



**Texas Juvenile Justice Department**

Board Budget Workshop

Wednesday, July 25, 2012 – 9:00 a.m.  
Brown Heatly Building, Room 1410-1430  
4900 North Lamar Blvd.,  
Austin, Texas 78751  
July 25, 2012

**BOARD MEMBERS PRESENT:**

Scott W. Fisher, Chairman  
The Honorable John Brieden III  
The Honorable Carol Bush  
Michael Meade  
Dr. Rene Olvera  
The Honorable Jimmy Smith  
Melissa Weiss

Rob Kyker, Vice-Chairman  
Joseph Brown  
Jane Anderson King  
Mary Lou Mendoza  
The Honorable Laura Parker  
Calvin Stephens

**EXECUTIVE STAFF PRESENT:**

Robin McKeever, Deputy Executive Director  
Janie Ramirez Duarte, Chief Financial Officer  
Linda Brooke, Director of External Affairs  
and Communications  
Chuck Jeffords, Director of Research  
James Smith, Deputy Director of State  
Youth Services

Rick Bishop, Chief Information Officer  
Mary Wood, Director of Staff Services  
Dr. Rajendra Parikh, Director of Medical  
Services  
Karin Hill, Chief Auditor  
Jeannette Cantu, Executive Assistant

**OTHER GUESTS PRESENT:**

Bill Monroe, TJJD  
Yolanda Hall, TJJD  
Misti Hancock, TJJD  
Carolyn Jackson, TJJD  
Nancy Arrigona, TJJD  
Randy Turner, Tarrant County Juvenile Services  
Colleen Buck, OOG  
Lauren Rose, Texans Care  
Allison Winney, Texas House – Speaker  
Monica Peters, TJJD  
Melissa Werner, LBB  
Dallas Reed, OOG

### **Call to Order**

Chairman Scott Fisher called the meeting to order at 9:00 a.m. Chairman Fisher introduced the new general counsel, Brett Bray, and relayed that Calvin Stephens would arrive late due to travel.

### **Presentations regarding development of the agency's appropriations request for FY 2014 – 2015**

Janie Duarte, Chief Financial Officer, presented. Additional TJJD staff were James Smith, Deputy Director of State Youth Services; Chuck Jeffords, Research Director; Robin McKeever, Deputy Executive Director; and Bill Monroe, Director of Community Juvenile Justice Appropriations.

The staff has begun the process to develop the Legislative Appropriations Request (LAR) for the upcoming biennium for FY 2014 and FY 2015. The LAR is due to the LBB and the Governor's office on August 30. The process for developing the LAR began in March. Input was received through TJJD state-wide stakeholder survey, the chief summit focus group, and reports from the Advisory Council and the transition team, as well as from staff related to agency and capital leads. The information from these sources was discussed and evaluated in several meetings. The LAR is approximately 200 pages, with multiple schedules. Ms. Duarte directed the Board to documents given to them; these documents are primarily those that require the Board's guidance and/or a Board decision.

### **Summary of Budget Cut Options**

First addressed in the LAR draft materials provided was a summary of options to achieve 10% general revenue (GR) reduction. The GR target has not yet been received, but staff is estimating for TJJD that the amount will be approximately \$60.3 million for the biennium. Eight different options have been noted. These eight options total 132.6 million, which is more than the requirement, in order to provide the Board with different options in achieving the GR target.

The first option is to close one or two residential facilities and move specialized treatment programs to other facilities, yielding approximately \$35.2 million. The impact would be eliminating 200 to 400 beds. The second and third options are related; second is a partial reduction to the Prevention and Early Intervention Grant, and the third option is to eliminate the grant entirely.

The fourth option would be to reduce the Commitment Reduction Program Grant C. Of different increments proposed, the first is a 1.7 percent increment of \$10.3 million; second is a 2.5 percent increment of \$14.8 million. Feedback received from the Advisory Council meeting stated that any reduction to this grant with a commitment cap would negatively impact the county departments in their

ability to serve youth. Youth have increasing mental health needs, and facility closures impact available capacity that may be needed in future population spikes.

