



Texas Juvenile Justice Department
**State Aid and Targeted Grant Contract
and General Grant Requirements
2016 - 2017 Biennium**

This is an agreement between the State of Texas, represented by and through the Texas Juvenile Justice Department, hereinafter called the "Department," and the juvenile board of POTTER County/Judicial District, hereinafter called the "Grantee." In consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Department and the Grantee agree as follows:

I. PURPOSE, SCOPE, AND STRUCTURE OF CONTRACT.

- 1.1 **Purpose and Scope of Contract.** The purpose of the State Aid and Targeted Grant Contract and General Grant Requirements (the "Contract") is to delineate the duties and responsibilities of both the Department and the Grantee regarding the distribution, receipt, administration, and expenditure of State Aid and Targeted Grant funding under the applicable grants referenced herein.
- 1.2 **Contract Structure.** The Contract sets forth the basic requirements, duties, and responsibilities of the Department and the Grantee. It is supplemented by the documents attached hereto and incorporated by reference in Section II. The General Grant Requirements for the Distribution and Expenditure of State Aid and Targeted Grants (the "General Grant Requirements"), attached hereto as Exhibit A, contain provisions that apply to State Aid Grants and Targeted Grants awarded or distributed to Grantee under this Contract. Additionally, each Targeted Grant (identified by letter, e.g. "Grant E") outlines requirements for the administration of that particular grant. The Contract and all documents incorporated herein, should, to the extent there is no conflict, be read and interpreted as a single document. The Grantee shall be bound by the duties, responsibilities, and requirements of each part of this Contract. If a provision contained in the General Grant Requirements conflicts with a provision in a Targeted Grant, the Targeted Grant provision controls.

II. INCORPORATED DOCUMENTS.

- 2.1. **Incorporated Documents.** The following documents attached hereto and incorporated herein:
 - 2.1.1. **Exhibits.**
 - 2.1.1.1. Exhibit A. *General Grant Requirements for the Distribution and Expenditure of State Aid and Targeted Grants.*
 - 2.1.1.2. Exhibit B. *Juvenile Board Resolution*
 - 2.1.2. **Appendices.**
 - 2.1.2.1. Appendix I. *Expenditure Guidelines.*
- 2.2. **Documents Incorporated by Reference.** The following documents are incorporated by reference into this Contract and the provisions are binding on the Grantee.
 - 2.2.1. **Requests for Proposals.** Requests for proposal are Department Requests for Proposals (RFPs) and/or Requests for Application (RFAs) that solicit applications in connection with any grant hereunder.

- 2.2.2. **Expenditure Guidelines.** Guidelines that establish the general principles for determining the allowable costs incurred by the Grantee under grants, contracts, and other agreements with the Department utilizing state funding. The Expenditure Guidelines are incorporated by reference as an appendix to the Contract.
- 2.2.3. **Grant Manager Web Application.** Grant Manager is a web-based software application developed by the Department to facilitate the online application, performance reporting, management, and expenditure reporting of the Contract and grants administered by the Department. The Grantee shall use the Grant Manager system as directed by the Department to complete fiscal processes associated with this Contract such as the online submission of the budget application, grant plans, and program expenditure reports. The Grantee shall submit a *Grant Manager User Authorization Form* in the format specified by the Department in order to gain secure access to the Grant Manager system. The Department shall establish the minimum system requirements necessary for the Grantee to access the online application.
- 2.2.4. **37 Texas Administrative Code Chapter 343.** 37 Texas Administrative Code Chapter 343 sets forth the compliance criteria and verification procedures used by the Department to monitor and inspect secure pre-adjudication detention facilities and secure post-adjudication correctional facilities under the Department's oversight. The obligations specified in Chapter 343 shall control, to the extent that a conflict exists with the provisions of this Contract, the General Grant Requirements, Targeted Grant requirements, or other resource documents incorporated into this Contract.
- 2.2.5. **37 Texas Administrative Code Chapter 355.** 37 Texas Administrative Code Chapter 355 sets forth the compliance criteria and verification procedures used by the Department to monitor and inspect non-secure juvenile correctional facilities under the Department's oversight. The obligations specified in Chapter 355 shall control, to the extent that a conflict exists with the provisions of this Contract, the General Grant Requirements, Targeted Grant requirements, or other resource documents incorporated into this Contract.
- 2.2.6. **Targeted Grants.** The terms and conditions of all Targeted Grants entered into by Grantee are incorporated into the Contract by reference.

III. **DEFINITIONS.** The following words and terms when used in this Contract shall have the following meanings unless the context clearly indicates otherwise.

- 3.1. **Active Juvenile Officer Certification.** A juvenile probation officer or juvenile supervision officer with an active juvenile officer certification is one who has met the minimum certification requirements under Texas Administrative Code Chapter 344 and is currently certified by the Department.
- 3.2. **Authorized Designee.** Any person, entity, state agency, or federal agency to whom authority has been contractually or statutorily delegated to act in cooperation or consultation with the Department regarding any program or service provided under any grant.
- 3.3. **Caseload.** The juveniles for whom a certified juvenile probation officer is authorized under the Department's standards to provide probation supervision and services.
- 3.4. **Chief Administrative Officer.** Regardless of title, the person hired by a juvenile board who is responsible for oversight of the day-to-day operations of a juvenile probation department, including the juvenile probation department of a multi-county judicial district.
- 3.5. **Commitment Diversion Eligible Population.** Juveniles who have been formally referred to and disposed by the probation department and who are being supervised on deferred prosecution or court-ordered probation.
- 3.6. **Community-Based Program.** An array of rehabilitation services for juvenile offenders and their families provided in local communities, including, but not limited to, Youth Services and Residential Services, transition programs and services, and aftercare programs.

- 3.7 **Compliance Monitoring, Enforcement and Tracking System (COMETS).** An automated internal system developed by the Department that consists of an extensive database to track compliance requirements, instances of non-compliance, monitoring reports, citations, corrective actions, and sanctions imposed by the Department.
- 3.8 **Fiscal Officer.** A county or district auditor or treasurer or their designee, provided the designee is a qualified accountant or bookkeeper who is not an employee of the Grantee.
- 3.9 **Formal Referral.** A formal referral occurs when all three of the following conditions exist:
- 3.9.1. delinquent conduct, conduct indicating a need for supervision, or violation of probation was allegedly committed;
 - 3.9.2. the juvenile probation department has jurisdiction and venue; and
 - 3.9.3. the officer or official designated by the Grantee has either:
 - a. made face-to-face contact with the juvenile and the alleged offense has been presented as the reason for this contact; or
 - b. given written or verbal authorization to detain the juvenile.
- 3.10 **Inter-County Transfer Officer.** The person designated by the chief administrative officer to act as the contact for all matters involving the transfer of juvenile probation supervision between counties.
- 3.11 **Juvenile Justice Program.** Program operated for the benefit of juveniles referred to the juvenile probation department and that is wholly or partly operated by the juvenile board or by a private vendor under contract with the juvenile board. This term also includes juvenile justice alternative education programs (JJAEPs) and Youth Services programs that serve juveniles that have been referred to the juvenile probation department and who are under the jurisdiction of the juvenile court. If a juvenile justice program is operated in a facility licensed or operated by a state agency, the facility must be registered with the Department.
- 3.12 **Juvenile Probation Officer (JPO).** An individual whose primary responsibility and essential job function is to provide juvenile probation services and supervision duties authorized under statutory and agency administrative law that can only be performed by an active certified juvenile probation officer in good standing with the Department.
- 3.13 **Juvenile Probation Services.** Juvenile Probation Services are:
- 3.13.1 Services provided by or under the direction of a juvenile probation officer in response to an order issued by a juvenile court and under the court's direction, including: protective services; prevention of delinquent conduct and conduct indicating a need for supervision; diversion; deferred prosecution; foster care; counseling; supervision; and diagnostic, correctional, and educational services;
 - 3.13.2 Services provided by a juvenile probation department that are related to the operation of a pre-adjudication or post-adjudication juvenile facility; and
 - 3.13.3 Pre-adjudication services, including intake services, pre-court monitoring, and other services authorized by the juvenile board for youth under its jurisdiction prior to appearance before a court or prior to disposition.
- 3.14 **Juvenile Supervision Officer (JSO).** An individual who holds an active juvenile supervision officer certification and whose primary responsibility and essential function is the supervision of juveniles in a juvenile justice program or juvenile justice facility.
- 3.15 **Licensed Mental Health Professional (LMHP).** An individual, including, but not limited to, a psychiatrist, psychologist, licensed clinical social worker, licensed professional counselor, and licensed marriage and family therapist, who is licensed by the state of Texas to diagnose, evaluate or treat any mental, emotional condition or disorder.

- 3.16 **Mental Health Paraprofessional.** An individual who is able to perform tasks requiring significant knowledge, but does not have the license or certification to perform at a professional level, including students, interns, fellows, post-doctorates, or other approved students in an official training program in psychology or a related field under the supervision of an authorized mental health professional.
- 3.17 **Mental Health Services and Programs.** All services necessary to treat, care for, supervise, and rehabilitate persons with a mental illness. Including:
- 3.17.1 **Mental Health Screening, Assessment and Evaluation.** The process of identifying youth as having a mental health diagnosis or mental health need, including psychological and psychiatric evaluations. Mental health diagnoses must be made by appropriately trained and licensed mental health professionals through the use of a psychological evaluation, rather than a screening instrument alone.
 - 3.17.2 **Behavior Interventions.** Treatment Interventions for juveniles with a mental health diagnosis designed to increase socially adaptive behavior and to decrease maladaptive behaviors
 - 3.17.3 **Programs.** Include but are not limited to mental health case management, counseling (individual, family and group), skills training and wrap-around services.
 - 3.17.4 **Medications.** Psychotropic medications and medications associated with treating a diagnosed mental health condition.
- 3.18 **Mental Health Need.** The identification and establishment of a mental health need is consistent with the Department of State Health Services Children’s Mental Health Services Criteria. Accordingly, services may be provided for youth who have a diagnosis of mental illness (according to the most recent version of the Diagnostic and Statistical Manual) and youth who exhibit serious emotional, behavioral, or mental disorders and who either (1) have a serious functional impairment, (2) are at risk of disruption of a preferred living or child care environment due to psychiatric symptoms, or (3) are enrolled in a school system’s special education program because of serious emotional disturbance. Excluded are youth with a single diagnosis of substance abuse, Intellectual Developmental Disorder, or Autism Spectrum Disorder.
- 3.19. **Non-Secure Correctional Facility.** Any public or private residential facility operated by or under contract with a juvenile board in which the construction fixtures, hardware, staffing models, and procedures do not restrict the egress of residents from the facility.
- 3.20. **Out-of-State Residential Placement Facility.** Any public or private residential child-care or residential placement facility in a state outside of Texas, both public and private that is licensed, regulated, or certified by a governmental entity in the state where the facility is located.
- 3.21. **Post-Adjudication Secure Correctional Facility.** Any public or private residential facility, including an alcohol or other drug treatment facility, that: (a) includes construction fixtures designed to physically restrict the movements and activities of juveniles or other individuals held in lawful custody in the facility; and (b) is used for the placement of any juvenile who has been adjudicated as having committed an offense.
- 3.22 **Pre-Adjudication Secure Detention Facility.** Any public or private residential facility that: (a) includes construction fixtures designed to physically restrict the movements and activities of juveniles or other individuals held in lawful custody in the facility; and (b) and is used for the temporary placement of any juvenile who is accused of having committed an offense and is awaiting court action, an administrative hearing, or other transfer action.
- 3.23. **Prevention and Early Intervention Services.** Programs and services intended to prevent or intervene in at-risk behaviors that lead to delinquency, truancy, dropping out of school, or referral to the juvenile justice system.
- 3.24. **Progressive Sanctions Model.** A set of recommended graduated dispositional guidelines defined in the Texas Family Code Chapter 59. The progressive sanctions model provides uniform and consistent standards in juvenile case dispositions, taking into account the seriousness of conduct, history of delinquent conduct, previous interventions, special treatment/training needs, and special circumstances of the juvenile.

