

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5549-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Nolan
Carrier – Senate: Sen. Winters**

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 24 – 0 – 1

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Richardson, G. Smith, Thatcher, Whisnant
– Nays:
– Exc: Nolan

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters
– Nays:
– Exc:

Prepared By: Michael A. Kennedy, Department of Administrative Services

Reviewed By: Laurie Byerly, Legislative Fiscal Office

Meeting Date: June 8, 2011

Agency

Oregon Youth Authority
Emergency Board

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Biennium

2011-13

Budget Summary*

	2009-11 Legislatively Approved Budget (1)	2011-13 Current Service Level	2011-13 Governor's Budget	2011-13 Committee Recommendation	Committee Change from 2009-11 Leg Approved	
					\$ change	% change
General Fund	\$ 245,808,297	\$ 295,082,827	\$ 225,415,512	\$ 251,475,168	\$ 5,666,871	2.3%
General Fund Debt Service	\$ 7,653,121	\$ 5,507,436	\$ 5,507,436	\$ 5,314,676	\$ (2,338,445)	-30.6%
General Fund Capital Improvement	\$ 679,174	\$ 753,087	\$ 735,400	\$ 695,620	\$ 16,446	2.4%
Other Funds	\$ 14,669,929	\$ 15,925,863	\$ 12,816,354	\$ 13,173,713	\$ (1,496,216)	-10.2%
Federal Funds	\$ 31,443,386	\$ 35,611,339	\$ 34,246,428	\$ 31,111,815	\$ (331,571)	-1.1%
Federal Funds Debt Service Nonlimited	\$ 1	\$ 1	\$ 1	\$ 1	\$ -	N/A
Total	\$ 300,253,908	\$ 352,880,553	\$ 278,721,131	\$ 301,770,993	\$ 1,517,085	0.5%

Position Summary

Authorized positions	1,195	1,171	890	1,152	-43
Full-time equivalent positions (FTE)	1,171.55	1,130.25	819.97	979.76	(191.79)

(1) Includes adjustments through March 2011

* Excludes Capital Construction expenditures

Emergency Board

General Fund - Special Purpose Appropriation						
Education related expenses	\$ -	\$ -	\$ -	\$ 1,700,000	\$ 1,700,000	100.0%

Summary of Revenue Changes

General Fund supports the major share (85.3 percent) of activities and operations for the Oregon Youth Authority (OYA). Other Funds make up 4.4 percent of the total budget; funding sources include trust recoveries from Supplemental Security Income disability payments, child support collections, and other client funds used to reimburse the state for the maintenance costs of youth in care. Federal Funds from Title XIX (Medicaid) funds for Targeted Case Management, Medicaid Administration, and Behavioral Rehabilitation Services are forecast at \$31.1 million, supporting 10.3 percent of the budget.

Summary of Public Safety Subcommittee Action

The Oregon Youth Authority (OYA) is responsible for a continuum of services for youth offenders through a statewide network of state facilities, state employees, counties, and other contracted community providers.

OYA's close custody system includes three major population groups: juveniles convicted in adult court under Measure 11 or waived to adult court; Public Safety Reserve youth committed for certain violent crimes, but too young for Measure 11 to apply; and youth committed for new crimes and parole violations as part of the county Discretionary Bed Allocation (DBA). The Office of Economic Analysis (OEA) April 2011 demand forecast projects demand for close custody beds to remain flat during the 2011-13 biennium at roughly 954 beds. The recommended capacity of 750 beds is more than adequate to house the Measure 11/waived and Public Safety Reserve youth, but it limits the number of DBA beds available to counties for lower-level offenders.

Community placement beds are funded for 658 beds, equal to the number needed as forecast by OEA. This is a 103 bed increase above the number of beds funded in the 2009-11 Legislatively Approved Budget (LAB).

The Public Safety Subcommittee approved a budget of \$301,770,993 Total Funds, including 1,152 positions (979.76 FTE). The 2011-13 total funds budget is a 0.5 percent increase from the 2009-11 LAB, while the General Fund of \$257,485,464 is 1.3 percent above the 2009-11 LAB. The Subcommittee also approved the establishment of a \$1,700,000 million special purpose appropriation in the Emergency Fund for education related expenses.

The Subcommittee recommended packages eliminating standard inflation for Services and Supplies and reducing Personal Services by 5.5 percent. Collective bargaining and policy decisions related to compensation are expected to facilitate the Personal Service reductions. These are statewide packages applied to the budget in every division.