The fifth option is to eliminate specialized treatment at state residential facilities; resulting in a decrease of approximately 116 staff. The sixth option is to eliminate the Special Needs Diversionary Program Grant M. This will yield less than \$4 million for the biennium. The seventh option is to eliminate the Parole Strategy, yielding \$9.6 million for the biennium. This option would greatly impact the county probation department and require legislative change.

The eighth option would be to close three halfway houses and one institution. This 7% increment has an estimated savings of \$42.4 million for the biennium.

Chairman Fisher called for questions, and discussion ensued. A question was asked regarding the reduction of Grant C in option four as well as reducing the number of youth in facilities; most juvenile departments that utilize Grant C will spend approximately \$120 a day to treat a youth that could have been committed to the state, whereas the state spends \$400 a day to serve the same youth, according to the LBB in their uniform cost report. That report has not been officially printed, but the estimated cost is in upwards of \$400 per day per youth in secure facilities, which includes indirect cost and state benefits, as well as amounts not appropriated to TJJJD such as the Employee Retirement System. It was stated that despite this \$400 per day estimate, the budgeted institutional cost per day is closer to \$260 a day. The question is whether it is cost effective to reduce Grant C when it costs less to treat a youth under Grant C than to place a high-risk offender in a state institution.

An additional question was asked about projections regarding the elimination of Grant C and the impact on commitments. The first increment of 1.7% will reduce Grant C by 27% and is likely to result in an additional 167 admissions. If the second increment is added on top of this, creating roughly a 5% increment of the total 10% required, that would reduce the Grant C by 65% and result in the likely admission of an additional 406 youth during the biennium. A comment was that if facilities are closed, populations consolidated, and county funding reduced so that there are more admissions, the state's cost per day will improve. Whether services will improve is a different question.

Ms. Duarte stated that these are difficult and painful options, and the combination of options selected will require careful thought. They are being presented not as recommendations but as options. Per Chairman Fisher, the reality is the Board will be required to recommend cuts amounting to a 10%

reduction in costs, approximately \$60 million. A combination of the options proposed today may be recommended, or the Board may send staff back to come up with different options. Additional comments were that the combination of options is important; options one and four, for example, should not be implemented together.

Another option from the Advisory Council meeting was to try to find a couple of million dollars by eliminating administrative positions, reducing fleet, sharing executive assistants, and putting pressure on vendors for lower costs on contracts. The staff has not vetted this out, but it can be addressed. The time delay needs to be considered, since this will be effective September 2013. Administrative costs would need to be considered in light of this date.

Discussion ensued regarding concerns over eliminating facilities and beds. It was speculated that if the Grant C funds were increased, there would probably be a cost savings down the road due to the reduction in commitments. One comment was made that due to the success of treatments at the community level for low-risk youth, there are changes to the populations and dynamics in state facilities.

Ms. McKeever stated that it is not unusual for the legislature not to cut the whole 10%; they may take the most viable options on an agency list, and some agencies may give more and some less in the bottom line, but the Board has to request options as if the whole percentage could be cut. The Advisory Council stated options two through six are really not viable, and that option seven is full of potential risks. This leaves options one and eight, greatly reducing cuts on the county level. In response, Chairman Fisher stated that to assume that the counties are not going to be affected is not viable.

There was a concern whether the commitment numbers are going to be further reduced in the counties, from 1111 to 840. The 840 number comes from the LBB, and the LAR is built on this number. This number was arrived at by the LBB after they did projections based on intakes and length of stay. This reduction will mean that counties will have fewer commitments available to them in secure facilities, which means keeping youth in the communities and providing programming. A question was asked regarding the impact of reduced commitments, and whether this will mean that when a limit is reached, a judge will not have the option of committing a youth to a secure facility. A judge is not to have any encumbrance on their decision making; the commitment cap is really a financial requirement stating that the counties will have to pick up the difference if they send more youth to state facilities. County

budgets are limited, so if the state withdraws that funding, it will hurt the program; therefore some judges have an issue with balancing that.

A question was asked regarding the potential for a youth to be stuck in limbo, where they clearly need to be committed but have to wait at the county level and do not receive the specialized treatment they need. The hope is that the judge will make the decision regardless of financial considerations, and if a youth is in serious need of placement in a secure facility they will be committed, and the county will figure out the funding afterwards.

