

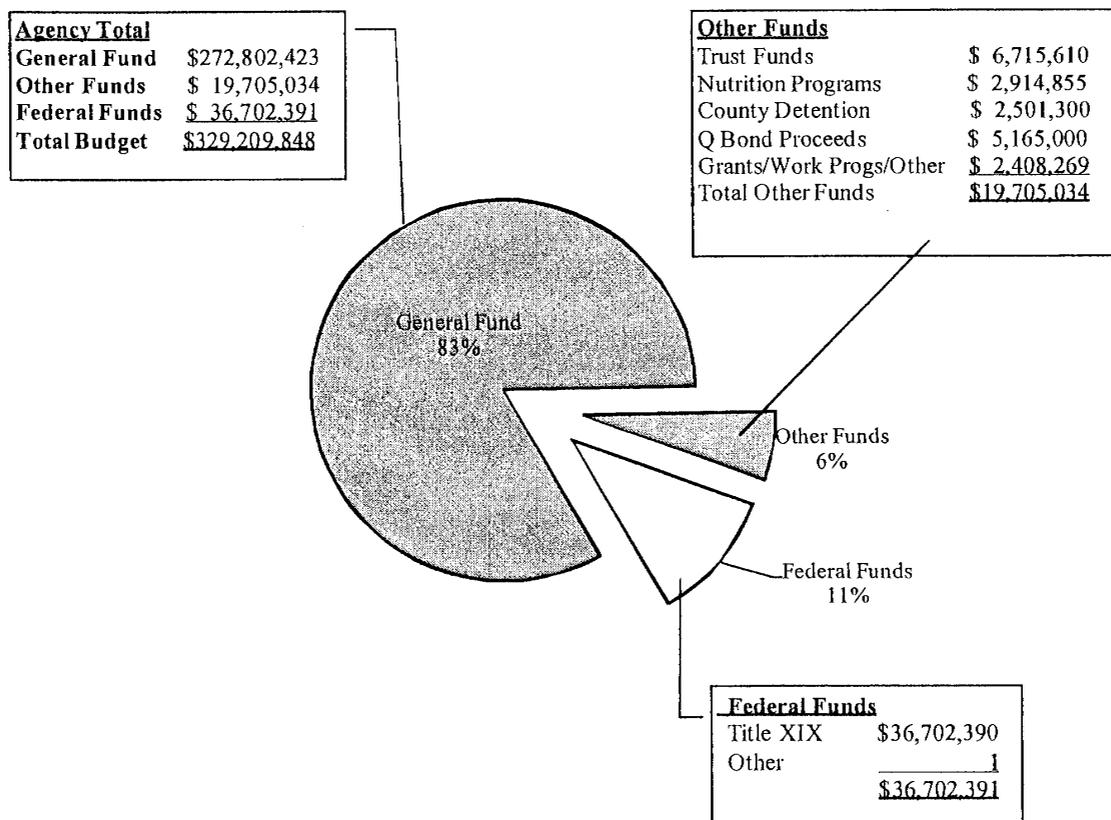
Revenue

Budget Narrative

Revenue Discussion

Three Fund Sources

Funds to operate OYA come from three sources: General Fund, Federal Funds and Other Funds. OYA first uses Other Funds and Federal Funds to pay expenses. General Fund is the last revenue source spent. The following display shows revenue available, including beginning balances.



Budget Narrative

How 2013-15 Revenues are Estimated

Federal Funds – Title XIX Medicaid

Targeted Case Management and Medicaid Administration revenue estimates are based on OYA's Random Moment Sample (RMS) percentages. Estimated percentages of total expenditures used in the Governor's Balanced Budget are Targeted Case Management 16.71% and Administration 2.82%. Behavioral Rehabilitation Services (BRS) revenues are based on the percentage of costs that are service-related multiplied by the percent of youth who are Title XIX eligible. The blended rate for the 2011-13 biennium is 62.70% Federal Funds. The blended Medicaid match rate used for 2013-15 Governor's Balanced Budget is 62.49%. Program Support revenue is based on an indirect cost allocation method that factors in the costs of both Community Services (RMS) and Facility Services (General Fund) to produce a weighted average for a federal claim.