The Subcommittee reduced Services and Supplies by 6.5 percent which is in addition to the elimination of standard inflation referenced above.

The recommended budget for this agency includes a reduction of General and Lottery Funds for a supplemental ending balance. The reduction is intended to be applied against spending levels in the second year of the biennium and to not affect program delivery in the first year. To reinforce that intent, the agency's budget bill includes specific language allowing the agency to expend up to 54 percent of its total biennial General Fund appropriation in the first year of the biennium.

The amount of the reduction for the supplemental ending balance may be restored during the February 2012 session depending on economic conditions. Therefore, the Co-Chairs of the Joint Committee on Ways and Means expect the agency director to closely monitor the quarterly revenue forecast and other economic indicators to gauge adequacy of funding in the second year and manage the budget accordingly.

Facility Programs

OYA operates seven youth correctional facilities (YCF) and four transition programs across the state. The facilities provide youth offenders with "bed and board", physical and mental health care, treatment services, education programs, recreation, and work experience for youth. Services

are provided by OYA employees and by contract with community professionals, local school districts or education service districts. The majority of educational costs are financed through the State School Fund, although educational services provided to youth with a high school diploma or age 21 and older are paid for directly in OYA's budget. The Subcommittee recommended a Facility Programs budget of \$148,502,854 total funds, including 910 positions (740.43 FTE).

The Subcommittee approved Package 085, 2009-11 Allotment Reduction roll ups to continue actions taken during the 2009-11 biennium to balance the budget. In this package, 75 close custody beds are eliminated.

The Subcommittee recommended Package 090, Analyst Adjustments, which includes reductions made to achieve the Governor's Recommended Budget (GRB). The package reduces close custody bed capacity by 350 beds. A portion of these beds are added back in Package 812 below.

The Subcommittee approved Package 802, Vacant Position Savings to eliminate 10 positions and \$1.1 million Other Funds. The positions were vacant for the majority of the 2009-11 biennium; the elimination of these positions does not impact the agency's ability to manage the close custody system funded in this budget.

Package 810 – LFO Analyst Adjustments was approved, which makes several technical adjustments. The package reduces funding in Facilities by \$3,400,000 and increases funding by a like amount for Community Programs; this action fully implements an action initially approved in the Governor's budget. The package also adds a position count of 266, a technical change to coincide with a delayed effective date (from July 2011 to October 2011) for bed reductions taken in Package 090.

The recommended budget includes Package 812, Mitigate GRB Reductions to partially restore reductions made in Package 090. By adding \$33 million General Fund (\$34.8 total funds), 164.50 FTE, and 275 close custody beds, the package sets close custody bed capacity at 750.

Community Programs

Community Programs

funds parole and probation services; community placement services, such as residential services and foster care; individualized community services; and grants to counties for youth gang services, juvenile crime prevention, and services to divert high risk youth offenders from OYA placement. The Subcommittee recommended a Community Programs budget of \$113,699,096 Total Funds, including 140 positions (138.25 FTE).

The Subcommittee approved Package 085, 2009-11 Allotment Reduction roll-ups to continue actions initially taken to balance the 2009-11 budget. A reduction of \$2.4 million was made to juvenile crime prevention funding, but is offset by a restoration in Package 812.

Package 090, Analyst Adjustments was also approved, which includes reductions made in the Governor's budget. In this division, reductions included the elimination of remaining payments to counties for juvenile crime prevention services.

The Subcommittee recommended Package 810, LFO Analyst Adjustments to complete a technical adjustment between divisions. The package reduces funding in Facilities by \$3,400,000 and increases funding by a like amount for diversion services in Community Programs. In addition, an adjustment is made to the estimated federal Medicaid match rate, shifting \$75,660 from Federal Funds to General Fund.

The Subcommittee recommended Package 811, BRS Rate Reduction to reduce funding for contracted Behavioral Rehabilitative Services at a level equivalent to a 10 percent rate cut as a savings target. This mirrors the adjustment for these same services in the Department of Human Services budget; both agencies are expected to achieve the savings with a focus on improved management of the beds and expenditures.

The recommended budget includes Package 812, Mitigate GRB Reductions to partially offset reductions made in package 090. In this package, \$6.1 million is restored for juvenile crime prevention services provided by the counties. This brings the total investment in county juvenile crime prevention and diversion programs to \$9.3 million and \$7.9 million General Fund, respectively.