Ms. Duarte added that as a result of the last Board meeting, a proposal is included to maintain the commitment level at 1111, even though the LBB's projections are for 840. The Board is maintaining this request due to the concerns expressed above. The budget currently being considered is based on the 840 number, and the Community Corrections Diversions Program rider is working with 1111. The LBB can come back and strike that and amend it to 840.

Another comment was made that when thinking about the cost per day between one and the other, at present the counties are a 70% partner and the state is a 30% partner, so the counties are putting up roughly 70% of the costs and the state is putting up 30% in the county budget.

The new commitments in the current fiscal year through June are at about 710 or 712 (counting recommitments), so with two months left in the fiscal year, the number has not approached either 1111 or 840, but it may still happen, since summer is a time of high admissions. The rider regarding commitments has existed for three fiscal years but has not yet been put in effect. A question was asked regarding the cost per person that a county would have to consider given the commitment number limit. The rider states that once the state has gone over this commitment number, \$51,000 is to be pulled from the counties for each individual over the commitment target.

The 1111 target is a statewide number. Since this is a statewide number, one question was asked regarding the potential scenario where one county may be at their maximum number of commitments but another county is not. The response was that each level supports each other. Every county has a number, and if one county goes over, a regional pool is consulted. Each region has a couple of extras, and there are a few extra in reserve at the state level as well. It is possible to swap commitments between county associations.

A question was asked about the impact to released youth if parole is eliminated. TJJJ would need to redesign programming for releasing youth from the secure institutions so that there would be an aftercare component built into the facilities programming. A comment was made that if the county assumed supervision once released from a secure facility within TJJJ, it would still have to be paid for at some level, maybe at a lower cost, but still a cost. If this reduction were to work in combination with the closure of facilities, there would be more youth in fewer facilities, so modifying the programming to prepare them earlier for reentry would have higher risks.

Jane King asked a question regarding option eight and the length of stay in halfway houses and their effectiveness overall. The average length of stay ranges between 60 and 120 days. Some youth cannot be placed back at home and are staying longer in halfway houses, and some are transitional, so the number fluctuates. TJJJ has not been able to fully utilize the halfway houses, partially because the infrastructure did not exist for the youth TJJJ was serving, but things are improving. When older youth were in the system, they could have jobs out in the community, and for the younger misdemeanor youth, halfway houses are a better alternative than a high-restriction facility. Now, given the profile of the youths with mental health issues and sex offender issues, there is a structure built into the halfway houses to serve that specialized population, and those youth stay longer in the facilities. But generally youth who are there for transition stay a shorter length of time. There are a total of nine halfway houses with a total capacity of 218 beds. For years this target number was met, but with the change in population over the last few years, there is a struggle to maintain that population. Numbers have been as low as 160 to 190. There is an appropriate place for halfway houses as part of a reentry program, but what that place is may be subject to discussion, particularly in the light of budget cuts. Location is a factor. If some facilities or halfway houses are closed, considerations should be made for where they're located and how those closures will affect specific communities. All halfway houses are state-operated, leased facilities.

A comment was made regarding the number of youth currently in facilities. If closures are considered, there will be fewer facilities with more youth in the remaining facilities. A question was asked regarding whether additional staff would be hired for those facilities due to the rise in their populations. TJJJ would need to comply with the ratio of 1:12. Concerns were also expressed regarding the rise in overtime. Additional staff and overtime increases are two expenditures that would need to be considered. The response was that it all depends on how the facility is staffed. If a facility is staffed already to receive more youth, then there would not necessarily be more staff needed. Whether the facility is sufficiently staffed would need to be addressed.

A question was asked regarding how many facilities are fully staffed at this point. James Smith stated that right now, 93% of JCO positions in the facilities are filled, but the percentage of staff available to work on the floor is considerably lower due to staff out on FMLA or Worker's Compensation. With this reduced level of available staff, the only way to keep the ratio of 1:12 is overtime. Flexibility with scheduling is an issue that is currently being addressed. The closing of facilities this past year caused populations to increase at the remaining facilities, with a lag in hiring and transfers. The youth population grew faster than the staff, and there are still issues being addressed.

A question was asked regarding how costs would be lowered by closing facilities when the staff ratio need to be maintained and the youth population remains the same. The response was that there are associated costs with closing a facility; some staff do need to transfer to follow youth, but facilities have greater fixed costs and the closing of a facility does achieve savings.