Other Funds

Trust Accounts - OYA offsets expenditures on behalf of youth offenders in its care by establishing trust accounts and recovering child support, Social Security and other benefits available for care of the youth offenders. Trust receipt estimates are based on 2010 and 2011 fiscal year experience. OYA tracks expenditures by program and calculates the percentage of expenditures recovered from trust accounts. The 2013-15 estimates for Community Services are based on historical percentages as applied to each program's budgeted expenditures. The 2013-15 estimates for Facility Services are based on the forecasted OYA youth population multiplied by the historical average recovery.

Other Sources - USDA / ODE School Nutrition Program is projected at \$2,914,855 based on the eligible percentage of the forecasted OYA youth offender population and the estimated reimbursement rates. Alcohol and Drug Prevention funds of \$103,580 come from the Oregon Health Authority Addictions and Mental Health Services Division. These funds cover a portion of the cost of the Alcohol and Drug programs at Hillcrest Youth Correctional Facility (YCF). County Detention reimbursement at the YCF is budgeted at \$2,501,300 for 2013-15. Training Academy and other miscellaneous expenditure reimbursements are estimated to continue at the 2011-13 level. The Governor's Balanced Budget includes Other Funds limitation youth work programs for 2013-15.

The Governor's Balanced Budget includes a policy option package requesting \$5,165,000 from the sale of Article XI Q bonds. This funding, if approved, will be used for security electronic projects, physical security projects, capital improvements, and deferred maintenance.

Budget Narrative

How Costs are Allocated to Fund Sources

Facility Services expenditures related to close-custody care are funded with General Fund and are not eligible for federal reimbursement. When funding these expenditures, the youth offender's personal financial resources (trust account) also are considered. If there are trust funds available, application is made against the trust account and the funds are taken as an offset to the youth offender's cost of care (Other Funds revenue). Meals served during the school day are eligible for reimbursement through the United States Department of Agriculture School Nutrition program for youth age 18 and under. The remaining expenses are paid from the General Fund.

Community Services expenditures are paid to providers for services authorized for a specific youth offender by a parole and probation officer. Providers include foster parents and residential treatment providers. When funding these expenditures, the youth offender's Title XIX eligibility and personal financial resources (trust account) are considered. If there are trust funds available, application is made against the trust account and the funds are taken as an offset to the youth offender's cost of care (Other Funds revenue). Then Title XIX eligibility is examined; Federal Funds are claimed if the service provided is Medicaid-reimbursable. The remaining or non-reimbursable expenses are paid from the General Fund. Personal services and related services and supply costs are linked to fund sources indirectly through the use of a monthly Random Moment Sample (RMS), which measures staff activity and allocates that activity to the appropriate federal funding source (Title XIX Medicaid Targeted Case Management or Title XIX Administration). The balance is charged to the General Fund.

Program Support is linked to fund sources indirectly through the use of a monthly Random Moment Sample (RMS), which measures worker activity and allocates that activity to the appropriate federal funding source (Title XIX Medicaid Targeted Case Management or Title XIX Administration). The balance is charged to the General Fund.

Budget Narrative

Risks to Federal Funds

During 2008 and 2009, federal legislation and proposed budgets placed risks to OYA's Federal Funds revenue sources. In February 2009, federal legislation and regulation revising the reimbursement rules were eliminated or rescinded. While the changes in rules proposed by the Centers for Medicare and Medicaid Services (CMS) are currently rescinded, there is the potential, as the federal budgets face increasing debt, that some provisions could be reconsidered. Following is an outline of the risks.

Federal Funds provide approximately 45% of the funding for residential placements. These programs represent the largest portion of the community services available to youth on parole or probation and provide a less restrictive setting for youth offenders who need out-of-home placement and treatment.

The Centers for Medicare and Medicaid Services (CMS) could resume activities to revise BRS rules regarding rehabilitation services. Based on information from other states that have tried to amend their Medicaid state plan during 2008 and 2009, following is a summary of the issues:

- Oregon's current state plan provides for a daily service unit (daily rate). CMS has indicated that per diem payment may not be acceptable. A change in this area could add administrative costs for both providers and OYA.
- CMS has asked states to demonstrate how the services are medically necessary and the types of treatment being rendered.
- CMS has indicated skill training is a non-covered service. Most of the federal match for BRS services involves skill training.
- CMS is questioning how states can meet the freedom of choice requirements in the Medicaid law when services are limited to only certain programs.