Program Support

Program Support includes the director's office and agency business services, such as accounting, employee services, budget and contracts, and information systems staff and expenditures. An internal audits office and the internal investigations function (the Office of Professional Standards) are also part of this budget. Operational costs for the Juvenile Justice Information System and agency-wide costs such as insurance premiums, Attorney General costs, and state government service charges are also paid by this budget. The Subcommittee recommended a Program Support budget of \$33,558,746, including 102 positions (101.08 FTE).

The Subcommittee recommended Package 090, Analyst Adjustments, which includes reductions made to achieve the Governor's Recommended Budget. In this division, eight positions were eliminated related to a variety of program support functions. A portion of these positions are added back in package 812 below.

The Subcommittee recommended Package 202, Title IV-E Feasibility Study to determine the feasibility of implementing a Title IV-E federal claiming system for local juvenile justice clients. The federal program funds the costs associated with foster care placements. The cost of the package is \$55,000.

The recommended budget includes Package 810, LFO Analyst Adjustments, to reflect an updated estimate for the federal Medicaid match rate.

The Subcommittee recommended Package 812, Mitigate GRB Reductions to add back resources eliminated in Package 090. In this division, six positions and \$1.2 million General Fund are added to align with restored program levels in Facilities and Community Programs.

Debt Service

Debt service is the obligation to repay the principal and interest costs of Certificates of Participation (COPs) issued to finance OYA's capital construction and deferred maintenance needs. The Subcommittee recommended a total of \$5,314,676 General Fund.

Capital Improvements

Capital Improvement pays for land and building improvements, including major repair or replacement, which cost more than \$5,000 but less than \$1.0 million. Funding for capital improvements continues to be limited, allowing OYA to address only the most critical or emergent needs. The Subcommittee recommended a budget of \$695,620 General Fund.

Summary of Performance Measure Action

See attached Legislatively Adopted 2011-13 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5549-A

