

**Oregon Youth Authority**  
**2009-11 Potential 12 month Savings - General Fund Only**  
**(assumes reductions effective July 1, 2010)**

Due to the current economic conditions facing the state and the **potential** revenue consequences of the January 26, 2010 special election, the Legislative Fiscal Office (LFO) has requested reduction options from state agencies. In order to provide options and flexibility for legislative leadership during the February 2010 special session, LFO has requested 10% reduction options with a 5% increment. OYA has offered an additional 2.5% increment.

The reduction options we have submitted are high-level estimates. We have conducted initial conversations with our stakeholders, but more in-depth discussions with employees, other stakeholders and partners will be required as we refine and develop more detailed options. Each of these options – including the 2.5% scenario – will have significant impacts to all parts of the juvenile justice system.

During the 2009 legislative session, OYA, like many state agencies, took reductions. We did not retain our case load growth and in fact received reductions into our Essential Budget Level. If we are asked to take a 5% cut it will drastically reduce our ability to deliver the services we are statutorily required to provide. A 10% reduction will change the entire mission of the agency, and will require a policy discussion within the Legislature about the juvenile justice system in Oregon and the Youth Authority's role within that system. These impacts lead to our request of taking a maximum cut of 2.5%.

**2.5% Increment of LAB - \$6.65 million (GF)**

Eliminate Facility Beds	Facility Services (GF only)			Eliminate Community BRS beds	Community Services (GF only)										Community Services (millions)	Program Support (millions)	Combined Totals (GF only)
	Facility ADP	Facility Total (millions)	Community Placements ADP		Community Placements (millions)	Individualized Services (millions)	OYA Community Total (millions)	Reduce County Dollars	JCP Basic / Diversion (millions)	Multnomah Gang (millions)	County Individualized Services (millions)	County Total (millions)					
Option A	<b>(8% reduction in capacity)</b>			<b>(6.4% reduction in capacity)</b>													
	Close 50 bed facility	50															
	Close 25 bed facility	25															
		<b>75</b>	<b>\$ 4.80</b>		<b>36</b>	<b>\$ 0.94</b>	<b>\$ 0.06</b>	<b>\$ 1.00</b>		<b>\$ 0.54</b>	<b>\$ 0.15</b>	<b>\$ 0.03</b>	<b>\$ 0.72</b>	<b>\$ 0.10</b>	<b>\$ 0.10</b>	<b>\$ 6.72</b>	
Option B	<b>(12% reduction in capacity)</b>			<b>(6.4% reduction in capacity)</b>													
	Close 80 beds (Living Units)	80															
	Close 1 Living Unit	25															
		<b>105</b>	<b>\$ 4.40</b>														
	One time savings (avoid closing 2 living units)		<b>\$ 0.40</b>														
	<b>3.2% biennial reduction = 6.4% 12 month</b>			<b>3.2% biennial reduction = 6.4% 12 month</b>										<b>3.2% biennial reduction = 6.4% 12 month</b>			<b>Workload based reduction</b>

NOTE: Facility options include closing facilities or closing living units. The range of savings from closing a 50 bed and a 25 bed facility is \$4.4 - 4.9 million for 12 months depending on which facilities are closed.

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**2.5% Increment of LAB - \$6.65 million (GF)**

**Impact - Eliminate Facility Beds**

OYA is currently operating at approximately 13% under the October 2009 demand forecast of 1,030 close custody beds. Reducing 75-105 additional close custody beds will result in the agency operating at up to 23% below the forecast. This budget reduction will eliminate 75-105 of the 425 beds in the DBA (discretionary bed allocation). Staff layoffs and potential facility closures will impact fragile local economies and will set off a domino effect on the remainder of the juvenile justice system. Youth offenders previously receiving treatment in close custody will be pushed into residential and foster care beds, displacing even more youth back to their communities. Because young women are a minority in the system, they will be disproportionately impacted while the system struggles to meet the demands of the higher number of male juvenile offenders. OYA's partners in law enforcement, juvenile departments, social services, and the judicial system will be required to take on additional burdens in responding to the needs of youth offenders and delinquent youth in the community.



