commission. These include such sensitive areas as: agency policy on funding local police departments; policy on funding of state and federal discretionary grants; and policy on continuation funding. These are areas wherein clarification had been needed for some time.

The reorganization also includes an Office of Special Services to which I have assigned the responsibility of developing a complete set of operational manuals for the agency and its subgrantees. The first of these manuals is expected to be published by early July, and will be an "Applicant's Manual" containing guidelines for applying for LEAA funds from the Governor's Justice Commission. This manual will be followed shortly by a "Subgrantee's Responsibility Manual" outlining all financial

and program requirements of subgrantees. This manual will be sent out with each subgrant award letter.

Additionally, the Office of Special Services, in cooperation with the Bureau of Management Services and the Central Management Information Center of the Governor's Office of Administration, will develop and initiate an automated grant management information system beginning in August. This will be accomplished with federal funding and federal technical assistance, plus technical assistance and computer support from the Bureau of Management Services and the Central Management Information Center. This system will enable us to answer questions about our grant program (e. g., from the Legislature or the public) in a prompt and accurate manner.

V. FINANCIAL MONITORING AND AUDITING.

Federal guidelines governing this requirement are included in the federal Financial Guide, M7100.1A, last updated April 30, 1973.

Under an agreement negotiated by former Attorney General J. Shane Creamer, and former Secretary of Administration Ronald G. Lench, the Governor's Justice Commission presently conducts pre-audits and financial monitoring of Commission-LEAA subgrants; and post-audits or close-out audits of these subgrants are conducted by the Department of Justice Comptroller. This agreement was negotiated on August 25, 1972, and remains in force through June 30, 1975. It has not worked well for a number of reasons. The Comptroller of the Department of Justice has but four personnel to conduct audits on some 1,800 subgrants statewide. His auditors are not sufficiently familiar with the LEAA program and the LEAA financial regulations to perform accurate audits. As a result, we find such problems as Crime Control Act, Part C, financial regulations being applied to Part B subgrants, and today's financial regulations being applied to subgrant awards of two years ago, at which time a different set of financial guidelines applied. Financial regulations are changed or reinterpreted almost daily by the Law Enforcement Assistance Administration. It is impossible to keep the Comptroller's personnel fully trained in the nuances of these regulations;

therefore, on March 14, 1974, the Attorney General signed a new contract with the Auditor General of Pennsylvania to perform sample post-auditing. This agreement has already been implemented. Pre-audit monitoring of Commission subgrantees outside of state government will continue to be performed by the Finance Division of the Governor's Justice Commission. For the first time in the history of the Commission, the agency now has adequate personnel to perform this pre-audit function. Eight field auditors and eight field accountants are included in the present budget for our eight regions, in addition to central office audit, accounting and budget personnel. I intend to recommend that the March 14, 1974, contract with the Auditor General be expanded to extend to the post-audit of all state and federal discretionary grants to state agency subgrantees. In my personal opinion, the Auditor General should exercise this authority given him under Article VIII, Section 10, of the Pennsylvania Constitution. Of course, all pre-audit of the Governor's Justice Commission budget and operations and the review of the agency's disbursements will continue to be the responsibility of the Comptroller of the Department of Justice.