

Final Report and Recommendations

Juvenile Services Work Group Governor's Task Force on Federal Forest Payments and County Services

March 20, 2008

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Executive Summary

Report and Recommendations Juvenile Services Work Group

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Oregon's juvenile justice system consists primarily of county juvenile departments and the state Oregon Youth Authority, but also relies significantly on services from law enforcement, the judicial system, for-profit and not-for-profit service providers, the education system, child welfare, mental health and alcohol and drug treatment services, community organizations, and the families of delinquent youth.

These entities work in a highly interdependent network of services and sanctions to protect the public, hold youth offenders accountable, and provide opportunities for reformation. The vast majority – about 90 percent – of Oregon's delinquent youth are handled by county juvenile departments, while about 2,000 of the highest-risk and most serious youth offenders are in OYA custody.

Looming reductions in federal timber revenues that support these services threaten public safety and will increase long-term demands on Oregon's adult criminal justice system if the juvenile justice system is not able to quickly and effectively intervene to interrupt delinquent behaviors.

Juvenile justice services – like other public safety functions – are heavily reliant on county General Funds. The Association of Oregon Counties reports that Oregon counties provide about 68 percent of juvenile services funding, while direct state support provides about 12 percent. With some counties potentially losing two-thirds of their General Fund revenue, thousands of Oregon's youth might not be held accountable for delinquent acts and likely will progress with additional and more serious offenses. This, in turn, will increase demand for state-level services as local resources diminish.

In order to address some of these problems, the Juvenile Services Work Group offers four proposals to mitigate the effects of the prospective federal fund reductions. The work group agreed to first do no harm to any county, and also to treat all counties equally, regardless of whether funding reductions are due to timber funding or other causes. The four proposals are as follows:

- 1) **Regional planning for 45 close custody beds and 58 community placements.** Transfer planning responsibility to county-based regions for some close custody and community placement resources in the OYA budget scheduled to phase in during 2009. Rather than the state adding 45 close custody beds in youth correctional facilities, OYA would contract for that capacity in local secure facilities (e.g., detention centers), to assist continuing local secure programs. Similarly, OYA would work with county regions to

purchase up to 58 community residential placements to help preserve programs in local communities. This would continue the state's role of safety net by providing intensive services for the highest-risk offenders, but would also provide resources to help balance state and local services. This proposal likely would require legislative action to adjust OYA's 2007-09 budget, and might require support from state labor organizations.

- 2) **Expand access to federal Title IV-E funds.** Support current state and county efforts to access federal Title IV-E funds for youth offenders placed in community-based, out-of-home settings. Title IV-E would provide federal matching funds for some case management services and room-and-board costs. Juvenile justice agencies are still exploring the viability of using IV-E funds, and establishing a IV-E system would require some new resources to create administrative systems for these funds.
- 3) **Consolidate administration of state and federal juvenile services funding.** Transfer administration of all state and federal funds for juvenile justice and juvenile crime prevention to a single state agency. While this proposal did not reach consensus among work group members, a majority of juvenile departments believe this action would help coordinate use of these funds at the state and local levels, streamline fund administration and reporting, and focus the funds on the highest-risk youth in Oregon communities. This proposal would require statutory and budgetary changes.
- 4) **Improve state/county coordination by aligning services regionally.** Improve coordination among state and local juvenile justice services by aligning OYA services with juvenile department regions. While dollar savings likely are minimal, this action could generate some savings by combining resources, merging trainings, and other efficiencies.

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The existing state/county relationship

A. Services

Oregon's juvenile justice system primarily is a relationship between county juvenile departments and the Oregon Youth Authority. Delinquent youth are arrested by law enforcement, adjudicated in juvenile court with prosecutors and defense counsel, and supervised by county juvenile departments or committed to OYA custody. *See*, Appendix 1.

Youth handled locally usually stay in school and continue to live at home while under supervision. Typical local services include detention (a facility designed for short-term stays), supervision, work crews and community service projects, peer courts, alcohol and drug treatment, mental health services, and other kinds of treatment services, including some residential treatment.

Youth offenders are committed to OYA when out-of-home placement is necessary for public safety. They generally have committed more serious offenses, have a lengthy delinquency history, present a higher public safety risk, and have exhausted local services and sanctions. OYA has 11 close-custody youth correctional facilities and transition programs, a statewide network of contracted residential treatment service providers, contracted individualized services, and foster homes.