**Impact - Eliminate Community BRS Beds**

A 6.4% reduction in capacity of community placements over the course of the last 12 months of the 09-11 biennium (equating to a 3.2% biennial reduction) will further limit the ability of the agency to provide critical residential treatment and foster care services to youth offenders too delinquent to be maintained in their homes and, who therefore, require treatment. A reduced capacity to provide step-down parole residential transition services can lead to increased numbers of revocations. Community safety will be compromised. Some contracted residential providers may not be able to absorb additional reductions and close.



**Impact - Reduce County Dollars**

A 6.4% reduction in Juvenile Crime Prevention Basic, Diversion and Gang payments to counties over the course of the last 12 months of the 09-11 biennium (equating to a 3.2% biennial reduction) will further limit the ability of the local county juvenile departments to provide essential services. These critical services are necessary to prevent further criminality of young offenders and commitment to state custody. County juvenile departments use state assistance to contribute to critical county functions such as detention, accountability programs, treatment services and other juvenile justice interventions. With this reduced state support (added to previous reductions), some counties would likely need to lay off staff, close programs, and terminate contracts with service providers.

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**5% Increment of LAB - \$13.3 million (GF)**

Eliminate Facility Beds	Facility Services (GF only)		Eliminate Community BRS beds	Community Services (GF only)										Community Services (millions)	Program Support (millions)	Combined Totals (GF only)
	Facility ADP	Facility Total (millions)		Community Placements ADP	Community Placements (millions)	Individualized Services (millions)	OYA Community Total (millions)	Reduce County Dollars	JCP Basic / Diversion (millions)	Multnomah Gang (millions)	County Individualized Services (millions)	County Total (millions)				
Option A	<b>(17% reduction in capacity)</b>		<b>(12.8% reduction in capacity)</b>													
	Close facilities in a variety of combinations															
	150	\$ 9.40	71	\$ 1.88	\$ 0.15	\$ 2.03		\$ 1.07	\$ 0.30	\$ 0.07	\$ 1.44	\$ 0.20	\$ 0.20	\$ 13.27		
Option B	<b>(28 % reduction in capacity)</b>															
	Close 80 beds (living units) 80															
	Close 7 Living Units 175															
	255	\$ 9.40														
	<b>6.4% biennial reduction = 12.8% 12 month</b>		<b>6.4% biennial reduction = 12.8% 12 month</b>										<b>Workload based reduction</b>			

NOTE: Facility options include closing facilities or closing living units. The range of savings from closing facilities to achieve a 150 bed reduction is \$8.9 - \$10.4 million for 12 months depending on which facilities are closed.

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**2009-11 Potential 12 month Savings - General Fund Only**  
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**5% Increment of LAB - \$13.3 million (GF)**

**Impact - Eliminate Facility Beds**

OYA is currently operating at approximately 13% under the October 2009 demand forecast of 1,030 close custody beds. Reducing 150-255 additional close custody beds will result in the agency operating at up to 38% below the forecast. This budget reduction will eliminate 150-255 of the 425 beds in the DBA (discretionary bed allocation). Widespread staff layoffs and facility closures will impact fragile local economies. The severe reduction of OYA's capacity to only 645 close custody beds will result in more incidents due to the compression of beds which will consolidate OYA's most aggressive and unmanageable offenders, increasing the potential for injuries to staff and youth. Close custody capacity for young women will be minimal. The state will be forced to make a decision related to the relative proportions of youthful DOC offenders and juvenile commitments OYA will serve. Foster care and residential placements will be reduced by almost 13%.

These programs are not secure and not intended to serve high risk felony youth offenders, putting the providers and the community at risk. Public safety and youth reformation will be jeopardized due to moderate and low risk youth offenders receiving fewer services that address their needs, placing these youth at higher risk of committing additional and more serious crimes. There will be a negative impact on KPMs related to youth offender and staff injuries, and recidivism, as well as Oregon benchmarks related to juvenile arrests.

**Impact - Eliminate Community BRS Beds**

A 12.8% capacity reduction in community residential treatment and foster care would have grave impact on the ability of the agency to provide needed residential services for young probationers and parolees – the state would not be able to respond to communities' needs. Courts would find commitment to an also severely reduced state close custody system to be the only alternative. Unable to absorb further reductions, a number of contracted community provider agencies would close altogether. The ability to re-open community programs would be questionable.

