



Texas Juvenile Justice Department

Board Meeting

11209 Metric Blvd., Austin, Texas 78757

Friday, July 26, 2013 – 9:00 a.m.

BOARD MEMBERS PRESENT:

Scott W. Fisher, Board Chairman
The Honorable John Brieden III
Jane Anderson King
The Honorable Jimmy Smith

Melissa Weiss
The Honorable Carol Bush
Scott Matthew
Becky Gregory

BOARD MEMBERS ABSENT:

Calvin Stephens
Dr. Rene Olvera
The Honorable Laura Parker

EXECUTIVE STAFF PRESENT:

Mike Griffiths, Executive Director
Jim Hurley, Communications Manager
Elaine Mays, Chief Technology Officer
Amy Lopez, Senior Director of Education Services
Debbie Unruh, Chief Ombudsman
Lisa Capers, Senior Director of Administration & Training
Teresa Stroud, Senior Director of State Programs & Facilities
James Williams, Senior Director of Probation & Community Services
Jeannette Cantu, Executive Assistant

Linda Brooke, Chief of Staff
Brett Bray, General Counsel
Dr. Rajendra Parikh, Medical Director
Eleazar Garcia, Chief Internal Auditor
Roland Luna, Chief Inspector General

OTHER GUESTS PRESENT:

Sherri Short, Navarro College
Estela Medina, Travis CO JPD
Aris Johnson, Gregg CO JPD
Doug Vance, Brazos CO Juvenile Services
Susan Humphrey, Bell CO JPD
Ron Quiros, Guadalupe CO JPD
Jason Steele, Senator Birdwell Staff
Kris Johnson, Comal County
Kimberly Schmid, Lt. Governor Staff
Jesse C. Murillo, TJDA
Randy Turner, Tarrant CO Juvenile Services
Kenneth Ming, TJJD
Kevin DuBose, TJJD
Terri Dollar, TJJD

Lauren Rose, Texans Care
Art Hinojosa, TJJD
Karol Davidson, TJJD
Lesly Jacobs, TJJD
Deidre Hernandez, TJJD
Kavita Gupta, TJJD
Vanessa Burgess, TJJD
Connie Simon, TJJD
Katrena Plummer, TJJD
Camilla Cannon, TJJD
Melanie Cleveland, TJJD

Call to Order

Chairman Fisher called the meeting to order at 9:00 a.m. A quorum was present.

Prayer

TJJJD Employee Abraham Lopez led the opening prayer.

Pledge

All present recited the Pledge of Allegiance.

Excuse Absences

Mr. Smith moved to excuse the absence of Dr. Olvera, Judge Parker and Mr. Stephens. Mr. Brown seconded. The motion passed unanimously.

Public Comments

There were no public comments.

May 31, 2013 Board Meeting Minutes

Chairman Fisher noted that Ms. Gregory and Mr. Matthew should be added to the board member list for attending the May 31 meeting. Ms. King moved to approve the amended minutes. Judge Bush seconded. The motion passed unanimously.

Report from the Chairman

A public meeting was held July 15 regarding closing of the Corsicana facility. There was a large attendance from the Corsicana community, including Senator Birdwell and Representative Cook. The agency must submit a plan for closure to Legislative Budget Board by Sept. 1. Decisions for facility closure will be discussed later in the agenda.

Report from the Executive Director

Mike Griffiths, Executive Director, talked about the agency's path and what the agency is doing in terms of change. He reported on the progress of the treatment task force to look at the behavior management system, treatment redesign and accountability for youth.

Mr. Williams, Senior Director of Probation and Community Services, has been working on the Parole Division redesign and how the agency will provide parole services consistently across the state, perform

accurate assessments, tailoring conditions of parole to fit each youth and creating a new release system including a 45 day furlough program.

Ms. Stroud, Senior Director of State Programs and Facilities, has been working on finding the right facility for each youth, and leveling facilities census. The agency is working on lowering the census of each facility to appropriate staffing levels. The Gainesville and Giddings facilities will be directly impacted by this change.

Ms. Lopez, Senior Director of Education Services, has been working on career academies, providing youth with life skills and getting them college or career bound. Three campuses will be piloted for the career academy. In addition, we're creating a weekend supplemental educational program. The Positive Behavioral Intervention System (PBIS) is a legislatively mandated behavior management program for education that we are implementing campus wide.