- 3.25. **Project Director.** The individual designated by the juvenile board or Chief Administrative Officer, who is to be responsible for the administration and coordination of grant funds in accordance with this Contract,, the general grant requirements, and applicable Targeted Grant requirements.
- 3.26. **Recommendation.** The most appropriate course of action or option that the probation officer and department recommend or present to the juvenile court as a dispositional option for a juvenile offender that, in the professional judgment of the probation officer, is in the best interest of the juvenile and society in the professional judgment of the probation officer.
- 3.27. **Residential Child-Care Facility.** A facility licensed or certified by the Texas Department of Family and Protective Services to provide assessment, care, training, education, custody, treatment, or supervision for a child who is not related by blood, marriage, or adoption to the owner or operator of the facility, for all of the 24-hour day, whether or not the facility is operated for profit or charges for the services it offers. The term includes child-care institutions, child-placing agencies, foster group homes, foster homes, agency foster group homes, and agency foster homes.
- 3.28. **Residential Placement Cost.** The cost per day for a youth placement in a pre-adjudication secure detention facility, a short-term secure detention facility (i.e., holdover), a post-adjudication secure correctional facility, a non-secure correctional facility, a residential child-care facility, or an out-of-state residential placement facility.
- 3.29. **Residential Services.** Programs or services for a youth that is in placement, if the cost of the program or service is not included in the cost per day. If the cost of the program or service is included in the cost per day, it should be categorized as a placement cost and not as a separate residential program or service cost.
- 3.30. **Service Provider.** A public or private vendor that is funded in whole or in part using grant funds and obligated under the terms of a procurement contract with the Grantee to provide goods and/or services for the operation, management, or administration of juvenile probation services and juvenile justice programs.
- 3.31. **Staff Services.** Staff services are:
- 3.27.1. Salaries and fringe benefits for staff employed by the juvenile probation department under the direction of the Grantee;
 - 3.27.2. Travel reimbursement for juvenile probation department staff for the provision of juvenile probation services; and
 - 3.27.3. Operating expenses for the juvenile probation department (e.g., postage, telephone, office supplies, printing and other costs) directly related to juvenile probation services, juvenile justice programs, and administration.
- 3.32. **State Aid Grants.** State Aid Grants are available to all departments. Component areas differ by eligible/target population and programmatic focus, but are grouped together to allow maximum flexibility in application of funds between grants. The State Aid Grant component areas are: Basic Probation Supervision, Community Programs, Pre- and Post-Adjudication, Commitment Diversion, and Mental Health Services.
- 3.33. **Targeted Grants.** Targeted Grants are offered competitively or on the basis of specific eligibility criteria, but are not available to all departments. Targeted Grants differ by population and focus, and are designed to target funding to specific areas, with no shifting of funds between grants. Targeted Grants include, without limitation, the following: Prevention and Intervention; Border Justice; Harris County Leadership Academy; Special Needs Diversionary Program (SNDP); Small/Medium department commitment diversion pool; Supplemental and Emergent Needs; Recidivism Reduction for 2017; Juvenile Justice Alternative Education Program (JJAEP); and Regionalization.
- 3.34. **Target Population for Mental Health Services.** Youth under the jurisdiction of the Grantee who are in need of a mental health assessment, and those youth identified through assessment as needing mental health treatment services, programs, and/or placement.
- 3.35. **Treatment Hours.** The number of hours of direct clinical/treatment services provided to a juvenile under the jurisdiction of the Grantee. Treatment hours may only be counted when services are provided by an LMHP or a mental health paraprofessional.

3.36 **Youth Activities Supervisor.** Regardless of title, an individual whose primary responsibility and essential job function is the supervision of juveniles strictly in a non-secure setting within a juvenile justice program or facility other than a juvenile justice alternative education program.

3.37 **Youth Services.** Services or programs provided to a juvenile who has not been placed in a residential facility.

IV. OBLIGATIONS AND RESPONSIBILITIES OF THE DEPARTMENT.

4.1. **Payments to the Grantee.** The Department shall pay the Grantee, according to the specified schedule, the following grant amounts:

4.1.1. **Monthly Payments.** The Department shall make grant payments for the following grants during the term of this Contract in eleven (11) monthly installments during each state fiscal year in the 2016-2017 biennium. The first payment to the Grantee will be 16.7 percent of the total grant amount, and each of the remaining 10 payments shall be 8.33 percent of the total, subject to 4.2., below. Prior to the commencement of fiscal year 2016, the Department shall provide written notice of any subsequent allocation amounts that may be available to the Grantee. The amounts listed in the chart below are for fiscal year 2016. The Department shall provide allocations for fiscal year 2017 no later than May 1, 2016.

4.1.1.1	State Aid Grant – Total Amount	\$1,082,250.00
4.1.1.2.	State Aid Grant – Basic Probation Supervision in the amount of	\$148,693.00
4.1.1.3.	State Aid Grant – Community Programs in the amount of	\$2,340.00
4.1.1.4.	State Aid Grant – Pre- and Post-Adjudication in the amount of	\$429,582.00
4.1.1.5.	State Aid Grant – Commitment Diversion in the amount of	\$227,129.00
4.1.1.6.	State Aid Grant – Mental Health Services in the amount of	\$115,223.00
4.1.1.7	State Aid Grant – Flexible Funding in the amount of	\$159,283.00
4.1.1.8.	GRANT B - Border Children’s Justice Project in the amount of	
4.1.1.9.	GRANT D - Leadership Academy in the amount of	
4.1.1.10.	GRANT M - Special Needs Diversionary Program in the amount of	
4.1.1.11.	GRANT P - Juvenile Justice Alternative Education Program (JJAEP) in the amount of	
4.1.1.12.	GRANT S - Prevention and Intervention Demonstration Project in the amount of	
4.1.1.13	GRANT T – Prevention and Intervention: School Truancy in the amount of	

4.2. **Withholding of Final Disbursements.** The Department may withhold disbursement of the final two monthly installments unless the Grantee confirms its need for the full or lesser amount. Upon confirmation, the Department shall disburse the appropriate payment.

4.3. **Reimbursement Payments.** The Department shall, to the extent funds are available, reimburse the Grantee for eligible claims presented for payment if the Department determines the requirements for reimbursement have been met. Claims under this Contract can only be made for the period this Contract is in effect. Reimbursement programs include the following:

- 4.3.1. Title IV-E Federal Foster Care Program (Grant "E"). In accordance with the requirements detailed in the specific grant requirements, the Department shall reimburse the Grantee under Grant E the maximum federal dollar share for the following: foster care maintenance claims for eligible juvenile probation children, direct administrative claims, and enhanced administrative claims. Upon review and approval of supporting documentation, the Department shall reimburse the Grantee as requests for reimbursement are presented for payment provided there is sufficient Title IV-E grant award authority against which to process presented claims and providing said funds are being reimbursed to the Department by Texas Department of Family and Protective Services (TDFPS) via the interagency agreement. To be eligible for reimbursement, all costs must be reasonable, allowable, and properly allocated for support of the foster care program. A direct or enhanced administrative claim is not eligible for reimbursement if the basis of the claim has funding from any other federal source.
- 4.3.2. JJAEP Program (Grant "P"). Grantees eligible for reimbursements under Grant P shall receive a share of the initial \$1,500,000 distribution based on each Grantee's share of the total juvenile population for each school year for the current contract period. Additional funds will be distributed at a rate not to exceed \$96 per eligible student attendance day for students who are required to be expelled pursuant to Chapter 37 of the Texas Education Code and who meet the Targeted Grant requirements. The Grantee will not be able to receive the additional funds until the initial amount allocated is earned at the rate of \$86 per eligible student attendance day. Payments to the Grantee by the Department shall be limited to no more than 180 days of operation during each regular school year for the current contract period.

V. GENERAL DUTIES AND RESPONSIBILITIES OF GRANTEE.

- 5.1. **Confirmation of Need for Final Two Disbursements.** The Grantee shall, in a manner specified by the Department, confirm its need for the full or lesser amount of the final two disbursements of each fiscal year, in a manner specified by the Department.
- 5.2. **Active Juvenile Officer Certification.** The individual juvenile officer and the employing department shall ensure that all requirements under Texas Administrative Code Chapter 344 are met in order to maintain juvenile officers' certifications in active status.
- 5.3. **Compliance Systems.** The Grantee shall implement and use the required compliance systems, as well as adhere to the policies, procedures, and requirements relating to COMETS. Grantee shall use COMETS to respond to any citation of non-compliance.
- 5.4. **Notice of Suit.** If the Grantee, the Grantee's county (or counties for judicial districts), the juvenile probation department, and/or its employees, contractors, or service providers are named as a party in a civil lawsuit or criminal proceeding, the Grantee shall notify the Department within five (5) calendar days of receiving notice if the lawsuit relates to the operation of a juvenile probation department, juvenile justice program, pre-adjudication secure juvenile detention facility, short-term secure detention facility (i.e., holdover), a post-adjudication secure correctional facility, or other facility operated by or under the authority of the Grantee.
- 5.5. **Privatization of Juvenile Probation Services, Juvenile Justice Programs, and Facilities.** Before the Grantee enters into any subcontract with any public or private person or entity for the provision of administration or programmatic services in juvenile justice programs and facilities, the Grantee shall ensure that the qualifications of the subcontractor are adequate to ensure the subcontractor will perform and meet the terms of this Contract and the provisions contained herein in their entirety. All subcontracts entered into by the Grantee shall be in writing and shall be subject to all applicable requirements contained in this Contract and applicable law. The Grantee shall be solely responsible to the Department for the performance of any subcontractor under this Contract.
- 5.6. **Health and Safety of Juveniles.** Grantee shall provide juvenile probation programs and services and juvenile justice programs to serve the juveniles under the jurisdiction of the juvenile court or courts within the Grantee's jurisdiction and shall ensure all programs, services, and facilities provide adequate health and safety protections, procedures, and policies for all youth being served. The Department may issue a Non-Compliance Citation Report (NCCR), cease or suspend funding, or impose any other sanctions available under administrative rules or other applicable laws for failure to protect the health and safety of juveniles.