Additional commentary was made regarding the fact that options one and eight are general placeholders; they do not name facilities. The Board makes the decision whether to name a facility or to leave them unnamed. When the decision is made for the reduction, if the legislature selects option one, the Board will have to name the facilities, and they will have to achieve the target savings. This will take into account the shift of youth populations to other facilities, so the net result will be the target.

A question was asked regarding why staffing was only at 93% and not 100%. The response was that the HR department has done a great job at recruiting and filling positions, but retention is a struggle. From April 1 to June 6 of 2012, TJJD hired 165 JCOs, and over that same time frame TJJD lost 105 positions, so there was only a net gain of 60 positions. Additionally, there are 320 hours of training for each new JCO. On average, 18 to 22 staff for any given facility are on leave. In a closure decision, proximity to another facility would be play a key role because if it's not too far for staff to commute, then those staff will transfer, but locations in proximity to each other are becoming scarce. Five facilities have been closed in the last four years.

A suggestion was made that TJJD consider looking at facilities that are in communities where they could potentially be operated by a provider that could maintain capacity at a lower daily rate. This would mean fewer savings than a closure, but if a \$15 million facility can be run for \$8 million, this would mean a \$7 million savings. Jobs would stay in the community, the facility would remain open and available, and the state would still see savings. There has not yet been an opportunity to explore this option.

One comment was made that there is not often a 50% savings in a scenario like this. The response was that most of the providers will most likely be able to provide \$150 to \$200 a day. About 31% of state costs for employee positions are benefits, and it's more expensive for the state to operate a facility partially because of the salary; private citizens will most likely make a lower salary. A question was asked regarding turnover and whether turnover rates would be worse than current rates in this scenario given that salary and benefits may be lower. The response was that if the facility is closed, the jobs are lost entirely.

Mary Wood stated that to be 93% percent staffed as an aggregate average is exceptional. TDCJ is having trouble with some of their facilities being staffed at 69%, so staff availability is about 80%. There are some TJJD facilities filled at 99%, two at 96%, one at 90%. TJJD is in a hiring position where there are offers made to fill every vacancy for August 1, and the time between hire and being in the door is three weeks. So TJJD is doing a lot of exceptional work to fill positions, but the delay is due to the fact that TJJD cannot fill a position until it is vacant, and TJJD cannot anticipate a vacancy. When the facilities closed last year, TJJD lost about 650 employees and placed about 150 through management-directed transfers. The agency implemented a hiring freeze through the summer. There were community meetings regarding the closures. The agency experienced some staff separations during that time, due to the workforce being nervous about upcoming closures. This is the problem with naming facilities ahead of time.

It was stated that turnover is not at 50%. It is averaging around 36%, which is up from last year. Last year, without the closures, turnover would have finished at 28%. It can be estimated how many JCOs will be lost at that turnover rate in order to then estimate the hiring that will be needed in advance, but this is difficult due to balancing new hires if someone chooses not to leave. If schedules can be maintained and overtime can be decreased, there will be fewer new staff training, thus more availability. There are a number of initiatives being worked on to implement strategies such as advanced hire, part-time, and hiring working retirees, in order to reduce the need for staff during new hire training.

Mike Mead asked why the attrition rate is so high. Ms. Wood responded that this is often due to employees finding better jobs and better pay, as well as uncertainty with scheduling and overtime. Mr. Mead commented that a training supervisor told him that after the 300 hours of training, about half of newly trained employees leave within the first six months. Ms. Wood replied that the numbers do not bear this out, and that many are JCO IVs who have been through training and progression. Ms. Wood

stated that approximately 25% are lost within the first six months, but it is not 50%. Mr. Mead asked if there was any way to lower the attrition rate and what steps can be taken. He further commented that 300 hours of training may be excessive. Chairman Fisher pointed out that 300 hours is legislatively mandated, and Ms. Wood confirmed this and stated that only a change in statute could change it. Ms. Wood further stated that there was an action plan in place last year that was being used extensively by youth services and was supported by human resources which reduced attrition down to 28%, which is the lowest the agency has seen in its history. Ms. Wood speculated that this year, with the closures and the shift of staff and youth, and with the influx of new hires, these new dynamics in the facilities have created the higher turnover.