Oregon Youth Authority
Michael Kennedy - (503) 373-0083

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$254,140,592	\$0	\$14,669,929	\$0	\$31,443,386	\$1	\$300,253,908	1,195	1,171.55
2011-13 ORBITS printed Current Service Level (CSL)*	\$301,343,350	\$0	\$15,925,863	\$0	\$35,611,339	\$1	\$352,880,553	1,171	1,130.25
2011-13 Governor's Recommended Budget *	\$231,658,348	\$0	\$12,816,354	\$0	\$34,246,428	\$1	\$278,721,131	890	819.97
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
SCR 010 - Facilities									
Package 801: Targeted Statewide Adjustments									
Services and Supplies	(1,661,474)	0	0	0	0	0	(1,661,474)	0	0.00
Package 802: Vacant Position Savings									
Personal Services	0	0	(1,062,469)	0	0	0	(1,062,469)	(10)	(10.00)
Package 810: LFO Analyst Adjustments									
Personal Services	(2,655,020)	0	0	0	(78)	0	(2,655,098)	266	0.00
Services and Supplies	(744,902)	0	0	0	0	0	(744,902)	0	0.00
Package 812: Mitigate GRB Reductions									
Personal Services	25,748,960	0	0	0	0	0	25,748,960	0	164.50
Services and Supplies	7,226,040	0	1,793,561	0	0	0	9,019,601	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(4,300,786)	0	0	0	0	0	(4,300,786)	0	0.00
Services and Supplies	(766,702)	0	0	0	0	0	(766,702)	0	0.00
SCR 020 - Community Programs									
Package 801: Targeted Statewide Adjustments									
Services and Supplies	(280,193)	0	0	0	0	0	(280,193)	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 810: LFO Analyst Adjustments									
Personal Services	5,736	0	0	0	(5,736)	0	0	0	0.00
Services and Supplies	1,177	0	0	0	(1,177)	0	0	0	0.00
Special Payments: Distribution to Counties	3,524,997	0	0	0	0	0	3,524,997	0	0.00
Special Payments: Distribution to Individuals	(56,250)	0	0	0	(68,747)	0	(124,997)	0	0.00
Package 811: BRS Rate Reduction									
Special Payments: Distribution to Individuals	(2,942,431)	0	(373,733)	0	(3,094,361)	0	(6,410,525)	0	0.00
Package 812: Mitigate GRB Reductions									
Special Payments: Distributions to Counties	6,100,000	0	0	0	0	0	6,100,000	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(700,791)	0	0	0	0	0	(700,791)	0	0.00
Services and Supplies	(88,060)	0	0	0	0	0	(88,060)	0	0.00
Special Payments	(2,120,835)	0	0	0	0	0	(2,120,835)	0	0.00
SCR 030 - Program Support									
Package 801: Targeted Statewide Adjustments									
Services and Supplies	(239,026)	0	0	0	0	0	(239,026)	0	0.00
Package 810: LFO Analyst Adjustments									
Personal Services	2,300	0	0	0	(2,300)	0	0	0	0.00
Services and Supplies	866	0	0	0	(866)	0	0	0	0.00
Capital Outlay	3	0	0	0	(3)	0	0	0	0.00
Package 812: Mitigate GRB Reductions									
Personal Services	863,541	0	0	0	31,229	0	894,770	6	5.29
Services and Supplies	286,193	0	0	0	7,426	0	293,619	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(662,181)	0	0	0	0	0	(662,181)	0	0.00
Services and Supplies	(480,061)	0	0	0	0	0	(480,061)	0	0.00
Capital Outlay	(1,445)	0	0	0	0	0	(1,445)	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 086 - Debt Service									
Package 819: Supplemental Statewide Ending Balance Debt Service	(192,760)	0	0	0	0	0	(192,760)	0	0.00
SCR 088 - Capital Improvements									
Package 801: Targeted Statewide Adjustments Services and Supplies	(14,550)	0	0	0	0	0	(14,550)	0	0.00
Package 819: Supplemental Statewide Ending Balance Services and Supplies	(7,325)	0	0	0	0	0	(7,325)	0	0.00
Capital Outlay	(17,905)	0	0	0	0	0	(17,905)	0	0.00
TOTAL ADJUSTMENTS	\$25,827,116	\$0	\$357,359	\$0	(\$3,134,613)	\$0	\$23,049,862	262	159.79
SUBCOMMITTEE RECOMMENDATION *	\$257,485,464	\$0	\$13,173,713	\$0	\$31,111,815	\$1	\$301,770,993	1,152	979.76
% Change from 2009-11 Leg Approved Budget	1.3%	0.0%	-10.2%	0.0%	-1.1%	0.0%	0.5%	-3.6%	-16.4%
% Change from 2011-13 Current Service Level	-14.6%	0.0%	-17.3%	0.0%	-12.6%	0.0%	-14.5%	-1.6%	-13.3%
% Change from 2011-13 Governor's Recommended Budget	11.1%	0.0%	2.8%	0.0%	-9.2%	0.0%	8.3%	29.4%	19.5%
EMERGENCY BOARD									
Special Purpose Appropriation Education Related Expenses	\$1,700,000	\$0	\$0	\$0	\$0	\$0	\$1,700,000		

* Excludes Capital Construction Expenditures

Legislatively Approved 2011-2013 Key Performance Measures

Agency: YOUTH AUTHORITY, OREGON

Mission: The Mission of the Oregon Youth Authority is to protect the public and reduce crime by holding youth offenders accountable and providing opportunities for reformation in safe environments.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - ESCAPES - Number of escapes per fiscal year.		Approved KPM	7.00	9.00	9.00
2 - RUNAWAYS - Number of runaways from provider supervision (including youth on home visit status) per fiscal year.		Approved KPM	258.00	255.00	255.00
3 a - YOUTH TO YOUTH INJURIES - Number of injuries to youth by other youth per fiscal year. a) Facilities		Approved KPM	29.00	32.00	32.00
3 b - YOUTH TO YOUTH INJURIES - Number of injuries to youth by other youth per fiscal year. b) Field		Approved KPM	2.00	6.00	6.00
4 a - STAFF TO YOUTH INJURIES - Number of injuries to youth by staff per fiscal year. a) Facilities		Approved KPM	3.00	3.00	3.00
4 b - STAFF TO YOUTH INJURIES - Number of injuries to youth by staff per fiscal year. b) Field		Approved KPM	1.00	0.00	0.00
5 a - SUICIDAL BEHAVIOR - Number of youth with serious suicidal behavior, including attempts, during the fiscal year. a) Facilities		Approved KPM	6.00	10.00	10.00
5 b - SUICIDAL BEHAVIOR - Number of youth with serious suicidal behavior, including attempts, during the fiscal year. b) Field		Approved KPM	1.00	4.00	4.00
6 - INTAKE ASSESSMENTS - Percent of youth who received an OYA Risk/Needs Assessment (OYA/RNA) within 30 days of commitment or admission.		Approved KPM	78.00	90.00	90.00
7 - CORRECTIONAL TREATMENT - Percent of youth whose records indicate active domains in an OYA case plan as identified in the OYA/RNA, within 60 days of commitment or admission.		Approved KPM	80.00	90.00	90.00
8 - EDUCATIONAL SERVICES - Percent of youth committed to OYA for more than 60 days whose records indicate that they received the education programming prescribed by their OYA case plan.		Approved KPM	93.00	95.00	95.00