- 5.7 **Facility Registration and Staffing Requirements.** The Grantee shall not place a juvenile in a short-term detention facility, a pre-adjudication secure detention facility, a post-adjudication secure correctional facility, or a non-secure correctional facility unless that facility is registered with the Department and all staff members have the appropriate certification for their positions, as outlined in 37 Texas Administrative Code Chapters 344 and 351. Each officer shall maintain an active certification in order to perform the duties of a juvenile probation officer, or juvenile supervision officer, or youth activities supervisor. The individual and the employing department shall ensure all requirements under 37 Texas Administrative Code Chapter 344 are met to maintain active certification.
- 5.8 **Removal of Personnel from Ongoing Background Checks.** The Grantee shall subscribe to the Department of Public Safety's Fingerprint-based Applicant Clearinghouse of Texas (FACT) for initial and continuing criminal background checks on all direct care staff, volunteers, interns, and contractors. If a person who is the subject of such criminal background checks ceases to have direct contact with youth, the Grantee shall unsubscribe from the person's record in accordance with the process described in Texas Government Code Section 411.0845. Each quarter, the Grantee shall provide the Department's Certification Officer or designee with an updated list of all persons unsubscribed from FACT.

VI. ACCOUNTING, REPORTING, AUDITING, REQUIREMENTS AND FINANCIAL ASSURANCES REQUIREMENTS FOR GRANT FUNDS.

- 6.1. The Grantee shall follow the accounting, reporting, auditing, and financial assurance requirements contained in this Contract. The Grantee shall maintain supporting fiscal documents adequate to ensure that claims for grant funds are in accordance with applicable Department and State of Texas requirements.
- 6.2. The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under this Contract or indirectly through a subcontract under this Contract. Grantee's acceptance of funds under this Contract acts as acceptance of the authority of the state auditor, under the direction of the Legislative Audit Committee, to conduct an audit or investigation in connection with those funds. Under the direction of the Legislative Audit Committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Grantee shall include a clause concerning the authority to audit funds and the requirement to cooperate in any subcontract it awards.

VII. GENERAL PROVISIONS, SANCTIONS AND PENALTIES.

- 7.1. **Term.** This Contract shall be in force from September 1, 2015, through August 31, 2017 and may be renewed for subsequent 2-year terms thereafter, upon mutual, written agreement of the parties.
- 7.2. **Funding Availability.** This Contract is at all times subject to state appropriations. The Department makes no express or implied representation or guarantee of continued or future funding under this Contract. The Department has, as of the date of the execution of this Contract, obtained all requisite approvals and authority to enter into and perform its obligations under this Contract, including, without limitation, the obligation to make the initial payment or payments required to be made under this Contract on the date or dates upon which such initial payment or payments may otherwise be disbursed during the current contract period, (i.e., September 1, 2015, through August 31, 2017). The Grantee acknowledges the Department's authority to make such payments is contingent upon the Texas Legislature's appropriation to the Department of sufficient funds and the availability of funds to the Department for such purpose. If the State of Texas or the federal government terminates its appropriation through the Department or fails to pay the full amount of the allocation for the operation of any grant or reimbursement program hereunder, or the funds are otherwise unavailable, the Department may immediately and without penalty reduce payments or terminate this Contract, in whole or in part. Upon termination of the Contract or reduction of payments, the Grantee shall return to the Department any unexpended funds already disbursed to the Grantee. Neither the Department nor the State of Texas shall incur liability for damages or any loss that may be caused or associated with such termination or reduction of payments. The Department shall not be required to give prior notice for termination or reduction of payments.
- 7.3. **Entire Agreement.** This Contract and all documents incorporated herein by reference constitute the complete and final agreement between the Department and the Grantee. Any other oral or written agreements between the parties concerning the subject matter of this agreement have no force or effect after the effective date of this Contract.
- 7.4. **Notice.** Except as expressly provided herein, any notice required or permitted to be given under this Contract shall be in writing and delivered in person or by registered or certified mail, return receipt requested, postage prepaid, to the individual and address shown below:

GRANTEE

CHIEF JUVENILE PROBATION OFFICER

TROY LEE NAVARRETTE

900 S. POLK SUITE 500

AMARILLO, TX 79101-9101

TEXAS JUVENILE JUSTICE DEPARTMENT

Mailing Address:

P.O. Box 12757

Austin, Texas 78711

Attention: Contract Administrator

Physical Address:

11209 Metric Boulevard, Building H, Suite A

Austin, Texas 78758

The notice shall be effective on the date of delivery.

7.5. Sanctions and Penalties.

7.5.1. **Withholding of Payments.** Notwithstanding anything to the contrary herein, the Grantee acknowledges that payments due under this Contract may be withheld or permanently suspended, in whole or in part, if Grantee fails to comply with any federal or state law, administrative rule, or regulation applicable to the services provided herein, or if Grantee fails to perform its duties and responsibilities in accordance with the terms and conditions of this Contract.

7.5.2. **Withholding of Future Payments.** If the Grantee fails to reimburse the Department for discovered unallowable expenditures, the Department may withhold payments under any grant until the unallowable costs have been completely reimbursed.

7.5.2.1. **Notice and Hearing.** Prior to permanently suspending payment pursuant to 7.5.1 or 7.5.2, the Department shall provide reasonable notice and conduct a hearing before the Texas Juvenile Justice Department Board. The administrative determination rendered by the Department Board is final.

7.5.3. **Ineligibility for Future Grants.** The Grantee may become ineligible for future grants of any kind from the Department under the following circumstances:

7.5.3.1. The Grantee, its staff, employees, designees, or contractors intentionally or knowingly falsify any documents, reports, or records related to grant funds received under this Contract or intentionally or knowingly give false statements to any Department employee or designee related to the expenditure of grant funds, provision of juvenile probation services, or administration of juvenile justice programs.

7.5.3.2. The Grantee, its staff, employees, designees, or contractors intentionally or knowingly violate any provision of this Contract.

7.5.4. **Debarment, Suspension, or Ineligibility.** By execution of this Contract, the Grantee certifies that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal or state department or agency from participation in this Contract or any grant authorized hereunder.

7.5.5. **Force Majeure.** Upon Grantee's written request to the Department, the Department may grant relief from performance of the Contract if the Grantee is prevented from performance by act of war, order of legal authority, act of God, or other unavoidable cause not attributable to fault or negligence of the Grantee. The burden of proof for the need of such relief shall rest upon Grantee.

7.6. **Termination.** The Department may terminate this Contract, or any portion thereof, as a result of the Grantee's failure to comply with any covenant, assurance, term, or condition of this Contract, including documents

incorporated herein by reference.

- 7.6.1. **Termination for Cause.** Termination under this provision may occur no sooner than the 15th day after a Grantee's receipt of Notice of Intent to Terminate. Justifications for Termination by the Department for cause include, without limitation, the following circumstances:
- 7.6.1.1. Grantee knowingly and intentionally: submits falsified or fraudulent documents or reports; makes false representations, certifications, or assurances relating to this Contract; causes or acquiesces in any person doing the same regarding any grant funds received under this Contract; or fails to submit required reports; or
 - 7.6.1.2. The life, health, welfare, or safety of individuals served by or under the authority of the Grantee is endangered or could be endangered either directly or indirectly through the Grantee's intentional, willful, or negligent discharge of its duties under this Contract. For purposes of this Contract, willful or negligent discharge of duties includes, without limitation, a finding by the Department of reason to believe an abuse, neglect, or exploitation investigation occurred in connection with a juvenile justice facility, juvenile justice program, or the provision of juvenile probation services.
- 7.6.2. **Termination without Cause.** This Contract may be terminated by either party upon sixty (60) calendar days' notice to the other party of termination.
- 7.6.3. **Termination by Mutual Agreement.** The Department and the Grantee may mutually agree in a writing signed by both parties to terminate this Contract at any time.
- 7.7. **Hold Harmless.** The Grantee shall be solely responsible for the safety and welfare of the juveniles participating in any program or service funded through the grants received by the Grantee under this Contract. The Grantee shall, to the extent allowed under the Constitution and the laws of this state, indemnify, defend, and hold harmless the State of Texas, the Department, its board members, employees, and designees from any claim, loss, legal proceeding, and liability that results from the operation of any program funded in whole or in part with funds received under this Contract.
- 7.8. **Governing Law.** This Contract is being executed and delivered in the State of Texas. This Contract is intended to be performed in the State of Texas and the laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Contract. Prior to seeking a judicial review, the Grantee shall exhaust all administrative remedies including, but not limited to, those described under Section 7.9 below. Venue for any legal action arising from this Contract shall be in Travis County, Texas.
- 7.9. **Administrative Remedies.** The Grantee agrees that any dispute, controversy, or claim arising out of or relating to unallowable expenditures under this Contract, whether during or after its term, shall be submitted to an administrative review before the Department's Board. To initiate the process, the Grantee shall submit a written notice, in accordance with terms set forth herein, to the Department's Executive Director or designee and all members of the Department's governing board. Said notice shall specifically request a Board review and state the nature of the dispute, controversy, or claim. The Grantee shall also provide a copy of the notice to all members of the Grantee's governing board. A Board review under this provision shall be a condition precedent to the filing of a contested case proceeding under the Administrative Procedure Act, Texas Government Chapter 2001. If the parties are unable to resolve the matter through the Department's administrative review process, either party may elect to resolve the dispute or claim as a contested case. Neither the administrative review process nor a proceeding under the Administrative Procedure Act shall be construed to adversely affect any party's right to a judicial review. Neither the execution nor the performance of this Contract by the Department shall be construed to be a waiver of sovereign immunity to suit.
- 7.10. **Authority to Bind the Department.** This Contract is not binding upon the Department unless and until it has been executed by the Department's Executive Director or an authorized designee.
- 7.11. **Grantee's Authority.** The person or persons executing this Contract on behalf of the Grantee represent and guarantee that they have been fully authorized by the Grantee to execute the Contract on behalf of the Grantee and to validly and legally bind the Grantee to all the terms and provisions contained in this Contract. Evidence of this

authority to contract is attached to this Contract as the *Juvenile Board Resolution*, Exhibit "B" that shall be adopted in compliance with the Texas Open Meetings Act as codified in Texas Government Code Chapter 551.

- 7.12. **Assignability.** No assignment of this Contract or the rights and obligations hereunder will be valid without the written consent of the non-assigning party.
- 7.13. **Amendments.** To be valid and effective, any amendment to this Contract must be in writing, signed by the Department and the Grantee, and expressly made a part of this Contract.
- 7.14. **Applicable Law, Policy and Procedure.** The Grantee shall comply with all applicable state and federal laws, regulations, standards, policies, and procedures as they currently exist or as amended or renumbered and enacted and effective during the term of the Contract.

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Exhibit A

General Grant Requirements for the Distribution and Expenditure of State Aid and Targeted Grants

I. GRANT DESCRIPTION.

State Aid Grants provided to local juvenile boards support the following programs and services: provision of basic juvenile probation supervision, community programs, pre- and post-adjudication, commitment diversion, and mental health. State Aid Grants also assist the juvenile board in adhering to the Texas Juvenile Justice Department's (Department) standards and policies. This grant shall fund the development of community-based probation programs and services for juveniles at risk of commitment to the Department. These General Grant Requirements, incorporated into the State Aid and Targeted Grant Contract (the "Contract") as Exhibit "A," apply to the distribution and expenditure of State Aid Grant funds and Targeted Grant funds, except to the extent a requirement in a Targeted Grant conflicts with these General Grant Requirements, in which case the Targeted Grant requirement controls.

II. GENERAL GRANT DEFINITIONS.

Definitions included in the Contract apply to these General Grant Requirements.