The agency is looking at repurposing our halfway houses to create specialized programs similar to that of McFadden Ranch, who has the best outcomes of all TJJD halfway houses.

The agency's budget was reduced by \$3 million that directly affects the orientation and assessment (O&A) strategy which necessitates TJJD to do something differently with incoming youth. We plan to move the O&A assessment of male youth from the Mart facility to the Ron Jackson facility.

Mr. Griffiths complimented staff for hosting a visit and tour for the Korean Delegation at the request of Senator Whitmire. Their focus was on seeing the structure and design of our facilities, state and county. They were very impressed.

Mr. Griffiths asked for direction from the board on Senate Bill 1297, which allows new forms of communication by boards and commissions by using an electronic message board. If the board chooses, staff can begin looking into the costs and technical aspects of implementation.

In response to a question by Ms. Mendoza, Mr. Griffiths stated PBIS has been implemented at all the campuses and has proven to be effective. Further discussion on PBIS and career academies followed.

Independent Ombudsman Comments

Ms. Unruh, Chief Ombudsman, stated there are many things going on at TJJD that distract from the day to day operations of dealing with youth. Many people, including legislators, county/city officials, and the general public look at the business of an agency and not the purpose of the agency. Many times this causes the purpose to become lost.

With all the looming uncertainty and constant change, the Office of the Independent Ombudsman (OIO) remains focused on any indication of emerging issues that could be brought on by constant change. During the last year there has been new leadership in almost every division within this agency. With new leadership come changes in operations of that division including how and what data is reported. In addition to visiting facilities and talking to kids; the OIO diligently looks at data for trends and drastic changes. When there is an indication that there is a significant change in the data, we first look for what has changed in the process that may have changed the output. Based on the information that is reported to us, the OIO has not seen any trends that would indicate there has been an increase in the violence and disruptions in facilities. This is not to say everything is running smooth but there has been a trend of progress.

There are hundreds and hundreds of youth who are dependent on this agency for the very basics for survival. Many of these youth are lacking the tools to thrive. The agency once again is going through a tumultuous time and has to make tough decisions. These decisions will impact many communities, families, and employees in addition to the kids. I sincerely hope that at the end of the day the powers that be remember TJJD is about the kids, their safety, treatment and future. After it is all said and done these kids are coming home to our communities to be our neighbors.

Report from the Inspector General

Mr. Luna's, Inspector General, report included data through June 2013, including incident reporting center reports, criminal investigations opened and closed, criminal investigations submitted for prosecution, active directives to apprehend issued and total apprehensions. He provided a breakdown of the investigation process, improvements in the process, and continued staff training.

In response to a question by Ms. Mendoza, Mr. Luna attributed the reduction of investigation days to process improvements.

Report from the Advisory Council

Estela Medina, Chair of the Advisory Council, reported the council last met July 11. She identified and provided updates on three ongoing initiatives and priority areas for the council: standards, funding distribution and appropriations, and parole services. The next council meeting is scheduled for September 19.

Ms. Weiss commented about how integral the advisory council has become in providing information to the board.

Finance and Audit Committee Report

Judge Brieden discussed the administrative cuts made by the Legislature. Agenda items 14-26 are items the committee discussed yesterday and on the agenda for board consideration today.

Decisions for Continuing Facility Operations, Closure and Accommodating Displaced Youth from Facility Closure

Mr. Griffiths recommended tabling this item until the August 30 meeting to allow the agency and the board additional time to consider the public testimony from the public hearing held July 15.

Mr. Brown moved to table this item. Ms. Mendoza seconded. The motion passed unanimously.

Decisions for Continuing Halfway House Operations and Realignment

Mr. Griffiths discussed the financial weight in regard to significant reductions in the Halfway House appropriation strategy and declining halfway house census. The closures recommended are Turman House in Austin and Beto House in McAllen. He explained the forethought, discussion and reasoning for these proposed closures. Also being recommended is a conversion of the state residence home on the Ron Jackson complex to a halfway house for females and a conversion of the Willoughby house in Ft. Worth for males.

