



TEXAS YOUTH COMMISSION

CHERYLN K. TOWNSEND
Executive Director

February 15, 2010

Mary Katherine Stout, Director
Governor's Office of Budget, Planning and Policy
P. O. Box 12428
Austin, TX 78711-2428

John O'Brien, Director
Legislative Budget Board
P. O. Box 12666
Austin, TX 78711-1266

Dear Ms. Stout and Mr. O'Brien:

In response to the request made by Governor Perry, Lieutenant Governor Dewhurst, and Speaker Straus, the Texas Youth Commission (TYC) is submitting a plan to identify savings with seven items in priority increments, from least to greatest impact on direct services, totaling five percent of the general revenue appropriations for the 2010-11 biennium. The agency is not proposing any across the board reductions and each area was carefully reviewed for potential savings that would minimize negative impacts on direct youth services and public safety.

Significant reforms to TYC have been underway since the 80th legislative session (2007). We have appreciated the leadership of our elected officials in support of these reforms with significant investments to improve safety and security as well as education, medical, and treatment services. During the 81st legislative session (2009), additional reforms were adopted and major revisions were made to reduce agency staffing levels and the budget to account for lower youth populations without compromising agency reforms.

The State's significant investments in reforms since 2007 for youth medical services, education, and specialized treatment services are now showing results. The agency seeks to protect these investments by limiting the impacts in these areas to only the first item for vacancy savings. Additionally, TYC's proposed savings plan was developed specifically to protect activities that strengthen our re-entry initiative for discharged youth returning to their communities. Sunset reform legislation for TYC requires the agency to develop a comprehensive re-entry plan, and because halfway houses and contract residential care are critical community placement resources, no related reductions are proposed. Similarly, TYC parole programs are also key for effective re-entry support, and some areas are now operating with higher caseloads than budgeted.

The agency's approach in the first four savings items was to identify one-time savings, including a managed hiring freeze, and reductions in administrative operating expenses, travel costs, and vehicle acquisitions. Items five and six would generate one-time savings as a result of the accelerated closure of West Texas State School and Victory Field. These two facilities are already scheduled for closure in summer 2010. The TYC Board directed staff to contact legislative offices to explore the feasibility of accelerating the closures. The agency holds the authority to accelerate the closures; however, the feasibility for early closure is uncertain due to potential negative impacts on youth, staff, and local communities.

The final item, relating to dorm closures, will directly impact youth services. This item is based on an assumption of reduced average daily population, and would result in the closure of six dorms and the elimination of 138 FTEs. I believe implementing this item could impact safety and treatment effectiveness; and the loss of experienced staff would limit our ability to manage future population increases. Equally important, it places at risk a number of the reforms that have taken place since 2007.

As a result of concerns related to Items 5 – 7, we respectfully request that the Texas Youth Commission be granted a partial exemption on three percent of the total savings target of five percent of the agency's general revenue appropriations. As you will see from the seven items identified in priority order from least impact to most impact in the TYC 5% Reduction Plan, we are unable to identify possible savings above two percent that will not impact direct services, particularly in terms of youth, staff and community safety.

We will maintain our commitment to be good stewards of taxpayer resources as well as to insure that the Texas Youth Commission meets public expectations regarding safety, security, services, and outcomes. It is our intent to also maintain our commitment to the reforms that were adopted in the 80th and 81st legislative sessions. Like all state agencies, we understand that it will take strong leadership to maintain the balance required to meet all expectations. We will also be working collaboratively with other state agencies whose general appropriations directly impact services to children and youth both in TYC facilities and in communities throughout our state.

We appreciate your consideration of the TYC savings plan and our request for a partial exemption. Should questions arise on this request, please do not hesitate to contact me or Robin McKeever, Director of Administrative Services, at 512.424.6004.

Sincerely,



Cheryl K. Townsend
Executive Director

Cc: Scott Fisher, Chairman, Texas Youth Commission Board
TYC Board Members

ITEM REDUCTIONS BY METHOD OF FINANCING
 81st Regular Session, 2010-11 Item Reductions
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 2/17/2010
 Time: 10:30:33AM
 Page: 1 of 4

Agency code: 694

Agency name: Youth Commission

Item Priority and Name/ Method of Financing	2010	2011	Biennial Total	Target
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1 Projected Vacancy Savings

Item Comment: At the beginning of FY 2010, positions remained frozen from previous downsizing and budgetary control efforts. With declining populations, vacant positions have been filled at slower than normal rates. At December 31, TYC had 3,495 FTEs, which was 438.8 FTEs below the appropriated cap. Vacancy savings are used for scheduled overtime to cover staff who are out due to FMLA, facility non-capital repairs, equipment replacement such as industrial kitchen and maintenance equipment, and to pay down overtime balances. Eliminating vacancy savings will limit the agency's ability to address these needs.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$6,671,495	\$934,842		
General Revenue Funds Total	\$6,671,495	\$934,842		
Item Total	\$6,671,495	\$934,842		

2 Lease Cost Savings

Item Comment: This item would reduce the amount of agency leased space following Central Office downsizing during FY 2009. Office space at the TYC Annex located on Highway 290 in Austin is being consolidated for efficiency and is expected to result in decreased lease costs starting next fiscal year. The agency is working with the Texas Facilities Commission in this effort.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$0	\$120,000		
General Revenue Funds Total	\$0	\$120,000		
Item Total	\$0	\$120,000		

3 Reduce Vehicles Capital Item by 10%

Item Comment: TYC received \$1.1m for each year in the biennium to replace a total of 104 vehicles. An analysis of the current fleet identified 82 vehicles with over 100,000 miles. Over the long term, the reduction may impact maintenance costs, travel costs, and the reliability of safe youth transportation. This reduction would result in approximately 10 fewer vehicles replaced over the biennium, indirectly increasing the usage of the remaining vehicles in the fleet and lengthening the replacement cycle.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$55,820	\$167,458		
General Revenue Funds Total	\$55,820	\$167,458		

* - Indicates amount does not meet target requirements.