III. PROGRAM PERFORMANCE MEASURES.

A. **Goal.** The goals of the Department's grants are to:

1. Reduce delinquency, increase offender accountability, and rehabilitate juvenile offenders through a comprehensive, coordinated, community-based juvenile probation system;
2. Expand and supplement the mental health services available to and provided for juveniles under the jurisdiction of juvenile probation departments.

B. **Program Objective.** The objectives of the Department's grants are to:

1. Provide, develop, and support community-based juvenile probation services and programs and to ensure the delivery of safe and effective juvenile probation programs and services that adhere to the Department's standards and policies while maximizing juvenile outcomes;
2. Increase the availability of mental health screenings, assessments and evaluations for juveniles referred to and under the supervision of juvenile probation departments and the provision of services, programs and placements to juvenile offenders with identified mental health needs; and
3. Increase the availability of community-based programs and post-adjudication residential placements in an effort to divert appropriate juvenile offenders from commitment to TJJD while maintaining community safety.

C. **Program Performance Measures.** Grantee performance shall be determined using the following measures:

1. Total formal referrals in each year of the grant period;
2. Average daily population of juveniles under deferred prosecution and probation supervision in each year of the grant period;
3. Number of placements in secure and non-secure residential post-adjudication facilities in each year of the grant period;
4. Percentage of juveniles under deferred prosecution and probation supervision participating in a community-based program in each year of the grant period;
5. Number of juveniles committed to the Department in each year of the grant period;

6. Number of juveniles certified as adults in each year of the grant period;
7. Percentage of Department-eligible offenders committed to the Department;
8. One, two, and three year re-referral/re-arrest and incarceration recidivism rates for juveniles beginning supervision, beginning a program, and leaving a post-adjudication residential facility;
9. Total number of juveniles provided mental health services during the contract period;
10. Total number of mental health assessments or psychological evaluations completed;
11. Total number of mental health treatment hours provided;
12. Number of juveniles offenders served by State Aid Grant Commitment Diversion funding;
13. Percent of juveniles served completing Commitment Diversion programs or placements;
14. Number of juveniles served by State Aid Grant Commitment Diversion funding committed to TJJD by the juvenile probation department during the grant period;
15. One, two, and three year recidivism rates for all juveniles served by State Aid Grant Commitment Diversion funding in programs and post-adjudication placements.

D. Compliance with Performance Measures. The Grantee shall adhere to the minimum performance measures established by the Department based on the Grantee's historic performance of services. The Grantee shall report, in the format specified by the Department, on the Grantee's success in meeting the performance targets. This provision applies to grants for services other than basic probation services. If the Department determines, in its sole discretion, that the Grantee has failed to meet performance measures, the Department may reduce or eliminate Grantee's future funding allocations.

IV. PROGRAMMATIC COMPONENTS.

A. Requests for Information. The Grantee shall fully and promptly comply with all reporting requirements and requests for information issued by the Department or its authorized designee. The Grantee shall provide such information in the format requested by the Department. The Grantee shall ensure that its staff, interns, volunteers, and subcontractors comply in a timely and complete manner with all the Department's requests for information. The Grantee shall comply in a timely manner with requests by the Department or its authorized designee for financial information, records, and documents related to evaluating costs of programs and services provided by the Grantee's probation department. The Grantee shall timely submit any files or records of the Grantee's juvenile probation department, or any facility or program operated by or under the authority of the Grantee, requested by the Department or its authorized designee as a part of the monitoring, auditing, or investigatory process.

1. **Agency Proceedings and Investigations.** The Grantee shall require all employees, interns, volunteers, subcontractors, and private vendors to cooperate with and to testify in any administrative or judicial proceeding or hearing regarding any matter the Department considers necessary for the investigation of abuse, neglect, or exploitation allegations; complaints; financial and programmatic audits; or any other matter under the Department's authority. Compliance with this provision does not constitute a contractual waiver of the privilege against self-incrimination or any other right or privilege guaranteed under law.
2. **Agency Subpoena Power.** The Grantee shall comply with the provisions of Human Resources Code Section 203.008 or other applicable law that authorizes the Department to issue subpoenas, receive evidence, and gather information that the Department deems necessary for the investigation of abuse, neglect, or exploitation allegations; complaints; financial and programmatic audits of juvenile probation programs, services, and facilities; or any other matter under its authority.

B. Compliance with Agency Administrative Law. The Grantee shall comply with all the Department's administrative rules contained in Title 37 Texas Administrative Code that apply to the Grantee, the juvenile probation departments,

and any juvenile justice programs, juvenile probation services, and facilities operated or provided by or under the authority of the Grantee.

- C. **Departmental Policies and Procedures.** The Grantee shall promulgate and enforce the following departmental policies and procedures:
1. **Employee Timekeeping Documentation.** The Grantee shall require all employees, interns, volunteers, subcontractors, and private vendors paid in whole or part with state funds to maintain and make available to the Department documentation of the performance of juvenile probation services, completion of a standard 40-hour work week or a pro-rated alternate work schedule, and all documented leave. The Grantee shall ensure that accurate timesheets and attendance records are maintained by the chief administrative officer. The Grantee shall ensure that all employees, interns, volunteers, subcontractors, and private vendors that are paid with state funds, provide leave documentation. The Grantee shall make all employee salary documentation and timesheets available for review by the Department.
 2. **Employee Daily Travel Activity Documentation.** The Grantee shall require all travel expenses paid in whole or part with state funds to be accurately documented daily by the individual traveling. The Grantee shall document, at a minimum, the date, destination, times, mileage or odometer readings, and related travel activities.
- D. **Diversion Programs and Services.** The Grantee shall use grant funds to provide community-based programs and/or services designed to provide diversionary alternatives for juveniles at risk of commitment to Department including, but not limited to, intensive supervision probation, residential placements, family preservation services, parenting skills, and mental health services.
- E. **Target Population.** The Grantee shall ensure that diversion programs and services provided under this grant are designed to serve juvenile offenders who are at risk of commitment to Department.
- F. **Department Commitment Goals.** By executing the State Aid and Targeted Grant Contract, Grantee agrees to assist the Department in achieving the statewide Department commitment goal of limiting the number of juvenile offenders recommended for commitment to the Department. Grantee shall develop programmatic alternatives for juvenile offenders at immediate risk of commitment to the Department to limit the number of staff recommendations for Department commitment to the Department's established number of recommendations. Grantee shall require its juvenile probation department staff to explore and recommend dispositional alternatives for each adjudicated youth, when appropriate, before making any recommendation for commitment to the Department. The specific commitment goals applicable to the Grantee are listed, by department, in the *TJJD Commitment Goals* [TJJD-FIS-415] on the Department's website and are incorporated by reference into this Contract.
- G. **Ideal Commitment Criteria.** Grantee shall ensure that its juvenile probation department's recommendations of commitment to the Department adhere to the ideal commitment criteria in every case unless mitigating or extenuating circumstances are present and documented. The ideal commitment criteria are defined as any commitment recommended by and consistent with the Progressive Sanctions Guidelines as found in Chapter 59 of the Texas Juvenile Justice Code, Title 3, Texas Family Code.
- H. **Mental Health Services.** Grantee will receive allocated funding to secure Mental Health Services and Programs for youth under Grantee's supervision. Services may include screening, assessment, diagnoses, evaluation, or treatment of youth with Mental Health Needs. The Department's provision of State Aid Grant Mental Health Services funds shall not be understood to limit the use of other state and local funds for mental health services. State Aid Grant Mental Health Services funds may be used for all mental health services and programs as defined herein, however these funds may not be used to supplant local funds or for unallowable expenditure. Youth served by State Aid Grant Mental Health Services funds must meet the definition of Target Population for Mental Health Services provided in the Contract.
- I. **Commitment Diversion.** The Grantee shall provide community-based programs and Residential Services (i.e., post-adjudication placements) as follows:
1. Grantee shall submit a *Commitment Reduction Program Plan* to the Department for its approval via the Grant Manager system. The Commitment Reduction Program Plan submitted by the Grantee is incorporated by reference into the requirements of the State Aid Grant. Any changes to the approved Commitment Reduction

Program Plan submitted by the Grantee must first be approved by the Department in writing.

2. Eligibility. Juveniles served by State Aid Grant Commitment Diversion funds shall meet the definition of Commitment Diversion Eligible Population as defined in the Contract.
 3. Documentation. Grantee shall maintain documentation for all community-based programs and post-adjudication placements associated with the program and the Department may review this documentation during on-sight monitoring visits or upon request. Documentation shall include:
 - a. Date, time and duration of program/placement;
 - b. Location of program;
 - c. Purpose and goal of program; and
 - d. Number of participants.
 4. The Grantee shall establish written policies and procedures governing all State Aid Commitment Diversion programs and services Grantee provides.
 5. Licensing and Certification. The Grantee shall ensure that all licensed and/or certified staff maintain a current license and/or certification if the programs and services associated with State Aid Commitment Diversion funds require professional licensure or certification.
- J. **Other Funding Sources.** Except for Title IV-E Federal funds, other sources of funds, such as court-ordered child support payments and social security payments, shall be contributed toward the individual juvenile's placement cost for Residential Services.

V. PROGRAMMATIC REPORTING.

A. Annual Reports.

1. The *Annual Resource Report* shall be submitted on or before the designated due date of each year of the grant period in an electronic format as specified by the Department.
2. The *Juvenile Facility Registration Application* shall be submitted in the electronic format specified by the Department prior to opening a new facility, or by February 1 of each year of the grant period. This form shall be submitted by any pre-adjudication secure detention facility, short-term secure detention facility (i.e., holdover), post-adjudication secure correctional facility, and non-secure correctional facility that is operated by or under the authority of the Grantee.
3. The Grantee shall designate and update key personnel through the Juvenile Probation Directory on the Department's website. Notification of changes during the fiscal year regarding the Chief Juvenile Probation Officer/Chief Administrative Officer, Fiscal Officer, Juvenile Board Chair, or Facility Administrator shall also be submitted on official department or juvenile board letterhead. A copy of the approved juvenile board minutes announcing the appointments will also be accepted. These documents shall be submitted to the Department's Staff Services Officer within ten (10) calendar days from the effective date of the change. One person may not serve as Chief Juvenile Probation Officer, Chief Administrative Officer, and Fiscal Officer at the same time and one person may not serve as a Project Director and Fiscal Officer at the same time. One person may serve as the Chief Administrative Officer and Project Director simultaneously.
4. The Grantee shall complete a *Mental Health Services End-of-Year Summary* in a format specified by the Department no later than October 1 of the fiscal year of the current grant period. This report shall include, without limitation: purpose of activity; location of activity; number of juveniles served; number of mental health assessments provided; and number of mental health treatment hours provided.
5. The Grantee shall complete a *Commitment Diversion End-of-Year Program Summary* in a format specified by the Department no later than October 1 of the fiscal year of the current grant period. This report shall include,

without limitation: list of program activities and/or placements utilized; number of juveniles served; and how the programs and post-adjudication placements associated with the commitment reduction program met the overall goals and objectives as detailed in Grantee's Commitment Reduction Program Plan.