Similarly, these potential BRS rule changes could affect federal funding that supports BRS services provided by county juvenile departments. Loss of this federal revenue likely would lead to increased demand on treatment and close-custody services provided by OYA.

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Oregon Youth Authority
2013-15 Biennium

Agency Number: 41500

Cross Reference Number: 41500-000-00-00-00000

Source	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
Other Funds						
Non-business Lic. and Fees	6,300	-	-	-	-	-
Charges for Services	27,597	173,890	173,890	177,841	177,841	-
Care of State Wards	6,089,686	5,702,375	5,702,375	7,105,489	6,715,610	-
Rents and Royalties	28,965	25,280	25,280	25,280	25,280	-
General Fund Obligation Bonds	26,353	-	-	31,040,000	5,165,000	-
Sales Income	698,430	905,000	905,000	905,000	905,000	-
Donations	107,770	103,580	103,580	103,580	103,580	-
Other Revenues	569,074	2,947,831	2,947,831	3,178,624	3,178,624	-
Tsfr From Education, Dept of	2,654,336	2,914,855	2,914,855	3,286,839	2,914,855	-
Total Other Funds	\$10,208,511	\$12,772,811	\$12,772,811	\$45,822,653	\$19,185,790	-
Federal Funds						
Federal Funds	28,624,903	31,107,231	31,107,231	36,983,281	36,702,390	-
Total Federal Funds	\$28,624,903	\$31,107,231	\$31,107,231	\$36,983,281	\$36,702,390	-
Nonlimited Federal Funds						
Federal Funds	-	1	1	1	1	-
Total Nonlimited Federal Funds	-	\$1	\$1	\$1	\$1	-

Budget Narrative

DETAIL OF LOTTERY FUNDS, OTHER FUNDS AND FEDERAL FUNDS REVENUE

SOURCE	FUND	2009-11 ACTUAL	2011-13 LEGISLATIVELY ADOPTED	2011-13 ESTIMATED	2013-15		
					AGENCY REQUEST	GOVERNOR'S BUDGET	LEGISLATIVELY ADOPTED
Trust and Agency Receipts	OF	6,089,686	5,702,375	4,939,372	7,105,489	6,715,610	
Nutrition Program	OF	2,654,336	2,914,855	2,228,751	3,286,839	2,914,855	
COP / Q Bond Proceeds	OF	-	-	-	31,040,000	5,165,000	
Alcohol & Drug Abuse Prevention	OF	107,770	103,580	107,760	103,580	103,580	
County Detention Reimbursement	OF	-	2,291,734	-	2,501,300	2,501,300	
Grants	OF	-	-	-	-	-	
Work Programs and Other	OF	1,359,719	1,760,267	1,305,846	1,785,445	1,785,445	
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Title XIX Medicaid Administration Program	FF	6,185,859	5,465,435	6,408,523	6,316,085	6,099,005	
	FF	22,439,044	25,641,796	21,092,734	30,667,196	30,603,385	
Nonlimited Federal Funds	FF	-	1	1	1	1	
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TOTAL	OF	10,211,511	12,772,811	8,581,729	45,822,653	19,185,790	
TOTAL	FF	28,624,903	31,107,232	27,501,258	36,983,282	36,702,391	

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Budget Narrative

DETAIL OF LOTTERY FUNDS, OTHER FUNDS AND FEDERAL FUNDS REVENUE

FACILITIES

SOURCE	FUND	2009-11 ACTUAL	2011-13 LEGISLATIVELY ADOPTED	2011-13 ESTIMATED	2013-15		
					AGENCY REQUEST	GOVERNOR'S BUDGET	LEGISLATIVELY ADOPTED
Trust and Agency Receipts	OF	2,508,559	2,123,096	1,887,612	3,043,137	2,653,258	
Nutrition Program	OF	2,654,336	2,914,855	2,228,751	3,286,839	2,914,855	
COP / Q Bond Proceeds	OF				568,339	90,059	
Alcohol & Drug Abuse Prevention	OF	107,770	103,580	107,760	103,580	103,580	
County Detention Reimbursement	OF	-	2,291,734	-	2,501,300	2,501,300	
Work Programs and Other	OF	1,208,473	930,280	947,572	934,231	934,231	
Title XIX Medicaid Administration	FF	60,759	20,538	20,538	24,365	23,707	
TOTAL	OF	6,479,138	8,363,545	5,171,695	10,437,426	9,197,283	
TOTAL	FF	60,759	20,538	20,538	24,365	23,707	