**Impact - Reduce County Dollars**

A 12.8% reduction in state support to local governments would have very serious impact on the ability of the counties to provide critical juvenile justice services in communities. Courts would face severely reduced local services as well as a severely reduced state juvenile correctional system. Most counties would close treatment programs and terminate contracts with local service providers. Juvenile recidivism rates would increase without the ability of local juvenile departments to respond at the earliest stages of delinquency.



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**10% Increment of LAB - \$26.6 million (GF)**

**At the 10%, reduction level the impact to close custody, community placements and county programs is so significant that a balanced approach is not recommended. OYA recommends a review of the total juvenile system with stakeholders to determine the best public policy approach.**

Examples of potential reductions implementing in 12 months a 10% target based on our biennial budget.

Eliminate Facility Beds	Facility Services (GF only)			Eliminate Community BRS beds	Community Services (GF only)										Community Services (millions)	Program Support (millions)	Combined Totals (GF only)
	Facility ADP	Facility Total (millions)	Facility Total (millions)		Community Placements ADP	Community Placements (millions)	Individualized Services (millions)	OYA Community Total (millions)	Reduce County Dollars	JCP Basic / Diversion (millions)	Multnomah Gang (millions)	County Individualized Services (millions)	County Total (millions)				
Option A	<b>(31% reduction in capacity)</b>				<b>(25.4% reduction in capacity)</b>										\$ 0.45	\$ 0.45	\$ 26.60
	Close facilities in a variety of combinations	275	\$ 18.80		141	\$ 3.73	\$ 0.31	\$ 4.04		\$ 2.12	\$ 0.59	\$ 0.14	\$ 2.85				
Option B	<b>(59% reduction in capacity)</b>				<b>(25.4% reduction in capacity)</b>												
	Close 80 beds (living units)	80															
	Close 18 Living Units	450															
		530	\$ 18.80														
	<b>12.7% biennial reduction = 25.4% 12 month</b>			<b>12.7% biennial reduction = 25.4% 12 month</b>													

NOTE: Facility options include closing facilities or closing living units. The range of savings from closing facilities to achieve a 275 bed reduction is \$17.2 - \$21.2 million for 12 months depending on which facilities are closed.

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**10% Increment of LAB - \$26.6 million (GF)**

**Impact - Eliminate Facility Beds**

With a 10% reduction over a one year period, OYA will close over half of OYA's current 11 facilities or 21 living units, including all transitional work study camps. Up to 530 high risk felony youth offenders will be left without close custody services and with very limited community services available. This budget reduction will eliminate 275-425 of the 425 beds in the DBA (discretionary bed allocation). Devastating staff layoffs and facility closures will impact numerous local economies.

Only the very highest risk youth offenders will remain in close custody and the state will need to choose which proportion of DOC youth offenders and juvenile commitments will be served. Since very few young women fall into the highest risk category the low numbers will force OYA to return them to living in co-ed facilities which is proven to be detrimental to their reformation. High risk felony youth offenders will be released in the community resulting in an increase in juvenile crime and resulting victims, and additional burdens to law enforcement agencies, justice systems, and social service agencies.



**Impact - Eliminate Community BRS Beds**

A 25.4% capacity reduction would devastate Oregon's juvenile justice system's ability to provide services in community settings. The vast majority of contracted providers could not sustain reductions of this magnitude and would cease business. The courts are then left with a severely reduced close custody system. Youth committed to OYA facilities would have to be paroled early to make room for new commitments, resulting in very serious public safety consequences.



**Impact - Reduce County Dollars**

A 25.4% capacity reduction would devastate Oregon's juvenile justice system's ability to provide services in community settings. The vast majority of county juvenile departments could not sustain reductions of this magnitude and could be forced to close detention centers and terminate programming. The courts would be faced with a severely reduced state juvenile corrections system, with few close custody beds and few remaining contracted community placements. Youth committed to OYA would have to be discharged early from community placements or paroled early from close custody to make room for new commitments, resulting in very serious public safety consequences in communities that would not have the resources to hold youth offenders accountable or provide programming.