6. Grantee shall comply with any annual reporting requirements contained in Targeted Grants awarded to Grantee.

B. Quarterly Reports.

1. The Grantee shall provide a listing of all juveniles served by State Aid Grant Mental Health Services funds. The Grantee shall submit data electronically in a format specified by the Department no later than January 1, April 1, July 1, and October 1 of the current fiscal year of the biennium.
2. The Grantee shall provide a listing of all juveniles served by State Aid Commitment Diversion funds. The Grantee shall submit data electronically in a format specified by the Department no later than January 1, April 1, July 1, and October 1 of each fiscal year of the current grant period.
3. Grantee shall comply with any quarterly reporting requirements contained in Targeted Grants awarded to Grantee.

C. Monthly Reports.

1. Grantee shall comply with any monthly reporting requirements contained in Targeted Grants awarded to Grantee.

D. Other Periodic Reports.

1. Grantee shall use COMETS to respond to all citations of non-compliance with standards and grant requirements issued in regularly scheduled monitoring visit performance reports and any Non-Compliance Citation Reports (NCCR) that are issued by the Department. The Grantee shall submit the required corrective action responses within the mandated time frame as specified by the COMETS system.
2. The Grantee shall notify the Department of any change affecting the Grantee's official registry information including administration, baseline services, programs, rated capacity, or any other data submitted in the *Juvenile Facility Registration Application* regarding any pre-adjudication secure detention facility, short-term secure detention facility (i.e., holdover), post-adjudication secure correctional facility, or non-secure correctional facility operated by or under the authority of the Grantee. The Grantee shall ensure that any private vendor that operates a facility under the authority of the Grantee shall be contractually obligated to notify the Department of any changes in official registry information. The Grantee shall provide notice of changes in writing to the Department within ten (10) calendar days from the effective date of the change.
3. The Grantee shall notify the Department immediately in writing of any change affecting the Grantee and its composition, structure, function, or identity, such as the control, name change, governing board membership or personnel changes affecting the contracted services.
4. The Grantee shall enter each program it administers, or for which it contracts, into the Department's web-based Program Registry. The Grantee shall notify the Department of any change affecting the Grantee's official registry information, including, but not limited to, administration, program type, and program components.
5. Grantee shall provide Mental Health Services Prior Year Service Reports indicating the level of mental health services provided to juveniles with state and local funds in each fiscal year of the biennium, in a format specified in the TJJJ Grant Manager web application.
6. Grantee shall provide all other periodic reports requested by the Department or contained in Targeted Grants awarded to Grantee.

VI. PROGRAMMATIC MONITORING.

- A. **On-Site Monitoring Visits.** The Grantee is subject to programmatic monitoring scheduled at the Department's discretion. Scheduled on-site visits are announced and confirmed in writing at least fifteen (15) calendar days in advance of the visit whenever possible. Scheduled on-site visits shall be conducted during the program's regular operating hours. The visit can include: a review of policies, procedures, and records; interviews with staff, juveniles, and other personnel; and a tour of the program or facility. The length of the visit depends on the size of the program or facility as well as the size of the Department's monitoring team. Each visit will conclude with an exit conference with appropriate staff and the presentation of findings in the Performance Rating Profile Report.
- B. **Unannounced On-Site Monitoring Visits.** The Department may conduct unannounced on-site visits in addition to its scheduled on-site visits. Unannounced on-site visits may be made without any advance notification and may occur at any time. Unannounced on-site visits may be conducted at random or for cause. The Department may determine cause exists by assessing alleged standards non-compliance, as a means to monitor program improvement plans (PIPs), or due to a request for intervention from other state or local government entities or the public. Unannounced on-site visits may also be conducted in conjunction with the Department's formal abuse, neglect, and exploitation investigations. The length and scope of an unannounced on-site visit shall be dependent on the circumstances that led to the visit. A Non-Compliance Citation Report (NCCR) shall be issued for any verified non-compliance in an unannounced on-site visit.
- C. **Desk Audits.** The Department may monitor compliance with standard or grant requirements by a desk audit, which includes review of select records and program documentation. Grantee shall make available to the Department any written policies and procedures, juvenile and staff records, juvenile board documentation, and other applicable documents. The review of written documentation and materials may be supplemented by phone interviews with select staff and/or juveniles. Findings will result in a performance rating profile report or a Non-Compliance Citation Report (NCCR). Grantee shall ensure its agents will comply with all requests for information during the course of a desk audit by the Department or its authorized designee.

VII. **APPLICABLE LAW, POLICY AND PROCEDURE.** The Grantee shall comply with all applicable state laws, federal laws, regulations, standards, policies, and procedures as they currently exist or as amended or renumbered and enacted and effective during the term of the Contract.

VIII. FINANCIAL COMPONENTS.

A. Allowable Expenditure of Funds.

1. Grant funds shall be expended for juvenile justice programs and juvenile probation services within the three budget categories of Staff Services, Inter-County Contracts, and External Contracts as allowed in the *Expenditure Guidelines* contained in Appendix I of this document.
2. Grant funds may be expended to provide programs and services for juveniles and family members of juveniles under the jurisdiction of the Grantee's juvenile probation department.
3. Expenditures that benefit both adult and juvenile probation departments shall be pro-rated on an equitable basis. The determination of the method of pro-rating such expenditures shall be supported by documentation. Only the portion of expenditures attributed to juvenile probation departments are allowable expenditures under this Contract.
4. Grant funds used to reimburse a county that provides fiscal services to another county or multiple counties shall be reasonable compensation for services actually provided. Payment shall not exceed five percent (5%) of the funding allocation and shall be made to the county providing fiscal services rather than to an individual.
5. The maximum allowable rates for use of State Aid and Targeted Grant funds for each of the levels of care and the description of each level is posted in the *Tier Level of Care Rate for Registered Facilities* [TJJD-FIS-175] on the Department's website. Expenditures for Residential Services in a Pre-Adjudication Secure Detention Facility or a Short-Term Secure Detention Facility shall not exceed the Basic Level of Care Rate. If the juvenile is placed in a Post-Adjudication Secure Correctional facility or a Non-Secure Correctional Facility, grant funds may be expended

at the Basic Level of Care Rate or a higher level of care rate if the facility is registered and approved by the Department for a specialized or intensive level of service rate. Commitment Diversion funds may only be expended at a rate of \$140.00 per day per youth for any program or placement, but other appropriate local or state funding sources may be used to pay costs in excess of \$140.

6. State Aid Commitment Diversion funds shall pay for at least 50% of the program or placement described in Grantee's *Commitment Reduction Program Plan*.
7. Allowable expenditures for State Aid Mental Health Services funds include:
 - a. Mental Health Screening, Assessment and Evaluation to identify youth having a mental illness or need for mental health treatment, including psychological and psychiatric evaluations;
 - b. Cost of mental health services that meet the definition set out in the Contract;
 - c. Salary of a mental health professional or contracted services;
 - d. Salary of a Juvenile Probation Officer who carries a caseload of youth that meet the target population and are receiving another type of mental health service; and
 - e. Psychotropic medications and medications associated with treating a diagnosed mental health condition.

B. Unallowable Expenditure of Funds.

1. Grant funds shall not be expended for unallowable items as detailed in in Appendix I of this document.
2. Grant funds shall not be expended for Residential Services in excess of the maximum allowable rates as defined in *Tier Level of Care Rates for Registered Facilities* [TJJD-FIS-175].
3. Grant funds shall not be expended for salaries or expenses of juvenile board members.
4. Grant funds shall not be expended for salary increases of existing personnel that exceed 8% of the previous year unless approved by the Department, provided that in no case shall grant funds be expended for salary increases of existing personnel that exceed 12% of the previous year. This requirement does not restrict the salary amount of new staff or promotions in juvenile probation departments.

C. Financial Match Requirements. See also Targeted Grant Requirements.

1. **Certification of Local Expenditures for Matching Requirements.** The Grantee shall submit the *Certification of Local Expenditures Report* certifying Grantee's local juvenile justice expenditures in the previous fiscal year were equal to or greater than those made in fiscal year 2006, excluding construction and capital outlay expenses. The local juvenile justice expenditures entered in the Grant Manager system shall be certified electronically via the Department's Grant Manager system.
2. **Waiver of Financial Match Requirements.** At the request of the Grantee, the Department may approve a waiver of the financial match requirement, as described in Subsection 1, provided that:
 - a. The Grantee demonstrates that local or county funding for juvenile services has not been supplanted by funding received under this grant;
 - b. The Grantee certifies that local juvenile justice expenditures in the previous fiscal year were equal to or greater than those made in fiscal year 1994; and
 - c. The Department determines that the Grantee is otherwise in compliance with the terms of this grant.

D. Funding Adjustments.

1. **Reduction of Grant Payments.** The Department may review the Grantee's unexpended grant balances for the State Aid Grant and Targeted Grants in the last three fiscal years. If the Department determines that more than 10 percent of the amount awarded remained unspent or unencumbered at the end of each of the three fiscal years reviewed, the Department may analyze and audit the Grantee's referral activity, juvenile probation supervision activity, and juvenile probation caseloads to determine the reasonableness of the amount of grant funds received by the Grantee. As a result of this analysis, the Department may reduce the amount of any grant awarded to the Grantee in this grant period or in any subsequent grant periods by an amount determined reasonable by the Department.
2. **Unexpended Balances.** With the exception of funding received under Grants E and P, the Grantee shall refund to the Department, no later than November 1 in the next fiscal year, any unexpended funds from any grant that are allocated and received under the Contract if the funds are unencumbered by August 31 of a given fiscal year and unexpended by November 1 of the next fiscal year.
3. **Overpayments.** Grantee shall refund to the Department all overpayments made by the Department within 30 calendar days after discovery or receipt of written notice from the Department.
4. **Refunds Due.** Grantee shall, within 30 calendar days of confirmation, refund all amounts due to the Department for unallowable expenditures under any grant.

E. Timely Expenditure of Grant Funds. The Grantee shall expend funds in a timely manner, to be determined by the Department. If the Grantee fails to expend the grant funds in a timely manner, the Department may issue a Non-Compliance Citation Report (NCCR) and may reduce or suspend funds.

F. Auditing Requirements.

1. The Grantee shall provide an independent financial compliance audit of funds received from the Department under the Contract, for the following grants: 2014-2015 biennium to include the State Financial Assistance Grant (A) and individual grants B, C, D, E, M, N, P, S, T, and W; 2016-2017 biennium to include the State Aid Grant and Targeted Grants B, D, E, M, P, S, T, and W.
2. The audit shall be prepared in accordance with generally accepted auditing standards, governmental auditing standards, and the Department's audit requirements that will be sent under separate cover by September 30 for each year of the biennium.
3. The Grantee shall submit, in a format prescribed by the department, a given fiscal year's audit to the Department no later than March 1 of the subsequent year.
4. The audit shall include as part of the Report on Compliance and Internal Control, the specific financial assurances contained in Section VIII (G) of the General Grant Requirements and any Targeted Grant requirements. The audit shall include an opinion on whether or not the Grantee complied with the applicable assurances. A summary of all material instances of non-compliance and an identification of the total amount of funds in question for each assurance shall be included in the audit.
5. Audits received after March 1 of the subsequent year are considered delinquent. Grantees with delinquent audits are subject to a Non-Compliance Citation Report (NCCR) and funds may be suspended by the Department.

G. Financial Assurances. The following financial assurances are applicable to all grant funds unless the Targeted Grant requirements specifically state the contrary:

1. Separate accountability for the receipt and expenditure of all grant funds under the Contract is maintained for each grant from which the Grantee receives funds.
2. Expenditures reported to the Department are in agreement with the Grantee's accounting records and audited expenditures in each budget category.