Chairman Fisher suggested that the conversation move on at this point to cover the remaining information in the agenda.

### **Exceptional Item Summary**

Ms. Duarte presented a draft of 11 exceptional items.

The first two exceptional items relate to grants at the county level. The first relates to adding \$4 million to the funding for the Prevention and Intervention Grant Program, and the second item is a continuance of mental health services, which would be distributed through \$8 million in grants to county departments. Feedback from the Advisory Council was that they would like to see more funding for these two items, and they will submit their input by August 6.

The third item is additional juvenile correction officers (JCO) for safety and security in the aggressive youth programs, such as Redirect and First Responders. The fourth item relates to aftercare services for reentry skills development for family reunification. This item will have eight FTEs for a biennial cost of \$1.3 million. The fifth item is for the Office of the Independent Ombudsman. This is a continuation grant that they receive through the Governor's office for a biennial cost of less than \$300,000.

The sixth item is a capital request for repairs and rehabilitation for \$15.9 million. This item will be funded through general obligation bonds. Chairman Fisher asked for clarification regarding capital requests in the past. Ms. Duarte responded that there was no funding received in the FY2012 – FY2013 biennium although the agency requested \$10.1 million, but in FY2010 – FY2011, TJJJ requested almost \$48.1 million and received \$5.6 million. Chairman Fisher further clarified that these are requests and

are not guaranteed to be approved. Ms. Duarte stated that 60% of the \$15.9 million that TJJD is requesting is for life and safety repairs, and referred to details in the Board materials.

The seventh item is for the Kronos timekeeping system. This item was addressed in the June Board meeting, when approval was sought from the Board to proceed with requesting authority from the Comptroller's office and the LBB. Verbal approval was received from the Comptroller's office, but there has been no approval from the LBB as of yet.

The eighth item relates to a Juvenile Case Management System for a biennium cost of \$1.6 million. The ninth item is for additional funds for data center consolidation. This is the additional cost to move the former TJPC legacy servers to the data center system. The tenth item is to replace dental clinic equipment at several facilities.

The eleventh item is currently a placeholder. There is a possibility that central office staff will be relocating somewhere in the downtown capital complex, and this is a placeholder for when costs of that transition can be assessed. Discussion ensued regarding this possible relocation and the details of the move, including the relocation of servers; some would be relocated but most of them would be rebuilt at the Austin data center. A comment was made that the basement of the Travis Building is not an ideal location. Ms. Duarte stated that the details of this move were still being discussed and assessed. The likelihood that there will be a move in this biennium is remote. Most likely it would be for the following biennium.

Ms. Duarte asked for guidance in prioritizing these items and/or adding additional items. A comment was made that an item not mentioned may be a restoration of the amount that is reduced if there are cuts. Another comment was made that normally priority is given to the restoration of budget cuts, and other concerns are addressed after this. For example, the Prevention and Intervention Program is one of the proposed cuts, and the expansion of this program is one of the proposed exceptional items, so if it is cut it would have to be restored before it could be expanded.

Chairman Fisher asked Ms. Duarte to walk the Board through item eight, the JCMS item. There was an additional question concerning grants to the counties. This money would be for implementation at the county level for counties that adopt the system. It was reported that of the \$800,000 per year; \$300,000 for working with the Council on Urban Counties, the centralized functions of JCMS in mostly maintenance and implementation. The remaining \$500,000 a year would be grants to counties that are

ready to implement the program to hire temporary staff to help implementation, and buy additional equipment. The Board authorized in January to set aside \$750,000 to accelerate the rollout of JCMS. A comment was made that despite all this, TJJD still does not have the items it needs to report for detention, and that JCMS does not go far enough.

A comment was made that if it were better economic times, an item like this would include enhancements to the system in addition to implementation costs. A question was asked whether it is advantageous to have all counties join JCMS; it was acknowledged that all counties would then be able to talk to each other, but some counties are not going to implement the program, such as Harris County, so it's a limited benefit. The response was that this is part of the dilemma of JCMS; the original idea was that data could be passed from one entity to another seamlessly; when some counties do not implement, it makes the plan problematic. Harris and Bexar are both members of the Council of Urban Counties but did not opt for JCMS. The very largest districts generally have their own systems, but will need to find a way to integrate with the others, but there are costs related to that as well. The goals of JCMS will not be achieved until all the pieces are connected.