Judge Bush asked about the employee response to these closures. Mr. Griffiths said some are excited and some are not, but every attempt will be made for placement of displaced staff into vacant positions. Mr. Griffiths indicated he will reach out to the Chiefs at the probation departments and ask them to consider our displaced staff for positions in their county probation departments. Chairman Fisher acknowledged the tough decisions being needed for closed facilities but stated it has to be done due to the agency's reduced budget. In response to a question by Ms. Mendoza, Mr. Griffiths stated depending on the

resident's status in the program, they could be moved into other programs to fit their specific needs and some maybe be eligible for parole in our new furlough status system. Judge Brieden moved to approve the staff recommendation. Mr. Smith seconded. The motion passed unanimously.

Ms. Weiss and other board members thanked Mr. Griffiths and the staff for the way they have faced these difficult decisions.

New and renewal contracts exceeding \$500,000.00

Mr. Ming, Director of Business Operations and Contracts, presented a new contract, one year contract renewals and a contract extension all exceeding \$500,000. Discussion ensued regarding UTMB's contract being extended 120 days, the new contract for State Office of Risk Management and the Gulf Coast Trade Center's renewal. Mr. Matthew moved approve the resolution for authorization to approve new and renewal contracts exceeding \$500,000. Ms. King seconded. The motion passed unanimously.

Mental Health Funding Allocation Recommendation

Mr. Griffiths introduced Mike Meyer, Chief Financial Officer. Mr. Meyer reported staff worked with the Advisory Council to develop a fair and reasonable allocation for mental health funds. The resolution before the board is to adopt the staff recommendation: dividing the total pool of \$12.8 million per year into two categories. Tier 1 is the expansion funds, \$7.6 million, and Tier 2, existing funds reallocated from other probationary strategies. Mr. Meyer explained the formulas for allocating funds to these tiers. Judge Bush moved approve the resolution for authorization to approve the distribution methodology for the mental health grant. Ms. Mendoza seconded. The motion passed unanimously.

Commitment Diversion Program

Mr. Meyer reported during the 83rd Regular Legislative Session, TJJJ was appropriated funds to continue commitment diversion initiatives through an existing grant, Grant C. TJJJ was appropriated \$19,846,054 for fiscal year 2014 and \$19,846,054 for fiscal year 2015. The Advisory Council and TJJJ staff proposes applying the same formula used in the current biennium to distribute FY 2014-2015 funds. Under this methodology, all departments who currently receive Grant C would continue to receive the same amount in FY 2014-2015. Three departments who previously did not participate in this program have requested Grant C funding in the FY 2014-2015 biennium. In order to maintain current funding levels for all other departments, TJJJ staff recommends shifting \$50,000 per year to Grant C from other grant strategies within Goal A.

He reported this program has been highly successful in reducing commitments to state institutions. In an effort to continue progress made under this program, staff also recommends the statewide commitment target of 925 for FY14-15. There was discussion on regional allotments and projecting commitment targets. Ms. King moved to approve the distribution methodology commitment diversion grant and commitment targets. Ms. Weiss seconded. The motion passed unanimously.

State Financial Assistance Allocation Recommendation

Mr. Meyer reported appropriations to TJJJ for FY 2014 support total formula funding of approximately \$106.9 million through the State Financial Assistance program (Grant A), with another \$1.75 million reserved for supplements and emergent needs, for a total of \$108.6 million. This is a decrease of approximately \$5.2 million from FY 2012. This decrease is the result of legislative action to reallocate \$5.2 million per year in existing Grant A dollars, combined with new funding, into a new budgetary strategy exclusively for mental health services. When combined, Grant A and mental health funding total \$121.4 million, which is an increase of \$7.6 million over the FY 2012 Grant A amount.

The distribution of the \$106.9 million available for formula funding under Grant A for FY 2014 was determined based on the same formula used for the FY 2012-2013 biennium, updated with new population estimates and referral data. While Grant A amounts decreased in dollar terms for all counties, each county's *proportional* allocation of available formula funding was virtually unchanged. Also, when reallocated and new mental health dollars are considered, the vast majority of counties saw an increase in funding. The \$1.75 million reserved for supplements and emergent needs in Grant A will be allocated through a prioritization process that is still under development and will be presented to the Advisory Council and Board at a later date. Discussion ensued regarding the decrease in the legislative allocation for state financial assistance and mental health funding.

