

OYA *In the Loop*

March 23, 2009

Thirty Percent Reduction Option Readied for Legislature

The last few days have been some of the toughest in my career. There are few agency directors who have ever been asked to do what Oregon's directors have to do – prepare budget reductions of 30 percent.

There is no way to do this without closing facilities, eliminating community capacity, releasing youth, and laying off staff. There is just no way.

With that being said, none of what I'm going to share with you is a "done deal." Ultimately the Legislature and the Governor will decide the depth and nature of reductions in every Oregon agency. This plan (attached) is a starting point for their discussions. The decision-makers are acutely aware that cuts at the state level have a domino effect throughout our communities.

OYA Cabinet and budget staff met several times last week to plan how OYA could be reduced by a third, or \$41 million, in the 2009-2011 biennium. We were joined by Joe O'Leary, the Governor's senior policy advisor for public safety, and Michael Kennedy, our analyst from DAS.

In those meetings, we established a framework within which to plan. We decided to base our recommendations on five principles:

- Public safety
- Prioritize correctional services on risk to reoffend
- Sustain a continuum of juvenile justice services across the state
- Leverage federal dollars
- Preserve Oregonians' jobs

Because the juvenile justice system relies on a continuum of services, disproportionate reductions in agency-funded services would cause the system to become unbalanced. A change in these "hydraulics" would cause exponentially undesirable consequences for public safety, the victims of crime, and offender reformation. This was unacceptable.

Therefore, a decision was made to reduce services in roughly equal proportions.

Many other considerations overlaid the decision-making process. For instance, the longer we delay reducing close custody capacity, the more it will cost. When reductions have to be made based on reaching a bottom line target, timing becomes critical.

The four main reduction categories are:

- Close custody: Close 225 beds by September 1
- Community residential: Reduce community capacity by 120 community beds (50 residential and 70 foster care) effective September 1, 2009
- Payments to counties: Reduce payments to counties by 17 percent (JCP Basic and Diversion)
- Multnomah gang funding: Reduce by 27 percent (this program remained whole during the last set of reductions – this now puts them on par with other services)
- Central Office: Reorganize and reduce budget by at least \$2 million, probably more.

Close custody:

To meet the 30 percent target, we will have to eliminate 225 of our 925 beds. We propose to do this by closing:

- Tillamook YCF (50 beds)
- Camp Tillamook (25 beds)
- Rogue Valley YCF (100 beds)
- Eastern Oregon YCF (50 beds)

These closures, minus costs of mothballing and unemployment, would net savings of \$26.6 million if closed by September 1.

Factors considered:

- Maintaining a geographical presence in the east (RiverBend), south (Camp Florence), north (North Coast) and valley (Oak Creek, Hillcrest, MacLaren).
- Whole facilities as opposed to unit reductions because of infrastructure savings
- Ability to serve the youth who are left – the highest risk youth
- Ability to expand if funding becomes available
- Easier availability of services from contractors (physicians, psychiatrists, psychologists, etc) needed to serve high-risk youth
- Presence of a high school to mirror the real world school experience (Hillcrest, MacLaren)
- Capacity to provide special programs (Hillcrest, MacLaren) for highest risk youth
- Maintaining some transition capacity
- Proximity of youth to families, JPPOs and other support structure (most families are in the Willamette Valley)

Community Residential:

Although less expensive than close custody beds, to maintain the juvenile justice system's balance, 50 residential beds would be reduced and foster care would be eliminated. This would net \$4.5 million savings.

Field Operations:

In the 2007-2009 rebalance, payments to counties were reduced by ten percent. The 30 percent reduction scenario for 2009-2011 takes another 17 percent from JCP Basic and Diversion dollars. Multnomah County's gang funding appropriation was not reduced in the 2007-2009 rebalance, so that fund will be cut the same 27 percent as other funds. Lastly, individualized services funds will be reduced 17 percent. The total savings is \$4.1 million.

JPOs in field offices will see their caseload ratio increase from 1:20 to 1:25. Additionally, about 14 field positions will be eliminated, saving \$3.3 million.

Central Office/Program Support:

At least \$1.8 million, and up to \$3 million, will be realized by reducing staff in the Central Office who support the work of people in facilities and field offices. Each assistant director has been given a goal to reach. Additionally, Fariborz and I are working through some ideas we have for reorganizing Central Office to gain efficiencies. Those ideas are not yet ready to roll out to you, but we will share them as soon as we've made some decisions.

Impact on Public Safety

The assistant directors are hard at work preparing impact statements based on the plan described above. Because one of our working principles is to maintain correctional services to the highest risk youth, we are beginning to look at which youth will be the least risky to release.

Using our OYA Risk Needs Assessment and case progress, in the coming weeks we will evaluate those who can be released with the least risk to public safety.

We will potentially release some offenders with low criminogenic risks, but high service needs such as those with mental health issues. Another low-risk class of offenders (in general) are sex offenders, so they will likely be released in greater proportions than other classes of offenders. Likewise, lowest risk DOC offenders will be returned to DOC.

Impact on Partners

Our partners look to us for leadership in the juvenile justice community. Today, tomorrow and Wednesday, I am meeting with representatives of most of our partner and stakeholder groups. I have spoken with labor representatives and the leadership of the Alliance of Children's Programs. Likewise, I am meeting with juvenile directors and the OYA Advisory Committee. I will also speak with legislators about these reductions.

Impact on Staff

I know this news is tough on staff – those who are directly affected and those who are not. These choices are never easy, they are never good, and there is no way to satisfy everyone when we have to downsize by more than a third.

This week, Deputy Director Fariborz Pakseresht will be traveling to Burns to meet personally with the staff at Eastern Oregon Youth Correctional Facility. Assistant Director Joan Palmateer is headed to Tillamook and Rogue Valley to, likewise, be available to staff.

We are keenly aware of the ripple effect of reductions in our communities, and I anticipate that I will receive a lot of feedback that will be sent to oyaintheloop@oya.state.or.us. My staff and I will attempt to respond to every single concern.

I encourage you to remain hopeful. This is the first volley in a lot of rounds of discussions, negotiations, compromises and decisions that are yet to come when a state as small as Oregon has to grapple with a multi-billion dollar shortfall.

I have confidence in the professionalism of OYA's staff to muscle through these hard times and maintain the highest quality of services to youth. While we are capable of struggling with unknowns and disappointments, we must remember that it is a tough environment for youth whose choices and abilities to understand are limited. Above all, please remain mindful of safety and security.