Chairman Fisher proposed that the Board come back to exceptional items to address priority.

### **Summary of Reference Materials**

Ms. Duarte presented reference materials given to the Board. The first was an average daily population summary for secure institutions, including planning totals with the existing six facilities and LBB projections as of 2012. TJJD is planning to have 1148 youth among the six facilities in FY2013, 1136 in FY2014 and 1084 in FY2015. Halfway houses: 218 for FY2013, and then down to 196 for the upcoming biennium. Contract capacity: 78 for the next fiscal year, and 77 or 78 for the next biennium. TJJD feels this will help achieve the LBB targets. In January of 2013, the LBB will publish new targets, and these populations will be adjusted accordingly.

A question was asked if TJJD populations are below the average, whether there should be some money available. Staff responded that some of the savings are used for items such as overtime and for other agency initiatives. There was no funding for Prevention Strategy, so \$1.5 million was transferred to that strategy. It was also stated that unspent funds are turned back to the state. In June of each year the Agency begins gathering year-end spending needs should the funding become available. That process is underway at this time.

There is a list of approximately a dozen items; one of the big items on this list relates to a potential payment to the FCC for a ten-year-old penalty of \$237,000. The agency is waiting for the LBB to approve the payment to FCC which will be paid out of year-end funds. A question was asked if there were items that could be funded now out of those excess funds. The response was that one-time expenses could be funded out of these excess amounts, but recurring expenses cannot; for example, funding for a new grant out of this year's excess funds cannot be dedicated. Startup costs for the Kronos project, if approved, will be funded from excess funds.

Also presented was a snapshot of state programs as of Monday, July 23, 2012. Total institutions' actual population is 1166, so TJJD is below the target of 1372. For halfway houses the target is 218, but actual population on July 23 was 161. The target for contract capacity is 125, and TJJD had 71 youth in contract programs on that day.

The staff directed the board to additional materials in the board packets including the LBB June 2012 projection report, and preliminary drafts of the agency's base request. These were in the Board's packets last month and there have been no changes since then.

The staff presented the agency's line items of appropriation. The total agency request for the upcoming biennium will be approximately \$660 million. Details were provided regarding different methods of financing for the \$660 million. The general revenue is \$300.7 million for each year of the biennium. This is the amount that is subject to the 10% cut. The agency is primarily funded with general revenue. Also referenced was the full-time equivalents for the agency, and a summary of the base request by object of expense. The two largest objects for the agency are salaries, and grants to the counties.

The final reference materials cited were the agency riders. The first rider is always the same and includes the agency's measures and targets. The second rider is the capital budget. The following riders are different riders that relate to reporting, limitations, and requirements. A question was asked regarding rider language text that is striked out. Staff responded that fiscal years are striked out to update them, and language that is no longer current is striked out as well. New items and language is underlined for LBB consideration.

Staff reported on the revised language to the JJAEP rider 13. Additional analysis determined the agency is able to pay \$86 per day up for JJAEP education days and stay within its current appropriation. The amount currently paid is \$79. It was reported there are some JJAEPs that are not fully occupied with

students. This particular program has never been fully funded. The counties and school districts are picking up a large amount of this level of funding.

Staff also referenced a new rider 38 related to allow the agency to manage the Parrie Haynes Ranch for the upcoming biennium. This rider would allow TJJD flexibility for the Board's consideration of the development of the long-term plan. It is a placeholder depending on the development of the plan. If it is determined that this is not necessary, it can be withdrawn. It allows the Board to use agency staff to carry out the management of the property to whatever degree deemed necessary.

The deletion of rider 34 related to executive salaries is also proposed since it is no longer necessary.

### **Discussion Regarding Budget Cuts**

After a brief break, Chairman Fisher called for discussion regarding the \$60 million reduction and any specific questions related to the eight proposed options. Chairman Fisher stated that decisions did not have to be made at this time, but that decisions will have to be made at the next Board meeting in August. Ms. Duarte stated that the list could be brought back to the Board in August, perhaps with more information included. Chairman Fisher called for discussion regarding what the Board would like to see that would help the decision-making process.