Ms. Mendoza moved to approve the resolution for authorization to approve the distribution methodology for the state financial assistance grant. Mr. Matthew seconded. The motion passed unanimously.

Proposed Plan for the Implementation of ProjectONE/CAPPS Enterprise Resource Planning System

Mr. Meyer reported TJJJD is required to implement the ProjectONE/CAPPS system, an accounting/finance system separate from HR system, in the 2014-15 biennium. This will provide a great benefit to the agency by allowing the agency to unify one system and create some efficiencies as opposed to operating two legacy systems that can't actually communicate with each other. Total implementation costs are estimated at \$1.6 million, but no appropriations were made. The agency requested approval from the Governor's office and the LBB to spend up to \$1.18 million out of available 2013 funds. While that approval is pending, it has been met with favorable responses. The staff recommendation is to begin implementation in the current year, using existing funds. Ms. King moved to approve the resolution for authorization to approve the implementation of the ProjectONE/CAPPS Enterprise Resource Planning System (CAPPS) in the 2014-2015 biennium. Ms. Weiss seconded. The motion passed unanimously.

John C. Wende and Parrie Haynes Trust Fund FY 2014 Budget

Mr. Meyer stated these two trusts are administered by the TJJJD Board to provide educational support to eligible youth and young parents. The FY 2014 requested budget for the John C. Wende Trust Fund is \$164,500. The FY 2014 requested budget for the Parrie Haynes Trust Fund is \$50,000 which was revised to include an additional \$5000 for any miscellaneous expenses, including property signage. Staff requests approval of the proposed budget for both trusts as shown in the provided packet and handout. Mr. Brown moved to approve the proposed budgets. Mr. Matthew seconded. The motion passed unanimously.

John C. Wende and Parrie Haynes Trust Fund Investment Policy

Mr. Meyer explained the investment of John C. Wende and Parrie Haynes Trust funds is governed by the wills creating the trusts, applicable statutory authority, and common law trust provisions. Outside investment consultation may be obtained when in the interest of the trusts. The investment officer is required to exercise prudence in the investment of funds, not for speculation, but for preservation and safety of principal, liquidity and yield investment objectives. In order to meet these objectives, diversity of investments is limited to the following authorized investments such as Certificates of Deposit or other fully insured securities and U.S. Treasury Notes or other federal issues. Bids for certificates of deposit may be solicited orally, in writing, electronically, or in any combination of these methods. Judge Brieden moved to approve the investment policy, and Mr. Brown seconded. The motion carried.

Agenda Item 23 – John C. Wende and Parrie Haynes Trust Fund Investment Strategy

Mr. Meyer stated the John C. Wende Trust budget for Fiscal Year 2014 contains expenditure projections that exceed the revenues for the next fiscal year. The Parrie Haynes Trust budget for FY 2014 contains expenditure projections that do not exceed the revenues for the next fiscal year. For the John C. Wende Trust, available cash balances at August 31, 2013, in addition to the next fiscal year revenues, will be sufficient to support the projected expenditures for Fiscal Year 2014.

The John C. Wende and Parrie Haynes Trust have additional funds invested in Certificates of Deposit that maintain a short to mid-term investment position for liquidity. A short to mid-term investment position is recommended for an improved opportunity to generate higher interest income in the future.

In order to maintain safety of principal, each Certificate of Deposit must be maintained in a different financial institution at a level not to exceed \$250,000 to ensure total Federal Deposit Insurance Corporation or National Credit Union Share Insurance Fund coverage. The John C. Wende and Parrie Haynes Trust additional funds are invested in Certificates of Deposit having maturity dates of twelve months. Ms. Mendoza moved to approve the investment strategy for the John C. Wende and Parrie Haynes Trust. Ms. Weiss seconded. The motion passed unanimously.

Acknowledgement of Gifts

Mr. Meyer reported The Hartnett Foundation donated \$7500 towards upgrading and installing an irrigation system on land the youth currently use for different physical activities at McFadden Ranch. Ms. King moved to approve the resolution for acknowledging acceptance of this gift. Mr. Smith seconded. The motion passed unanimously. Chair Fisher expressed his appreciation towards all the volunteers and money donated and raised at the facilities.