Agency: YOUTH AUTHORITY, OREGON

Mission: The Mission of the Oregon Youth Authority is to protect the public and reduce crime by holding youth offenders accountable and providing opportunities for reformation in safe environments.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
9 - COMMUNITY REENTRY SERVICES - Percent of youth released from close custody during the fiscal year who are receiving transition services per criminogenic risk and needs (domains) identified in OYA case plan.		Approved KPM	78.00	90.00	90.00
10 - SCHOOL AND WORK ENGAGEMENT - Percent of youth living in OYA Family Foster Care, independently or at home (on OYA parole/probation) who are engaged in school, work, or both within 30 days of placement.		Approved KPM	70.00	70.00	70.00
11 - RESTITUTION PAID - Percent of restitution paid on restitution orders closed during the fiscal year.		Approved KPM	37.00	40.00	40.00
12 a - PAROLE RECIDIVISM - Percent of youth paroled from an OYA close custody facility during a fiscal year who were adjudicated/convicted of a felony with a disposition or sentence of formal supervision by the county or state in the following fiscal year(s) (at 12 months).		Approved KPM	10.30	8.00	8.00
12 b - PAROLE RECIDIVISM - Percent of youth paroled from an OYA close custody facility during a fiscal year who were adjudicated/convicted of a felony with a disposition or sentence of formal supervision by the county or state in the following fiscal year(s) (at 24 months).		Approved KPM	21.40	16.00	16.00
12 c - PAROLE RECIDIVISM - Percent of youth paroled from an OYA close custody facility during a fiscal year who were adjudicated/convicted of a felony with a disposition or sentence of formal supervision by the county or state in the following fiscal year(s) (at 36 months).		Approved KPM	28.60	31.00	31.00
13 a - PROBATION RECIDIVISM - Percent of youth committed to OYA for probation during a fiscal year who were adjudicated/convicted of a felony with a disposition or sentence of formal supervision by the county or state in the following fiscal year(s) (at 12 months).		Approved KPM	9.60	9.50	9.50
13 b - PROBATION RECIDIVISM - Percent of youth committed to OYA for probation during a fiscal year who were adjudicated/convicted of a felony with a disposition or sentence of formal supervision by the county or state in the following fiscal year(s) (at 24 months).		Approved KPM	17.70	13.00	13.00

Agency: YOUTH AUTHORITY, OREGON

Mission: The Mission of the Oregon Youth Authority is to protect the public and reduce crime by holding youth offenders accountable and providing opportunities for reformation in safe environments.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
13 c - PROBATION RECIDIVISM - Percent of youth committed to OYA for probation during a fiscal year who were adjudicated/convicted of a felony with a disposition or sentence of formal supervision by the county or state in the following fiscal year(s) (at 36 months).		Approved KPM	28.50	17.50	17.50
14 - CUSTOMER SERVICE- Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	55.00	80.00	80.00
14 - CUSTOMER SERVICE- Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	57.00	80.00	80.00
14 - CUSTOMER SERVICE- Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	67.00	80.00	80.00
14 - CUSTOMER SERVICE- Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	66.00	80.00	80.00
14 - CUSTOMER SERVICE- Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	64.00	80.00	80.00
14 - CUSTOMER SERVICE- Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	52.00	80.00	80.00

LFO Recommendation:

The Legislative Fiscal Office (LFO) recommends approval of the agency's key performance measures as presented to the Public Safety Subcommittee and summarized in this report. LFO notes that some of the KPM targets appear to be misaligned with the most recent results. However, LFO does not recommend adjusting any targets at this time. The 2011-13 LFO recommended budget makes changes to facility, residential, and county programs that will likely affect how, when, and what kind of services are delivered – the impact of these changes on the key performance measures are unknown.

LFO recommends the agency continue to closely monitor its KPMs during the 2011-13 biennium and develop updated targets for 2013-15.

Sub-Committee Action:

The Subcommittee approved the Legislative Fiscal Office recommendation.