A comment was made that closing facilities mean big numbers and that there may need to be some closures included in order to reach the numbers required. There was a concern about commitment numbers continuing to be expected to decrease. Chairman Fisher stated that he thinks the danger is that the state is counting on the fact that commitment numbers will remain the lowest they've ever been and will continue to decrease, when that may not be the case in reality. The question is whether this is a reasonable assumption to make, since once a facility is closed capacity is eliminated. A request was made for some expanded information regarding this to be included to assist in making these decisions.

Chairman Fisher further stated that the Board would need information on capacity utilization at current facilities; for example, what is the total potential capacity at Gainesville as it exists versus what capacity is being actually utilized now. Additionally, where does the potential exist for unused capacity for future expansion if necessary.

In the past the agency has had as a goal to have commitments made to facilities as close to the home of the youth as possible. With the closure of three units last year and two units before that, the possibility

for that has been eliminated. If another facility is closed, then any hope for commitments to be close to the home of the youth is no longer possible. One proposal has been for fewer facilities with targeted areas of specialization in those facilities, resulting in cost efficiency because programs would not have to be replicated in multiple facilities. It was suggested that this compartmentalization might be helpful, though 60% of commitments have mental health issues and needs, so there will be mental health needs in every facility. But in terms of capital offenders, violent crime, sex offender, and substance abuse programs, it may be more possible to compartmentalize. Ms. Duarte offered to present information on the different programs offered in each facility. Chairman Fisher further requested a breakdown the percentages of youth in the facilities who are utilizing these programs.

Another request was for some opinions from the staff to help the Board understand their perspective, as well as a staff recommendation with several different combinations that reach the \$60 million target. Chairman Fisher also encouraged the staff to get this information to the Board as soon as possible. Ms. McKeever suggested using a similar model they implemented with the Strategic Plan by submitting these requested materials via electronic folder.

Ms. King requested that language be developed regarding the rider that discusses commitment levels in the counties. Currently if the state exceeds the target, then counties have to bring back to the state \$51,100, for every youth, but there is no incentive for counties to keep that number low. Ms. Duarte stated that they could suggest some language to be included in the rider to that effect.

### **Prioritizing of Exceptional Items**

There are 11 exceptional items listed, though there will ultimately be 12 items, as the first item could be a request for the restoration of cut funds. Chairman Fisher asked Ms. Duarte what the success rate has been for exceptional items in the past. In the FY2012 – FY2013 biennium, there were six exceptional items listed, and none were approved.

Ms. McKeever suggested that working from the bottom up for priorities may be helpful. Capital budget requests are typically low on the list because it is a request for bond funding, considered through a different stream of decision making. Therefore it can be further down the list – not because it is of less importance, but because it's in a different category. Chairman Fisher stated that this was an issue of fiscal prudence in the area of maintaining facilities, and that it would be helpful to see an assessment of where the agency is on maintenance in order to prioritize needs.

A comment was made regarding the Independent Ombudsman. The Board does not vet these requests and therefore it's difficult to prioritize them in the TJJD list. It was suggested that it be the last item. The Independent Ombudsman does not report to the TJJD board or agency in the sense of oversight; they are completely independent and report to the Governor's Office. For budgetary purposes, their budget is included in the TJJD budget, but for the purpose of independence, the board is not involved.

A comment was made that there's a need to prioritize so as to prevent situations where bigger numbers end up being lower on the list and therefore not considered. Choosing the top three priority items carefully is critical. It is not unusual that the list of identified needs works with the reduction; i.e., the reduction may be lowered to accommodate the two or three highest priority needs.

A question was asked regarding clarification on the 107 full-time equivalent positions difference between 2012 and 2013. These are primarily JCOs. The fiscal year 2012 is the estimated number of FTEs by years end, but these are estimated actuals for fiscal year 2012. It was requested that this be explained better in the materials. The authorized FTE cap for 2012 is 3144.7. The authorized FTE cap for 2013 is 3060.9. The FTEs that the Agency could afford with the appropriated salary amounts was approximately 2700; that's why 2797 is projected for fiscal year 2013. There were appropriated FTEs that were not able to be funded. The total salaries for 3141.7 FTEs was not realistic. A more viable FTE number was 2797. When the Agency was cut \$117 million, the FTEs were not cut accordingly.