In addition to these services, the juvenile justice system also relies on:

- Public schools and education service districts to meet education requirements for youth offenders living in the community or in state or local correctional facilities.
- Public behavioral health services, including mental health and alcohol and drug treatment.
- Juvenile crime prevention funds administered by the Oregon Commission on Children and Families.
- Other public safety services provided by law enforcement, courts, district attorneys, and defense counsel.
- Services provided by, or accessed through, the state Department of Human Services, including child welfare.

State-provided juvenile justice resources generally have not recovered from state budget reductions in 2001-03. Even with substantial restorations in the 2007-09 budget, the state

has 13 percent fewer close custody beds. In addition, only half of the reductions in pass-through funding to juvenile departments has been restored. *See*, Appendix 2.

B. Revenue

- More than two-thirds of county juvenile department funds come from county General Funds.
- The state, through the OYA, provides about \$23 million/biennium to county juvenile departments. This includes Juvenile Crime Prevention Basic Services funds (a direct funding supplement to juvenile departments), Diversion funds (which counties accept to provide services to limit admissions to OYA facilities), and funds for gang intervention. In addition, OYA shares funds with counties to provide services to individual offenders.
- The Department of Human Services and Commission on Children and Families provide funds to counties for services, including mental health treatment, alcohol and drug treatment, and juvenile crime prevention.
- County juvenile justice agencies also utilize a variety of federal funds, including Edward Byrne Memorial grants (public safety grants), Medicaid funds, and juvenile crime prevention grants (Title II and Title V). Several state agencies administer these funds, either as competitively-awarded grants or as pass-through formula grants.

C. Service Delivery

The statutory foundation of the juvenile justice system was overhauled in 1995, when the legislature moved administration of state juvenile corrections from the Department of Human Resources to a separate state agency, the Oregon Youth Authority. Senate Bill 1 (1995) also modified the statutory purposes of juvenile justice and envisioned a continuum of graduated services and sanctions provided at the state and local levels.

The OYA was established with five regions that were closely linked with county juvenile departments. State-level juvenile correctional facilities and field services were administered regionally, with overall coordination provided at a central level. This structure was intended to provide more local control and direct input to best leverage state resources to fill service gaps and maximize collaboration, while achieving some economies of scale and efficiencies through a regional structure. These OYA regions and administration were abolished in state budget reductions in 2001-03. The agency now administers its facility and field operations centrally. This revised organizational structure achieved budget savings, but resulted in reduced ability to collaborate and coordinate with counties.

Some regional structure still exists. Discretionary Bed Allocations (OYA close custody beds allocated to counties under a statewide formula) are still monitored on a regional basis. In addition, the Oregon Juvenile Department Directors Association (OJDDA) organizes itself into four regions, which provides some level of coordination of local services.

The most formalized regional model exists for the 17 Central and Eastern Oregon counties, who combine state-provided funds and coordinate services through the Central and Eastern Oregon Juvenile Justice Consortium (CEOJJC). This co-management structure was retained through the state-level changes.

State law establishes relatively few mandates in the juvenile justice system. Each county is mandated to have a county juvenile department to provide services to support juvenile court orders (*See*, ORS 419A.010 and .012.) Those departments are required to investigate and report on youth brought before the juvenile court on delinquency referrals, be present in court and furnish information as the court requires, and take charge of the youth as directed by the court. Beyond that, Oregon statutes generally do not require counties to provide a minimum staff level, specific services, or minimum levels of service. State law does establish standards and mandates for some services that counties elect to provide (e.g., operating standards for juvenile detention facilities), and establishes standards for some activities (e.g., notification to victims of crimes). While the work group did not closely review these mandates, they generally do not provide significant opportunities for financial savings or service efficiencies.

The lack of mandates is reflected by the lack of ability for counties to opt out or return services to the state. The exception to that general statement is that counties may decline to accept Diversion funds, and therefore not have any legal limit on commitments to OYA close custody facilities. If a county declines Diversion funds, the OYA would use those funds to establish diversion services in that county, and retains authority to parole youth offenders from close custody to the county.

D. Impacts of Revenue Loss to Local Communities

While no statewide information is presently available, several counties already have reduced local juvenile justice programs and staff. Other counties have placed necessary program development on hold in anticipation of federal revenue reduction. Some counties have created reserve accounts that will mitigate immediate cuts, but will require phased reductions over time.

