- (F) Establishing and operating, either directly or by contract or arrangement with a public agency or other appropriate private nonprofit organization (other than an agency or organization that is responsible for licensing or certifying out-of-home care services for youth), a State ombudsman office for children, youth, and families to investigate and resolve complaints relating to action, inaction, or decisions of providers of out-of-home care to children and youth (including secure detention and correctional facilities, residential care facilities, public agencies, and social service agencies) that may adversely affect the health, safety, welfare, or rights of resident children and youth.
- (G) Developing and adopting policies and programs designed to remove, where appropriate, status offenders from the jurisdiction of the juvenile court to prevent the placement in secure detention facilities or secure correctional facilities of juveniles who are nonoffenders or who are charged with or who have committed offenses that would not be criminal if committed by an adult.

(H) Developing and adopting policies and programs designed to serve as alternatives to suspension and expulsion from school.

- (I) Increasing aftercare services for juveniles involved in the justice system by establishing programs and developing and adopting policies to provide comprehensive health, mental health, education, and vocational services and services that preserve and strengthen the families of such juveniles.
- (J) Developing and adopting policies to establish—
- (i) A State administrative structure to coordinate program and fiscal policies for children who have emotional and behavioral problems and their families among the major child serving systems, including schools, social services, health services, mental health services, and the juvenile justice system; and

(ii) A statewide case review system. The term "case review system" means a procedure for ensuring that—

(a) Each youth has a case plan, based on the use of objective criteria for determining a youth's danger to the community or himself or herself, that is designed to achieve appropriate placement in the least restrictive and most family-like setting available in close proximity to the parents' home, consistent with the best interests and special needs of the youth;

(b) The status of each youth is reviewed periodically but not less frequently than once every 3 months, by

- a court or by administrative review, in order to determine the continuing necessity for and appropriateness of the placement;
- (c) With respect to each youth, procedural safeguards will be applied to ensure that a dispositional hearing is held to consider the future status of each youth under State supervision, in a juvenile or family court or another court (including a tribal court) of competent jurisdiction, or by an administrative body appointed or approved by the court, not later than 12 months after the original placement of the youth and periodically thereafter during the continuation of out-of-home placement; and
- (d) A youth's health, mental health, and education record is reviewed and updated periodically.

Eligible Applicants

The only eligible applicants for Part E Challenge Grants in a given fiscal year are the State Agencies, designated by the Chief Executive of the State pursuant to Section 223(a)(1) of the JJDP Act, which receive OJJDP Formula Grant awards under Section 223 of the JJDP Act for the same fiscal year.

Funding Levels

The amounts of Part E funds available for the States are determined by the ratio of Part E funds to Formula Grant funds available to the States in a given fiscal year. The same ratio is applied to each State's Formula Grant allocation to determine each eligible State's Part E allocation.

All States will be notified of Part E State allocations annually.

Part E funds not awarded by the end of the fiscal year due to the absence of an acceptable application will either be: (1) Made available to States in the subsequent fiscal year along with the Part E funds appropriated for that year, or (2) in the case of a State not participating in the Formula Grants Program, the State's Part E funds will be reserved for one year if the State submits (a) a written statement of intent to resume participation and (b) describes activities that are designed to enable the State to participate in the following fiscal year.

State Applications and Awards

Each State may apply for a Part E grant in an amount equal to the sum of not more than 10% of such State's Formula Grant allocation received, for each challenge activity in which the State chooses to participate, not to exceed the total amount of the State's Part E allocation.

For example, a State may have a Formula Grant of \$600,000 and have a Part E allocation of \$100,000. The State could apply for up to \$60,000 (10% of the Formula Grant) for each Challenge Activity. However, since a total of \$100,000 Part E funds would be available to the State, the State could apply for \$60,000 for a first Challenge Activity, and \$40,000 for a second Activity. Alternatively, the State could apply for more Challenge Activities by applying for any amounts of not more than \$60,000 for each Activity that total not more than \$100,000.

The award of Part E funds is contingent upon OJJDP's approval of an application meeting the requirements listed below.

Application Components

Applications for Part E Challenge Activity Grants must contain the following items for each proposed Challenge Activity.

1. Challenge Activity

Identification of the Challenge Activity to be implemented.

2. Statement of Need

A concise explanation of the need for Federal funding to implement the Challenge Activity.

3. Project Summary

A brief summary or abstract describing the activities, goods and services to be funded with Part E funds, as well as collateral activities to be funded from other sources.

4. Goals, Objectives and Outcomes

A listing of the goals and objectives for the project, and anticipated outcomes and products.

5. Strategy

A concise description of the steps to be taken in implementing the Challenge Activity, including a timeline for implementation. This description must link the proposed strategy with the Challenge Activity as cited in the JJDP Act.

6. State Advisory Group Involvement and Approval

A description of the State Advisory Group's (SAG) involvement in the Challenge Activity, and evidence of approval of the application by the SAG.

7. Budget

A budget and budget narrative explaining and justifying the costs of the proposed project.