Chairman Fisher asked a question regarding the dental equipment item. This is to replace equipment such as dental chairs and x-ray machines in existing dental clinics in the facilities. This is a comparatively small item that could be managed with year-end funds, and Chairman Fisher suggested staff pursue this option.

It was suggested that data center consolidation be folded into moving costs should the decision be made to relocate. If the relocation plan is adopted, those two items become connected. They are still capital expenditures, but they would be necessary if the move is approved. If the move plan is not adopted, the data center consolidation project is still necessary but would stand alone.

A comment was made that safety and security has been a big focus this fiscal year and will probably continue to be important for the support of rehabilitation programs. It was proposed that item 3 be made first priority. It was suggested that second priority be given to capital repairs and rehabilitation, since ultimately failure to maintain properties will be problematic.

During the development of the strategic plan, the need for mental health services was a strong focus of discussion. There is a placeholder of \$4 million for this, but no plan in place at the moment to sell this. The Advisory Council gave feedback that this number is probably too little, and Ms. Duarte asked the Board for their thoughts. This is a county initiative to expand state funded subsidies for mental health services at the county level. The details behind this are similar to two other attempts in previous bienniums. Those attempts called for a paid mental health professional in each secure facility in each county, and one in each urban county central office, which would be roughly 55 mental health professionals at \$55,000/yr base salaries, not including benefits. With a 30% benefits package, the average comes out to approximately \$80,000, which would exceed the \$4 million. A question was asked regarding the definition of mental health professional. This level of funding would be sent to the county, and it would be up to them as to whether they wanted to hire a full-time or part-time professional, whether to outsource or have the person be part of the staff, etc. Some add to this fund with their own money to supplement salaries.

A comment was made that while this is a small amount of funds, there are many youth in facilities with mental health issues. If there was a way to set up a pilot treatment program where each regional association had access to a mental health facility, this would be a wonderful step. Right now there isn't much in terms of services available. Some facilities can manage with a part-time mental health professional, but cost of medications is an issue, as well as a full-time nurse. Since the item takes a long time to explain, it may not be suited to be in the top three priorities, especially since this item does not have a strong plan in place to support it at this time. Ms. Duarte anticipates some feedback from the Advisory Council on this by August 6, and that information can be forwarded to the Board.

Chairman Fisher asked Ms. Duarte about her opinions on the JCMS item. Ms. Duarte responded that it has been pursued very aggressively, and responded to a further question that there is, in the baseline, \$750,000 dollars per year from JCMS currently, and that the Agency committed another \$750,000 for this fiscal year to establish a much more aggressive implementation schedule. The exceptional item listed calls for an additional \$1.6 million on top of that.

Chairman Fisher stated that the discussion so far seemed to indicate that exceptional item 3 should be first priority, item 6 should be second priority, and the question is between items 7 and 8 for third priority. Ms. Duarte stated that she hopes to be able to say in August that they will withdraw item 7 if there is a response from the LBB, and in that case the JCMS item 8 will be third priority. A comment was

made that regarding item 1, there is a lot of funding in different places that could potentially be relocated towards this item, depending on legislative intent. Ms. Duarte stated that it was understood that the LBB has a study underway to analyze the money related to prevention across all state agencies, and potential options for consolidating it, as well as the risks and benefits of doing so. Chairman Fisher stated that the mental health services issue is much more of a stated need than item 1, but that there needs to a plan for guidelines for a pilot project where counties may apply for a grant and be granted money on certain criteria.

A question was asked regarding the customer survey. Mental health issues were extremely high in the results from this survey. The suggestion was made that this could substantiate making that item a priority, and that it may be helpful to see what kind of information is provided from the Advisory Council before a solid recommendation is made. Chairman Fisher reiterated that what's being funded needs to be clearly defined in that item, particularly what is meant by mental health professional, and whether it would be a 100% funded or a matching grant where the county will be expected to fund a percentage. A comment was made that these issues are also related to the Mental Health Contracts Management (MHMR) cutting services due to being underfunded, and it was suggested that this be relayed to the LBB. A comment was made that it would be interesting to see how many commitments are at Corsicana because there was no other mental health resource available to the county. A question was asked regarding whether all the programs have been funded. 24 have been funded.

### **Adjourn**

The meeting was adjourned.