ITEM REDUCTIONS BY METHOD OF FINANCING
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Date: 2/17/2010
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Item Priority and Name/ Method of Financing	2010	2011	Biennial Total	Target
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Item Total	\$55,820	\$167,458		
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4 Reduce Travel by 5%

Item Comment: The agency's travel funds are focused on staff training, parole supervision, quality assurance, and transporting youth. Staff travels to receive training for maintaining required professional certifications and for professional development. TYC staff transports youth between facilities and to medical appointments. The agency's initiative to strengthen youth re-entry services is requiring increased travel for monitoring youth on parole status. A reduction in travel will negatively impact these activities at a time when travel budgets are already under-resourced.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$74,204	\$74,204		
General Revenue Funds Total	\$74,204	\$74,204		
Item Total	\$74,204	\$74,204		

5 Close Victory Field Correctional Academy by April 2, 2010

Item Comment: Art. V, Rider 23 of TYC's bill pattern provides that funds shall not be used for the operation of Victory Field Correctional Academy after August 31, 2010. In FY 2010, the agency received appropriations to operate 96 beds. The agency holds authority to accelerate facility closure plans by transferring youth at this location to other institutions that have available capacity or to early transition to community-based facilities or parole. The estimate is based on an assumption of closure on April 2, 2010; if closure occurs later, the estimate will decrease. In agency downsizing during FY 2009, 158 positions were eliminated and 34 employees received notice of a reduction in force. This savings item would accelerate the elimination of 163 FTEs from summer 2010 to April 2nd; 123 of these positions are currently filled.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$2,562,056	\$0		
General Revenue Funds Total	\$2,562,056	\$0		
Item Total	\$2,562,056	\$0		

* - Indicates amount does not meet target requirements.

ITEM REDUCTIONS BY METHOD OF FINANCING
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Date: 2/17/2010
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Agency code: 694

Agency name: Youth Commission

Item Priority and Name/ Method of Financing	2010	2011	Biennial Total	Target
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6 Close West Texas State School by April 2, 2010

Item Comment: Article V, Rider 23 of TYC's bill pattern authorizes that funds shall not be used for the operation of West Texas State School after August 31, 2010. In FY 2010, the agency received appropriations to operate 48 beds. The agency holds authority to accelerate facility closure plans by transferring youth at this location to other institutions that have available capacity or to early transition to community-based facilities or parole. The estimate is based on an assumption of closure on April 2, 2010; if closure occurs later, the estimate will decrease. In agency downsizing during FY 2009, 183 positions were eliminated and 12 employees received notice of a reduction in force. This savings item would accelerate the elimination of 71 FTEs from summer 2010 to April 2nd; 55 of these positions are currently filled.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$1,037,616	\$0		
General Revenue Funds Total	\$1,037,616	\$0		
Item Total	\$1,037,616	\$0		

7 Dorm Closures Based on Reduced Populations

Item Comment: This item would be disruptive and would directly impact youth services. Item #1 relating to vacancy savings accounts for declining population levels below appropriated targets by filling vacant positions at slower than normal rates. Item #7 would result in the elimination of some of those vacant positions and also require a reduction in force. The estimate is based on an assumption of decreased average daily population of 192 youth, the closure of 6 dorms, and the elimination of 138 FTEs. This item may also require the early transition or release of youth to community-based programs or to home. Negative impacts may occur for treatment effectiveness and the loss of experienced staff would greatly limit the agency's ability to effectively manage any future population increases. Some treatment programs, such as gender programming, are unique to each facility and not easily duplicated at other locations. Insufficient gender specific programming outside of Brownwood to accommodate the needed population reduction at Brownwood would be a challenge. Also, a population reduction at Giddings would require those youth to go to other institutions, which would release their youth through early transition to community-based programs. In February 2010, over 150 JCO staff were on extended FMLA leave or alternative work assignments. If the FTE reductions needed for this item occurred regardless of the number of staff out on FMLA leave, safety and security risks would increase. With potential impacts on direct services, this item risks compromising the reforms since 2007, the safety and security of youth and employees, and positive outcomes. It is not possible to avoid negative impacts on educational, medical, and specialized treatment services through the indirect impacts of this item on those services. As a result the agency is requesting an exemption on three percent of the total savings target of five percent of the agency's general revenue funding.

GENERAL REVENUE FUNDS

1 General Revenue Fund	\$2,575,226	\$6,483,943		
General Revenue Funds Total	\$2,575,226	\$6,483,943		
Item Total	\$2,575,226	\$6,483,943		

* - Indicates amount does not meet target requirements.

ITEM REDUCTIONS BY METHOD OF FINANCING
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Agency code: 694

Agency name: Youth Commission

Item Priority and Name/ Method of Financing	2010	2011	Biennial Total	Target
Agency General Revenue Total	\$12,976,417	\$7,780,447		
Agency GR Dedicated Total				
Agency Grand Total	\$12,976,417	\$7,780,447	\$20,756,864	\$20,756,864

* - Indicates amount does not meet target requirements.