Twenty-seven percent of delinquency referrals statewide come from the seven counties of southern Oregon. These juvenile departments rely on county General Fund for up to 95 percent of their budgets.

Counties are currently developing their 2008-09 budgets and no final decisions have been made with respect to specific program reductions. If federal forest payments are not reauthorized and if all county departments are reduced by the same percentage, county juvenile departments across the state will see losses in General Fund revenue ranging from 0 percent to more than 69 percent. Nearly one-third of juvenile departments will see a reduction of more than 20 percent.

A federal revenue loss will devastate juvenile justice services in a number of counties. One juvenile department has notified OYA that it will likely find it necessary to close an eight-bed secure treatment program in July 2008 – the majority of youth offenders who would have been served by the program will likely be committed to OYA for out-of-home placement in state-contracted residential treatment or close custody. Another juvenile department has notified OYA that it may need to close its secure 16-bed drug and alcohol treatment program. To ensure public safety, youth offenders served in this program will also likely be committed to state custody for out-of-home placement. Many counties anticipate having to lay off staff who monitor and supervise youth offenders. Most counties have notified the state that reductions will occur at some level. This will result in less accountability for many youth offenders and no accountability for some offenders.

Recent reviews conducted by the state Public Services Defense Commission note that the Coos County Juvenile Department lost more than one-third of its staff in recent budget cuts, and that the Curry County Juvenile Department has laid off nine staff since February 2007.

Recommendations:

The work group is forwarding four recommendations for consideration by the full Task Force.

1) **Regional planning for 45 close custody beds and 58 community placements.** The 2007-09 Legislatively Adopted Budget for OYA includes adding 145 close custody beds and 73 community-based residential placements. Of these, 100 close custody beds and 15 community placements either have come on line or are in the latter stages of implementation. The work group proposes to shift the planning responsibility for the remaining 45 close custody beds and 58 community placements to regions of counties. *See*, Appendix 3. This would continue the same level of resource for the juvenile justice system, but change the location of those services and make them more regional in nature. The proposal has approval from a majority, but not a consensus, of county juvenile departments. The work group is continuing to engage a group of counties from Central and Eastern Oregon to address concerns about losing access to state-administered close custody beds. This proposal likely would need legislative approval to modify implementation of the agency budget, and might require a contracting-out feasibility study pursuant to state collective bargaining agreements. Risks to this proposal include the potential need by OYA to reduce its authorized expenditures because of reductions in state or federal revenue.

2) **Expand access to federal Title IV-E funds.** Several counties and the OYA are reviewing the potential to access federal Title IV-E funds to pay for case management and room-and-board costs of eligible youth in their custody. This would provide a new source of federal funds to help support the costs of care and supervision. Key questions still being reviewed include the number of potentially eligible juvenile justice youth and what additional resources and processes would be required to meet federal requirements.

Some additional state resources likely would be needed to implement this recommendation.

3) **Consolidate administration of state and federal juvenile services funding.** Two state agencies – the Oregon Youth Authority and Commission on Children and Families (OCCF) – currently administer funds utilized by county juvenile departments. OYA provides state funds to county juvenile departments for basic juvenile crime prevention services, diverting youth from commitment to OYA services, and gang intervention funds. OCCF administers federal juvenile crime prevention grants that are awarded on a competitive basis and sends funds to counties for juvenile crime prevention services. County boards of commissioners designate which county agency administers these funds and approve fund usage. While this proposal did not attain consensus approval from the work group, a majority of county juvenile departments supported this proposal to help coordinate funds at the state and local level, streamline fund administration and reporting, and focus the funds on the highest-risk youth in Oregon communities. They believe the proposal would increase the effectiveness of current funds rather than generate large administrative savings. Implementing this proposal would require statutory and state budgetary changes.

4) **Improve state/county coordination by aligning services regionally.** When OYA was created as a separate agency in 1996, it managed its close custody capacity and field services through five regions, in close collaboration with counties within the regions. Policy development and coordination were provided at the state level. The administrative capacity for regional administration was cut in 2001-03, and now field and facility services are administered centrally. This proposal would not restore the OYA regional structure, which would require additional state resources, but would establish the intent to coordinate field services and training more closely with regions established by the Oregon Juvenile Department Directors Association. While not anticipated to produce significant financial savings, these efforts would produce some efficiencies by combining resources, coordinating trainings, etc.