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Budget Narrative

DETAIL OF LOTTERY FUNDS, OTHER FUNDS AND FEDERAL FUNDS REVENUE

COMMUNITY SERVICES

SOURCE	FUND	2009-11 ACTUAL	2011-13 LEGISLATIVELY ADOPTED	2011-13 ESTIMATED	2013-15		
					AGENCY REQUEST	GOVERNOR'S BUDGET	LEGISLATIVELY ADOPTED
Trust and Agency Receipts	OF	3,581,127	3,579,279	3,051,760	4,062,352	4,062,352	
Miscellaneous	OF	6,364		53,219			
Title XIX Medicaid	FF	4,473,330	4,253,812	5,084,527	4,908,673	4,855,863	
Administration Program	FF	22,439,044	25,641,796	21,092,734	30,667,196	30,603,385	
TOTAL	OF	3,587,491	3,579,279	3,104,979	4,062,352	4,062,352	
TOTAL	FF	26,912,374	29,895,608	26,177,261	35,575,869	35,459,248	

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Budget Narrative

DETAIL OF LOTTERY FUNDS, OTHER FUNDS AND FEDERAL FUNDS REVENUE

PROGRAM SUPPORT

SOURCE	FUND	2009-11 ACTUAL	2011-13 LEGISLATIVELY ADOPTED	2011-13 ESTIMATED	2013-15		
					AGENCY REQUEST	GOVERNOR'S BUDGET	LEGISLATIVELY ADOPTED
Work Programs and Other	OF	144,882	829,987	305,055	851,214	851,214	
Title XIX Medicaid Administration	FF	1,651,770	1,191,085	1,303,458	1,383,047	1,219,435	
TOTAL	OF	144,882	829,987	305,055	851,214	851,214	
TOTAL	FF	1,651,770	1,191,085	1,303,458	1,383,047	1,219,435	

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Budget Narrative

DETAIL OF LOTTERY FUNDS, OTHER FUNDS AND FEDERAL FUNDS REVENUE

DEBT SERVICE

SOURCE	FUND	2009-11 ACTUAL	2011-13 LEGISLATIVELY ADOPTED	2011-13 ESTIMATED	2013-15		
					AGENCY REQUEST	GOVERNOR'S BUDGET	LEGISLATIVELY ADOPTED
Interest Income	OF	-	-	-	-	-	
Nonlimited Federal Funds	FF	-	1	1	1	1	
TOTAL	OF	-	-	-	-	-	
TOTAL	FF	-	1	1	1	1	

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Budget Narrative

DETAIL OF LOTTERY FUNDS, OTHER FUNDS AND FEDERAL FUNDS REVENUE

CAPITAL IMPROVEMENTS

SOURCE	FUND	2009-11 ACTUAL	2011-13 LEGISLATIVELY ADOPTED	2011-13 ESTIMATED	2013-15		
					AGENCY REQUEST	GOVERNOR'S BUDGET	LEGISLATIVELY ADOPTED
Other OF (Construction / Improv Projects)	OF	-	-	-	-		
TOTAL	OF	-	-	-	-	-	-

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Budget Narrative

DETAIL OF LOTTERY FUNDS, OTHER FUNDS AND FEDERAL FUNDS REVENUE

CAPITAL CONSTRUCTION

SOURCE	FUND	2009-11 ACTUAL	2011-13 LEGISLATIVELY ADOPTED	2011-13 ESTIMATED	2013-15		
					AGENCY REQUEST	GOVERNOR'S BUDGET	LEGISLATIVELY ADOPTED
COP / Q Bond Proceeds	OF	-	-	-	30,471,661	5,074,941	
TOTAL	OF	-	-	-	30,471,661	5,074,941	