3. Expenditures are made in accordance with the *Expenditure Guidelines* contained in *Appendix I* of this document and are supported by written documentation.
 4. Salary expenditures under each grant are verified and supported by appropriate documentation for hours worked, activities performed, and leave taken. Employees whose salaries are funded 100% out of state funds shall be dedicated to juvenile justice programs and services only.
 5. All travel expenses are supported by daily documentation of the individual traveling. The Grantee shall document date, destination, times, mileage or odometer readings, and related travel activities.
 6. Travel reimbursements paid with the grant funds, including travel allowances paid in lieu of mileage, are paid according to county policy and do not exceed travel reimbursement rates adopted by the county or per diem, lodging, and travel reimbursement rates established by the State of Texas in the General Appropriations Act.
 7. The grant funds used for residential expenditures are paid for placement of a juvenile in a pre-adjudication detention secure facility, a short-term secure detention facility, a post-adjudication secure correctional facility, or a non-secure correctional facility, operated by or under the authority of the Grantee or another governmental entity.
 8. The grant funds used for residential child-care facilities and out-of-state residential placement facilities do not exceed the Health and Human Services Commission's *Levels of Care Rates* [TJJD-IVE-200]. This financial assurance does not apply to facilities that are registered with the Department.
 9. The grant funds used for Department-registered facilities do not exceed the *Tier Level of Care Rates for Registered Facilities* [TJJD-FIS-175].
 10. The grant funds are not expended for the purchase of equipment, renovation, or construction unless explicitly authorized by the Department within any Targeted Grant requirements. An item is equipment if county policy requires it to be capitalized or, if the county has no policy, it has a useful life of more than one year and a cost of more than \$8,000.00.
 11. Authorized capital purchases are capitalized and depreciated within the county accounting system.
 12. Proper cut-off procedures are observed at the end of each fiscal period. Obligations of the fiscal period under review are not paid from funds of a subsequent fiscal period. Obligations of a subsequent fiscal period are not prepaid from funds of a fiscal period under review. A modified accrual basis of accounting is only used in preparing fourth quarter expenditure reports to the Department.
 13. Refunds and reimbursements are properly accounted for as reductions of expenditures rather than as increases in revenues.
 14. Any funds not expended under the terms of each grant were/are returned to the Department according to the Unexpended Balances and Refunds Due provisions contained in Subsections VIII (D) (2) and VIII (D) (4), respectively.
 15. The amount of local or county funds expended, excluding construction and/or renovation for juvenile services, is at least equal to or greater than the amount spent in the 1994 county fiscal year.
 16. All employees with access to monies are covered by surety bonds.
 17. All county and state transactional funds, revenues, and expenses are separated.
 18. Idle funds are invested in an account that provides a reasonable interest rate and provides necessary protection of principal. Interest on grant funds is credited to the account of the juvenile probation department for the provision of juvenile probation services and juvenile justice programs.
- H. **Service Providers.** Contracts with private service providers that are funded in whole or in part with grant funds shall adhere to the requirements set forth in the *Private Service Provider Contract Requirements Summary* [TJJD-FIS-324] and the requirements set forth below.

1. **Selection of Providers.** Selection of service provider contractors shall be fairly and objectively based upon county procurement procedures and guidelines and applicable state and federal laws or regulations related to service procurement. As an integral part of the service provider selection process, the Grantee shall use procedures to assess prospective contractors' strengths, weaknesses, and past performance. The Grantee shall use data relating to the performance of private service providers in prior contracts as a factor in selecting providers to receive contracts.
2. **Required Contract Provisions.** Private service provider contracts paid in whole or part with grant funds shall include the following provisions in the contract between the Grantee and the service provider:
 - a. **Accountability.** Service provider contractors shall be held accountable for delivery of quality services, and all contracts shall include clearly defined goals, outputs, and measurable outcomes that directly relate to program objectives as required by Texas Human Resources Code Section 221.051.
 - b. **Eligibility to Receive State Funds.** Service provider contractors shall be required to provide certification of eligibility to receive state funds if required by Texas Family Code 231.006. The Department has provided form *Child Support Affidavit* [TJJD-FIS-180] that may be used.
 - c. **Legal Compliance.** Service provider contractors shall adhere to all applicable state and federal laws and regulations pertinent to the service provider contractor's provision of services to the Grantee.
 - d. **Accounting.** The Grantee shall notify service provider contractors when state funds are used to pay for services. Service provider contractors paid from state funds shall be required to account separately for the receipt and expenditure of state funds received from the Grantee. The Grantee shall clearly specify accounting, reporting, and auditing requirements applicable to any state funds paid to the service provider contractor by the Grantee under contract.
 - e. **Records Retention.** Service provider contractors receiving whole or partial payment with any state grant funds received from the Department shall retain all applicable records for a minimum of seven (7) years and until any pending audits and all questions arising therefrom have been resolved and shall make all contractual agreements with service provider subcontractors available for Department inspection.
 - f. **Funding Out.** Service provider contracts that are funded in whole or in part with grant funds shall be subject to termination without penalty, either in whole or in part, if funds are not available or are not appropriated by the Texas Legislature.
3. **Performance Standards, Evaluations and Oversight.** The Grantee shall monitor services provider contractors at least twice during each fiscal year of this grant for programmatic and financial compliance. The Department has provided two monitoring tools that may be used: *Private Service Provider Contractual Monitoring and Evaluation Report - Residential Services* [TJJD-FIS-334] and *Private Service Provider Contractual Monitoring and Evaluation Report - Youth Services* [TJJD-FIS-344]. The purpose of monitoring is to ensure performance of and compliance with contractual provisions between the Grantee and service provider contractor if required by and in accordance with this Contract and the *Private Service Provider Contract Requirements Summary* [TJJD-FIS-324]. The Grantee shall maintain written documentation of all monitoring visits. The Department may conduct one monitoring visit per year if the Grantee achieves and maintains a minimum score of 90 with no formal findings in the area of private service providers on the previous financial audit conducted by the Department.
4. **Sanctions or Penalties.** If the service provider is paid in whole or in part with state funds, the Grantee's contract with the service provider shall impose specific, clearly defined, and appropriate sanctions or penalties for the service provider's non-compliance with the provisions of the contract.
5. **Termination.** In its contracts with service providers, the Grantee shall include provisions allowing termination of the contract if the service provider fails to achieve the goals, outcomes, and deliverables set out in the contract or if the service provider fails to comply with any conditions in the contract.
6. **Evidence of Execution.** The Grantee shall maintain contract documentation that contains the date of execution, the effective term of the service provider agreement, and the signatures of the necessary parties.

IX. FINANCIAL REPORTING.

A. Annual Reports.

1. **Budget Application.** The Grantee shall submit a completed *Annual Budget Application* for the Department's approval concurrent with the submission of the Contract executed by Grantee. An *Annual Budget Application* shall be submitted electronically in the Grant Manager web-based system for each fiscal year of the current grant period.
2. **Certification of Local Expenditures.** The Grantee shall certify the local expenditures entered in the (FPS) report via the Grant Manager web-based system for the previous fiscal year. The Chief Administrative Officer shall sign the certification electronically or in the format specified by the Department no later than March 1 of the current fiscal year. The Grantee shall adhere to all security protocols established by the Department.
3. **Independent Audit.** The Grantee shall submit, in a format specified by the department, the independent financial compliance audit prepared by an independent Certified Public Accountant for the previous fiscal year. The audit shall follow the General Grant Requirements of Sections VIII (F) and (G) and be submitted no later than March 1 of the current fiscal year.

B. Quarterly Reports.

1. The Grantee shall report the expenditure of all funds received through this grant on the *FPS Quarterly Expenditure Report* in the Grant Manager web-based system. Reports shall be submitted to the Department no later than December 31, March 31, June 30, and September 30 of the current fiscal year of the biennium, respectively. Funds may be temporarily suspended if an *FPS Quarterly Expenditure Report* is not received by the due date.
2. The Grantee shall report the expenditure of all State Aid Commitment Diversion funds on the *Program Expenditure Report*. Reports shall be submitted electronically in the TJJJ Grant Manager system no later than January 1, April 1, July 1, and October 1 of the current fiscal year of the grant period. Funds may be temporarily suspended if a *Program Expenditure Report* is not submitted by the due date.

C. **Monthly Reports.** See Targeted Grant Requirements.

D. **Other Periodic Reports.** See Targeted Grant Requirements.

E. **Budget Adjustments.** The Grantee shall submit the *Budget Adjustment Request* [TJJJ-FIS-304] to the Department for any adjustment to the original budget. The Grantee must receive written or electronic approval from the Department prior to expending the funds.

X. FINANCIAL MONITORING.

A. Annual Monitoring.

1. **Budget Review.** The grant funds will not be disbursed until a completed *Annual Budget Application* (located in the Grant Manager web-based system) for all applicable grants funded under the Contract is received and approved by the Department. The Department shall review all budgets for completeness, reasonableness, and accuracy. Incomplete or incorrect budgets may be returned to the Grantee for correction. Projected expenditures will be compared with actual expenditures from prior years and adjustments may be made to current allocations.
2. **Independent Audits.** The Department staff shall review annual independent audits for adherence to generally accepted auditing principles and to the Department's audit instructions. Incomplete or incorrect audits may be returned to the Grantee for correction.

B. Periodic Monitoring.

1. **On-Site Monitoring.** Grantee shall be subject to on-site financial monitoring by the Department at any time.

2. **Desk Audits.** The Department or its designee may monitor compliance of financial records by desk audits. Audits may be supplemented by phone interviews with financial staff in the juvenile probation department, county auditor's office, and county treasurer's office. Findings will result in a performance rating profile report or a Non-Compliance Citation Report (NCCR). Grantee shall ensure its agents comply with all requests for information during the course of the audit.
3. **Quarterly Reports.** The Department shall review all *FPS Quarterly Expenditure Reports* in the Grant Manager web-based system for completeness and reasonableness. The Department may request that the Grantee revise incorrect reports.
4. **Investigations and Special Audits.** The Grantee shall cooperate fully with the Department or its authorized designee in the conduct of an investigation or special audit arising out of any complaint, any financial or programmatic finding, and any abuse, neglect, or exploitation allegation, relating to the provision of juvenile probation services or occurring in a juvenile justice program or facility.

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APPENDIX I
EXPENDITURE GUIDELINES

I. **Allowable and Unallowable Expenditure Guidelines.** This appendix contains general principles for determining allowable costs under all Department grants, except to the extent a requirement in a Targeted Grant conflicts with these Expenditure Guidelines, in which case the Targeted Grant requirement controls.

A. **Purpose and Scope.**

1. **Objectives.** These guidelines establish principles for determining the allowable costs incurred by the Grantee under grants, contracts, and other agreements with the Department utilizing state funding. The principles are for the purpose of cost determination and are not intended to identify the circumstances or dictate the extent of the Department's participation in the financing of a particular program or project.
2. **Policy Guides.** The application of these principles is based on the fundamental premises that:
 - a. the Grantee shall be responsible for the efficient and effective administration of the Contract through the application of sound management practices;
 - b. the Grantee shall assume responsibility for administering the grant funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Contract; and
 - c. each Grantee will have the primary responsibility for employing whatever form of organization and management techniques that may be necessary to assure proper and efficient administration of the Department's grants.