Audit of Due Process Hearings

Mr. Garcia, Chief Internal Auditor, reported the audit covered controls of level II and III due process hearings. Level II relates to the disposition of major rule violations. Level III relates to admission to the security unit. The audit included visits to four facilities and identified the need to improve the monitoring and tracking of hearings and related documentation, as well as a technology concern about the data dictionary. Management concurred with the findings and will be forming a work group to address the audit recommendations.

Judge Brieden elaborated on setting up a task force to consider current rules and how they impact the kids but to also make them more realistic. Judge Brieden moved to approve the audit. Ms. King seconded. The motion passed unanimously.

Discussion and Possible Approval to Publish Proposed New Texas Administrative Code Chapter 355 (relating to Non-Secure Correctional Facilities) in the *Texas Register* for a 30-day Public Comment Period

Mr. Williams discussed changes to this rule included: the definition of a non-secure facility, the ratios and certification of the YAS. Ms. Weiss commented on the process and the work done by the Advisory Council. Mr. Bray also made some comments and introduced attorney Kavita Gupta, who worked with Mr. Williams on the rule change. Mr. Matthew moved to approve the resolution for authorization to submit new Texas Administrative Code title 37, chapter 355, relating to non-secure correctional facilities, for publication in the *Texas Register* for a 30-day public comment period

Mr. Brown seconded. The motion passed unanimously.

Agenda Item 27 – Report on Proposal to Repeal 37 TAC Chapter 346, Relating to Funding Formulas

Ms. Buchholtz, Deputy General Counsel, stated Senate Bill 653 removed the requirement for the TJJD to adopt rules that establish funding formulas for allocating state aid to local juvenile probation departments. Accordingly, TJJD staff proposes to repeal Texas Administrative Code Chapter 346. Repealing Chapter 346 will allow the TJJD Board more flexibility in developing formulas to distribute county funding. Flexibility is needed to appropriately accommodate the specific appropriation pattern enacted during each legislative session and to implement the funding formulas after the appropriations bill is signed but before the beginning of the state fiscal year. The decision for the funding formula will still be made by the board with input from the counties, but this will clean up the process and remove it from rulemaking. No action is needed at the time, this item was for informational purposes.

Agenda Item 28 – Review, Discussion, and Possible Action Regarding the Travis County Juvenile Board Application for Permanent Variance for Title 37 Texas Administrative Code Section 343.634 Related to Requirements for Levels of Resident Supervision in Multiple Occupancy Housing Units

Mr. Griffiths recommended this item be tabled. Ms. King moved to table this item. Ms. Weiss seconded. The motion passed unanimously.

Agenda Item 29 – Discipline of Certified Officers – Default Judgment Orders

- a. John Bailey, DH No. 13-19756-130033
- b. Michael Arguellas, DH No. 13-24549-120368
- c. Chris Brown, DH No. 13-25695
- d. Rafael Figueroa, DH No. 13-25734-120359
- e. Timothy Dunn, DH No. 13-25754-120375

Mr. Brown said that items 29 and 30 were discussed in the Safety and Security Committee meeting. Proper notice was given to the employees (a-e) and no required answer has been filed. Mr. Brown moved to approve the default judgment orders for these five employees. Ms. King abstained from the vote on c., Chris Brown. Mr. Smith seconded. The motion passed unanimously. Mr. Brown moved to approve items a.-b. and d.-e. Ms. King seconded. The motion passed unanimously.

Agenda Item 30 – Discipline of Certified Officer – Agreed Orders

- a. Alan Galvan, DH No. 13-26894
- b. Louie McClain, DH No. 13-24649

Mr. Brown reported this item was discussed in the Safety and Security Committee meeting. The parties are in agreement on the discipline. Mr. Brown moved to approve the agreed orders for items a. and b. Judge Bush seconded. The motion passed unanimously.

Closed Session – Executive Session

The Board recessed at 11:14am and reconvened in closed session at 11:20 a.m.

Reconvene in open session, discussion and possible action regarding matters deliberated in closed Executive Session

The Board reconvened in open session at 12:12 p.m. Chairman Fisher reported there were no matters discussed in closed session requiring action.

Adjourn

The meeting was adjourned at 12:12 p.m.