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Agencywide Revenues and Disbursements Summary
2013-15 Biennium

Version: Y-01-Governor's Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
BEGINNING BALANCE						
0025 Beginning Balance						
Other Funds	729,604	856,931	856,931	456,029	456,029	-
0030 Beginning Balance Adjustment						
Other Funds	-	-	-	63,215	63,215	-
TOTAL BEGINNING BALANCE						
Other Funds	729,604	856,931	856,931	519,244	519,244	-
REVENUE CATEGORIES						
GENERAL FUND APPROPRIATION						
0050 General Fund Appropriation						
General Fund	254,140,592	257,469,820	256,050,831	302,543,416	272,802,423	-
LICENSES AND FEES						
0210 Non-business Lic. and Fees						
Other Funds	6,300	-	-	-	-	-
CHARGES FOR SERVICES						
0410 Charges for Services						
Other Funds	27,597	173,890	173,890	177,841	177,841	-
0420 Care of State Wards						
Other Funds	6,089,686	5,702,375	5,702,375	7,105,489	6,715,610	-
TOTAL CHARGES FOR SERVICES						
Other Funds	6,117,283	5,876,265	5,876,265	7,283,330	6,893,451	-

Agencywide Revenues and Disbursements Summary
2013-15 Biennium

Version: Y-01-Governor's Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
FINES, RENTS AND ROYALTIES						
0510 Rents and Royalties						
Other Funds	28,965	25,280	25,280	25,280	25,280	-
BOND SALES						
0555 General Fund Obligation Bonds						
Other Funds	26,353	-	-	31,040,000	5,165,000	-
SALES INCOME						
0705 Sales Income						
Other Funds	698,430	905,000	905,000	905,000	905,000	-
DONATIONS AND CONTRIBUTIONS						
0905 Donations						
Other Funds	107,770	103,580	103,580	103,580	103,580	-
OTHER						
0975 Other Revenues						
Other Funds	569,074	2,947,831	2,947,831	3,178,624	3,178,624	-
FEDERAL FUNDS REVENUE						
0995 Federal Funds						
Federal Funds	28,624,903	31,107,232	31,107,232	36,983,282	36,702,391	-
TRANSFERS IN						
1581 Tsfr From Education, Dept of						
Other Funds	2,654,336	2,914,855	2,914,855	3,286,839	2,914,855	-

Agencywide Revenues and Disbursements Summary
2013-15 Biennium

Version: Y-01-Governor's Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
TOTAL REVENUES						
General Fund	254,140,592	257,469,820	256,050,831	302,543,416	272,802,423	-
Other Funds	10,208,511	12,772,811	12,772,811	45,822,653	19,185,790	-
Federal Funds	28,624,903	31,107,232	31,107,232	36,983,282	36,702,391	-
TOTAL REVENUES	\$292,974,006	\$301,349,863	\$299,930,874	\$385,349,351	\$328,690,604	-
AVAILABLE REVENUES						
General Fund	254,140,592	257,469,820	256,050,831	302,543,416	272,802,423	-
Other Funds	10,938,115	13,629,742	13,629,742	46,341,897	19,705,034	-
Federal Funds	28,624,903	31,107,232	31,107,232	36,983,282	36,702,391	-
TOTAL AVAILABLE REVENUES	\$293,703,610	\$302,206,794	\$300,787,805	\$385,868,595	\$329,209,848	-
EXPENDITURES						
General Fund	251,231,118	257,469,820	256,050,831	302,543,416	272,802,423	-
Other Funds	10,625,938	13,173,713	13,173,713	45,822,653	19,120,131	-
Federal Funds	28,624,903	31,107,232	31,107,232	36,983,282	36,702,391	-
TOTAL EXPENDITURES	\$290,481,959	\$301,750,765	\$300,331,776	\$385,349,351	\$328,624,945	-
REVERSIONS						
9900 Reversions						
General Fund	(2,909,474)	-	-	-	-	-
ENDING BALANCE						
Other Funds	312,177	456,029	456,029	519,244	584,903	-