B. **Basic Guidelines.**

1. **Factors Affecting Allowable Costs.** To be allowable under a Department grant, costs shall be:
 - a. adequately documented;
 - b. necessary and reasonable for proper and efficient performance and administration;
 - c. authorized and not prohibited under state or local laws or regulations;
 - d. accorded consistent treatment. A cost may not be assigned to a Department grant as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to other awards as an indirect cost;
 - e. determined in accordance with Generally Accepted Accounting Principles (GAAP), except as otherwise provided for in this guideline; and
 - f. the net of all applicable credits.
2. **Reasonable Costs.** A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration shall be given to:
 - a. whether the cost is of a type generally recognized as ordinary and necessary for the operation of the performance of the grant;
 - b. the restraints or requirements imposed by such factors as: sound business practices; arm's length bargaining; federal, state, tribal, and other laws and regulations; and terms and conditions of the grant award;
 - c. market prices for comparable goods or services; and

d. whether the Grantee acted with prudence in the circumstances considering the Grantee's responsibilities to the Department and the public at large.

3. **Applicable Credits.** Applicable credits refer to transactions that offset or reduce expense items allocable as direct or indirect costs to the Department's grants. Examples of such transactions include: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the Grantee relate to allowable costs, they shall be credited to the grant either as a cost reduction or cash refund, as appropriate.

4. **Expenditure Categories.** Unless restricted to certain allowable expenditures by the particular grant program from which funds were received, any funds received pursuant to a grant must be spent in the following categories, as defined in the grant: juvenile probation services, staff services, Youth Services, and Residential Services.

C. **Direct Costs.**

1. **General.** Direct costs are those that can be identified specifically with a particular final cost objective.

2. **Application.** Typical direct costs chargeable to the Department's grants are:

- a. Compensation of employees for the time devoted and identified specifically for the performance of those grants;
- b. Cost of materials acquired or consumed specifically for the purpose of those grants;
- c. Equipment and other pre-approved capital expenditures;
- d. Travel expenses incurred specifically to carry out the grant;
- e. Youth Services as defined under Article III, Section 3.37 of the Contract; and f.

Residential Services as defined under Article III, Section 3.29 of the Contract.

D. **Guiding Principles for Determining Allowable or Unallowable Costs.** The following sections provide principles to be applied in determining if costs are allowable or unallowable. A particular item's exclusion from these sections shall not be construed as a determination that the excluded item is either allowable or unallowable. The determination of allowance in each case must be based on the treatment or standards provided for similar or related items of cost.

1. **Accounting.** The cost of establishing and maintaining accounting and/or other information systems is allowable.

2. **Advertising and Public Relations Costs.**

- a. The term "advertising costs" means the costs of advertising media and corollary administrative costs. Advertising media include magazines, newspapers, radio and television programs, direct mail, and exhibits.
- b. The term "public relations" includes community relations and means those activities dedicated to maintaining the Grantee's image, or maintaining or promoting understanding and favorable relations with the community or any segment of the public.
- c. Advertising costs are allowable only when incurred for the recruitment of juvenile probation department personnel, the procurement of goods and services, the disposal of surplus materials, and any other specific purpose necessary to meet the requirements of the Contract.
- d. Public relations costs are allowable when:
 - i. incurred to communicate with the public and press pertaining to specific activities or accomplishments that result from performance of the Department grant; or

- ii. necessary to conduct general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary to keep the public informed on matters of public concern, such as notices of state contract or grant awards and financial matters.
- e. Unallowable advertising and public relations costs include the following:
 - i. all advertising and public relations costs other than as specified;
 - ii. except as otherwise permitted by these cost principles, costs of conventions, meetings, or other events related to other activities of the Grantee including:
 - (a) costs of displays, demonstrations, and exhibits;
 - (b) costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other special events;
 - (c) salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings;
 - (d) costs of promotional items and memorabilia, including models, gifts, and souvenirs; and
 - (e) costs of advertising and public relations designed solely to promote Grantee.
- 3. **Advisory Councils and Juvenile Boards.** Costs incurred by advisory councils or committees are unallowable, including:
 - a. meal expenses for juvenile board meetings;
 - b. expenditures of other local departments such as police, sheriff, prosecuting attorneys, and
 - c. in-kind services or payments given to or expenses of juvenile board members.
- 4. **Alcoholic Beverages.** Costs of alcoholic beverages are unallowable.
- 5. **Audit Services.** The costs of audits of grants are allowable provided that the audits are performed in accordance with generally accepted auditing standards, governmental auditing standards, and the Department's current audit requirements.
- 6. **Automatic Electronic Data Processing.** The cost of data processing services is allowable.
- 7. **Bad Debts.** Any losses arising from uncollectible accounts and other claims and related costs are unallowable.
- 8. **Bonding Costs.** Costs of bonding employees and officials, as required by the Contract, General Grant Requirements, or Targeted Grant Requirements, are allowable to the extent that such bonding is in accordance with sound business practice.
- 9. **Budgeting.** Costs incurred for the development, preparation, presentation, and execution of budgets are allowable.
- 10. **Communications.** Costs of telephone, mail, messenger, and similar communication services are allowable.
- 11. **Compensation for Personnel Services.**
 - a. **General.** Compensation for personnel services includes all remuneration, paid currently or accrued, for services rendered during the period of performance under the grant, including, without limitation, wages, salaries, and fringe benefits. The costs of such compensation are allowable to the extent that the total compensation for individual employees:
 - i. is reasonable for the services rendered and conforms to the established policy of the Grantee consistently applied to both Department and non-Department activities;

- ii. follows an appointment made in accordance with local government laws and rules and meets merit system or other requirements required by law, where applicable; and
 - iii. does not involve grant funds paid as wages or salaries to children receiving services from the Grantee.
- b. **Reasonableness.** Compensation for employees engaged in work on the grant will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the Grantee. In cases where the kinds of employees required for the grant are not found in the other activities of the Grantee, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the employing government competes for the kinds of employees involved.
- c. **Unallowable Costs.** Costs that are unallowable under other sections of these principles shall not be allowable under this section solely on the basis that they constitute personnel compensation.
- d. **Fringe Benefits.**
- i. Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable to the extent that the benefits are reasonable and are required by law, the Grantee's employee agreement, or an established policy of the Grantee. The cost of fringe benefits in the form of: leave; employer contributions or expenses for social security, employee life, health, unemployment, longevity, and worker's compensation insurance; pension plan costs; and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits shall be allocated to the grant and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to the grant and other activities.
 - ii. Pension Plan Costs. Pension plan costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with established written policies of the Grantee.
 - iii. Post-Retirement Health Benefits. Post-retirement health benefits (PRHB) refers to costs of health insurance or health services not included in a pension plan for retirees and their spouses, dependents, and survivors. PRHB costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with established written policies of the Grantee.
- e. **Weapons and Firearms.** The purchase of weapons or other firearms proficiency training is allowable only for the benefit of eligible juvenile probation officers who have met the requirements established under the Department's administrative rules and other applicable law. The purchase of a weapon, firearm, ammunition or related supplies is unallowable.
- h. **Support of Salaries and Wages.** These standards regarding time distribution are in addition to the standards for payroll documentation.
- i. Charges to a grant for salaries and wages will be based on payrolls documented in accordance with generally accepted practice of the Grantee and approved by a responsible official of the Grantee.
 - ii. No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.
 - iii. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation.
 - iv. Salaries and wages of employees used in meeting cost sharing or matching requirements of the grant must be supported in the same manner as those claimed as allowable costs under the grant.
- i. **Severance Pay.** Severance pay is unallowable.

- j. **Donated Services.**
 - i. Donated or volunteer services may be furnished to the Grantee by professional and technical personnel, consultants, and other skilled and unskilled laborers. The value of these services is not reimbursable either as a direct or indirect cost. However, the value of donated services may be used to meet cost sharing or matching requirements.
 - ii. To the extent feasible, donated services will be supported by the same methods used by the Grantee to support the allocation of regular personnel services.
- 12. **Contingencies.** Contributions to a contingency reserve or any similar provision made for events, the occurrence of which cannot be foretold with certainty as to time or intensity or with an assurance of their happening, are unallowable.
- 13. **Contributions and Donations.** Contributions and donations, including cash, property, and services, by the Grantee to others are unallowable.
- 14. **Defense of Criminal and Civil Proceedings and Claims.** Costs incurred in defense of any civil or criminal fraud proceeding or similar proceeding are unallowable.
- 15. **Depreciation and Use Allowances.** Depreciation and use allowances are unallowable.
- 16. **Disbursing Service.** The cost of disbursing funds by the county auditor, treasurer, or other designated officer is allowable.
- 17. **Employee Morale, Health, and Welfare Costs.** The costs of health or first-aid clinics, infirmaries, recreational facilities, employee counseling services, employee information publications, and related expenses are allowable if incurred in accordance with the Grantee's policy. Income generated from any of these activities shall offset against expenses.
- 18. **Entertainment.** Costs of entertainment, including amusement, diversion, and social activities, and any costs directly associated with such activities (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.
- 19. **Equipment and Other Capital Expenditures.** Capital expenditures for equipment and other capital assets are unallowable except when specifically provided for within a grant or by Department approval. Items of equipment with an acquisition cost of less than \$8,000.00 are considered to be supplies and are allowable as direct costs of the grant without specific approval. As used in this section, the following terms have the meanings set forth below:
 - a. "**Capital Expenditure**" means the cost of the asset, including the cost to put it in place. Capital expenditure for equipment means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges such as taxes, duty, protective in-transit insurance, freight, and installation may be included in, or excluded from, capital expenditure costs in accordance with the Grantee's regular accounting practices.
 - b. "**Equipment**" means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost that equals the lesser of the capitalization level established by the Grantee for financial statement purposes or \$8,000.00.
 - c. "**Other Capital Assets**" means buildings, land, and improvements to buildings or land that materially increase their value or useful life.
- 20. **Fines and Penalties.** Fines, penalties, damages, and other settlements resulting from violations of, alleged violations of, or failure to comply with federal, state, local, or tribal laws and regulations are unallowable.
- 21. **Fund Raising and Investment Management Costs.** Costs of fund raising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions, are unallowable regardless of the purpose for which the funds will be used.

- a. Costs of fund raising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions, are unallowable regardless of the purpose for which the funds will be used.
 - b. Costs of investment counsel and staff and similar expenses incurred to enhance income from investments are unallowable.
22. **General Government Expenses.** The general costs of government are unallowable, including:
- a. salaries and other expenses of local governmental bodies, such as juvenile boards, county commissioners, city councils, and school boards, whether or not incurred for purposes of legislation or executive direction;
 - b. costs of the judiciary branch of a government;
 - c. costs of prosecutorial activities; and
 - d. other general types of government services normally provided to the general public, such as fire and police.
23. **Gifts or Awards for Employees.** Gifts or awards of recognition (i. e., plaques, gift certificates or meals) to employees not to exceed \$50 per employee per fiscal year are allowable.
24. **Gifts or Awards for Juveniles.** Gifts or awards for juveniles are unallowable.
25. **Idle Facilities.** The costs of idle facilities are unallowable.
26. **Insurance and Indemnification.** Costs of insurance in connection with the general conduct of activities are allowable, provided that the extent and cost of coverage are in accordance with the Grantee's policy and sound business practice.
27. **Interest.** Costs incurred for interest on borrowed capital or the use of a Grantee's own funds, however represented, are unallowable.
28. **Investment Counsel and Management Costs.** The costs of an investment counsel, staff, and similar expenses incurred to enhance income from investments are unallowable.
29. **Lobbying.** The cost of lobbying and associated activities is unallowable.
30. **Maintenance, Operations and Repairs.** The costs of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, necessary maintenance, normal repairs, and alterations are allowable.
31. **Materials and Supplies.** The cost of materials and supplies is allowable. Purchases should be charged at their actual prices after deducting all cash discounts, trade discounts, rebates, and allowances received. Withdrawals from general stores or stockrooms should be charged at cost under any recognized method of pricing, consistently applied. Incoming transportation charges are a proper part of materials and supply costs.
32. **Meals and Transportation.** Meals and transportation for a juvenile under supervision are allowable under the Youth Services category.
- a. Meals and transportation for the parents of a juvenile under supervision are unallowable.
 - b. Meals provided for meetings (i.e., juvenile board meetings, trainings or regional meetings) are unallowable.
33. **Memberships, Subscriptions, and Professional Activities.**
- a. Costs of the Grantee's employees' memberships in business, technical, and professional organizations are allowable.
 - b. Costs of the Grantee's subscriptions to business, professional, and technical periodicals are allowable.

- c. Costs of the Grantee's membership in civic, community, and social organizations are unallowable.
 - d. Costs of membership in organizations that compensate for lobbying are unallowable.
34. **Motor Pools.** The costs of a service organization that provides automobiles to local probation departments at a mileage or fixed rate and/or provides vehicle maintenance, inspection, and repair services are allowable.
 35. **Pre-Award Costs.** Pre-award costs are those incurred prior to the effective date of the award directly pursuant to the negotiation and in anticipation of the award where such costs are necessary to comply with the proposed delivery schedule or period of performance. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with the prior written approval of the Department.
 36. **Prevention and Early Intervention Services.** Prevention and intervention services intended to prevent or intervene in at-risk behaviors that lead to delinquency, truancy, dropping out of school, or referral to the juvenile justice system are allowable.
 37. **Professional Service Costs.** Costs of professional and consultant services rendered by persons or organizations that are members of a particular profession or possess a special skill, except employees of the Grantee, are allowable when reasonable in relation to the services rendered.
 38. **Proposal Costs.** Costs of preparing proposals for potential Department grants are allowable.
 39. **Psychological/Psychiatric or Medical Evaluation Costs.** Psychological/psychiatric or medical evaluations for juveniles under the jurisdiction of the juvenile court are allowable under the Youth Services category. Psychological/psychiatric or medical evaluations for the parents of the juvenile under supervision are unallowable.
 40. **Publication and Printing Costs.** Publication costs, including the costs of printing, distributing, mailing, and general handling, are allowable.
 41. **Rearrangements and Alterations.** Costs incurred for ordinary and normal rearrangement and alteration of facilities are allowable.
 42. **Reconversion Costs.** Costs incurred in the restoration or rehabilitation of the Grantee's facilities to approximately the same condition existing immediately prior to commencement of the Department grants, less costs related to normal wear and tear, are unallowable.
 43. **Rental Costs.** Rental costs, including but not limited to vehicles and office space, are allowable to the extent that the rates are reasonable in light of such factors as rental costs of comparable property, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property leased.
 44. **Residential Placement Costs.** Residential Placement Costs are allowable subject to the following requirements:
 - a. **Pre-Adjudication Secure Detention Facilities.** Grant funds may be used to pay for all or part of the costs of the placement of a juvenile into any public or private pre-adjudication secure detention facility in the state of Texas, provided that the facility has been certified and registered in accordance with Texas Family Code Section 51.12. This includes a short-term secure detention facility (i.e., holdover).
 - b. **Post-Adjudication Secure Correctional Facilities.** Grant funds may be used to pay for all or part of the costs of the placement of a juvenile into any public or private post-adjudication secure correctional facility, provided that the facility has been certified and registered in accordance with Texas Family Code Section 51.125.
 - c. **Non-Secure Correctional Facilities.** Grant funds may be used to pay for all or part of the costs of the placement of a juvenile into any public or private non-secure correctional facility, provided that the facility has been certified and registered in accordance with Texas Family Code Section 51.126.
 - d. **Residential Child-Care Facility.** Grant funds may be used to pay for all or part of the costs of placement of a juvenile into a residential child-care facility in this state that is licensed by the Texas Department of Family and

Protective Services or other regulatory authority if said facility is required to possess such a license. Grant funds may be used to pay for all or part of the costs of a placement of a juvenile into a residential child-care facility if the facility is accredited in accordance with the provisions of Chapter 42, Subchapter E of the Human Resources Code regarding Accreditation of Child-Care Facilities and Child-Placing Agencies.

- e. **Out-of-State Residential Placement Facility.** Grant funds may be used to pay for all or part of the costs of placement of a juvenile into an out-of-state residential placement facility that is licensed, regulated, or certified by a governmental entity in the state where the facility is located.
45. **Services in Foreign Country.** The purchase of services to be provided in a foreign country is unallowable.
46. **State Aid Commitment Diversion Funds.** The following are unallowable costs:
- a. Salary increases or any costs associated with staff hired prior to September 1, 2009;
 - b. Costs associated with pre-adjudication detention;
 - c. Cost associated with pre-adjudication supervision or programs;
 - d. Services not associated with a community-based program or post-adjudication placement; and
 - e. Any expenditure which is not reasonable and necessary to implement the Commitment Reduction Program Plan.
47. **State Aid Mental Health Services Funds.** The following are unallowable costs:
- a. Equipment and services including payments to intended recipients of health services;
 - b. Cost of placement in pre-adjudication secure detention facilities or short-term secure detention facilities (i.e., holdover);
 - c. Cost of mental health services that do not meet the definition set out in the Contract;
 - d. Services associated with substance abuse treatment where the juvenile treated does not have a dual mental health diagnosis; and
 - e. Administrative costs or overhead not associated with mental health staff.
48. **Tobacco Products.** Grant funds expended for tobacco products are unallowable.
49. **Taxes.** Taxes that a Grantee is legally required to pay for allowable expenses under the Contract are allowable.
50. **Training.** The cost of employment-related training that is provided for employee development is allowable.
51. **Travel Costs.**
- a. **General.** Travel costs are allowable for expenses for transportation, lodging, subsistence, and related items (including parking fees) incurred by employees traveling on official business. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and results in charges consistent with those normally allowed in like circumstances in non-Department sponsored activities.
 - b. **Lodging and Subsistence.** Costs incurred by employees and officers for reasonable and necessary travel expenses required to fulfill the requirements of the Contract and the requirements of the grants administered by the Department, including lodging, meals, other subsistence and incidental expenses, and transportation, shall be reimbursed at rates either specified by the State of Texas in the General Appropriations Act or listed specified by the US General Services Administration (GSA) on its website: http://www.gsa.gov/portal/content/104877?utm_source=OGP&utm_medium=print-radio&utm_term=portal/category/21287&utm_campaign=shortcuts. If reimbursement rates specified in the General Appropriations Act exceed those listed on the GSA website, Grantee may choose which rates to use. Grantee may set its own reimbursement rates, provided those rates do not exceed the rates specified in the General Appropriations Act.
 - c. **Commercial Air Travel.** Airfare costs in excess of the customary standard (i.e., coach or equivalent) airfare are unallowable except when such customary standard accommodations would require circuitous routing, require travel during unreasonable hours, excessively prolong travel, greatly increase the duration of the flight, result in increased cost that would offset transportation savings, or offer accommodations not reasonably adequate for the medical needs of the traveler. However, in order for

airfare costs in excess of the customary standard commercial airfare to be allowable (i.e., use of first-class airfare), the Grantee must justify and document on a case-by-case basis the applicable condition(s) set forth above.

- d. **Out-of-State Travel.** Costs for travel outside Texas or the United States are unallowable unless a *Request to Use TJJD Funds to Attend Out-of-State Training* [TJJD-CER-01-11] has been submitted by the Grantee and prior written approval of the trip and projected costs for such travel has been granted by the Department.
- e. **Lobbying.** Costs of travel for the purpose of lobbying and associated activities are unallowable.

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For the faithful performance of the terms of this Contract, the parties hereto, in their capacities as stated, execute this Contract, affix their signatures, and bind themselves.

THE STATE OF TEXAS, Acting By and Through the Texas Juvenile Justice Department

By: _____ Typed Name: David Reilly

Title: Executive Director Date: _____

GRANTEE, The Juvenile Board of POTTER

County

By: _____ Typed Name: _____
(Juvenile Board Chairperson)

Title: _____ Date: _____

By: _____ Typed Name: _____
(Chief Administrative Officer)

Title: _____ Date: _____

By: _____ Typed Name: _____
(Fiscal Officer)

Title: _____ Date: _____

SIGNATURES ON FILE

EXHIBIT "B"
JUVENILE BOARD RESOLUTION

STATE OF TEXAS

COUNTY OF POTTER

On this the _____ day of _____, 20____, a duly called and lawfully convened meeting of the Juvenile Board of POTTER _____ County/Judicial District was held in the City of _____, pursuant to the Texas Open Meetings Act. A quorum of the Members was present, to wit:

(Insert Names of Juvenile Board Members Present)

where, among other matters, came up for consideration and adoption the following Resolution:

Whereas, the Texas Juvenile Justice Department has made available and offered state financial assistance monies to assist local juvenile boards in the provision of juvenile probation services or the operation of a pre-adjudication secure detention facility, a short-term secure detention facility (i.e., holdover), a post-adjudication secure correctional facility, a non-secure correctional facility; and

Whereas, the Juvenile Board of POTTER _____ County/Judicial District voluntarily wishes to participate in the aforementioned state aid grants and agrees to the binding terms in this Contract and all documents which have been incorporated into this Contract by reference; and

Whereas, the Juvenile Board believes that execution of the State Aid and Targeted Grant Contract for the fiscal 2016-2017 state biennium will further the interests of juvenile justice in this county and are in support of this resolution; and

Whereas, the Texas Juvenile Justice Department has made available and offered state financial aid monies to assist local juvenile boards in the implementation of the Progressive Sanctions Model; and

Whereas, the 84th Texas Legislature has appropriated state financial aid monies for community-based diversionary placements, programs and services for juvenile offenders in order to reduce commitments to the Texas Juvenile Justice Department;

Therefore, Be It Resolved that the Juvenile Board of POTTER _____ County/Judicial District does hereby formally authorize and approve execution of the State Aid and Targeted Grant Contract for the 2016-2017 biennium.

Further Be It Resolved that the current Juvenile Board Chairman, _____ and his/her duly-appointed successor are hereby, authorized to sign this Resolution and any amendments pertaining to the State Aid and Targeted Grant Contract that may be subsequently ratified as the act and deed of the Juvenile Board of POTTER _____ County/Judicial District.

The foregoing Resolution was lawfully moved by _____, duly seconded by _____, and duly adopted by the Juvenile Board on a vote of _____ members for the motion and _____ opposed.

Printed Name of Juvenile Board Chair

Signature of Juvenile Board Chair

Date Signed

SIGNATURES ON FILE