

SUBJECT: Continuing the Texas Youth Commission

COMMITTEE: Corrections — committee substitute recommended

VOTE: 8 ayes — Hightower, Allen, Alexander, Farrar, Gray, Hupp, Marchant,
Serna

0 nays

1 absent — Edwards

WITNESSES: For — None

Against — None

On — Steve Robinson, Texas Youth Commission; Jay Schmidt and Ken
Levine, Sunset Commission

BACKGROUND : The Texas Youth Commission was created in 1949 as the Texas Youth
Development Council to help communities develop child services for
dependent and neglected youth and to administer the state's youth
correctional facilities. In 1957, the Legislature renamed the agency the
Texas Youth Council and authorized it to provide parole services in an effort
to furnish extended correctional services to delinquent youth. In 1983, the
Texas Youth Commission (TYC) received its current name. By that time,
the agency had been relieved of all programs for dependent and neglected
children.

Under the Family Code, the TYC has responsibility for providing care,
custody and control of youths aged 10 through 21 who have been referred
by juvenile courts for engaging in delinquent conduct. The TYC operates
secure institutions, halfway houses, and aftercare programs, and contracts
with private providers for professional services. The TYC has four strategic
goals in carrying out its functions: protecting the public by housing violent
and seriously delinquent youth, offering basic educational and vocational
instruction to youth in its facilities, providing rehabilitation through
treatment programs and parole services designed to prevent delinquent
youth from reentering the juvenile justice system, and preventing

delinquency by disseminating information and encouraging community involvement.

The TYC is governed by a six-member commission appointed by the governor with Senate consent to staggered six-year terms. It is funded primarily by general revenue, but also receives funding through general obligation bonds, interagency contracts, federal funds and appropriated receipts. The TYC had a budget of \$167,494,560 and a staff of 2,372.5 employees for fiscal year 1996. Funding for the fiscal 1996-1997 biennium is approximately \$305 million.

The TYC is subject to the Sunset Act and underwent Sunset Advisory Commission review during the interim. It will be abolished on September 1, 1997, unless continued by the Legislature.

DIGEST:

CSHB 2074 would continue the TYC until September 1, 2009, and implement several Sunset Commission recommendations.

The bill would mandate that TYC contracts for the purchase of services to juvenile offenders in its residential programs contain specific performance standards. The contracts would have to include clearly defined goals, outputs, and measurable outcomes related directly to program objectives; clearly defined sanctions or penalties for failure to comply with or perform contract terms or conditions; and clearly specified accounting, reporting and auditing requirements applicable to money received under the contract.

The TYC also would have to establish a formal program for monitoring these contracts. The monitoring program would have to track compliance with financial and performance requirements using a risk assessment methodology and obtain and evaluate program cost information to ensure that all expenses, including administrative costs, were reasonable and necessary to achieve program objectives.

The TYC would be required to apply for Medicaid benefits for eligible youths in its programs if the application would help reduce its health care costs.

CSHB 2074 also would require the TYC to maintain information on complaints filed with the agency. For written complaints filed by a child receiving TYC services or the child's parent or guardian, the agency would have to keep information on the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and the period of time between the date the complaint was received and the date the complaint was closed. For written complaints filed by other persons, the TYC would have to keep additional information, including the date the complaint was received, the name of the complainant, and a record of all persons contacted in relation to the complaint. For complaints on which it took no action, the agency would be required to retain an explanation of the reason the complaint was closed and to provide to the person filing the complaint and the persons or entities being complained about information regarding its complaint investigation and resolution policies and procedures.

The bill would update or add to the TYC's enabling statute standard sunset provisions addressing:

- development of an equal employment policy, a career ladder, and a system of annual employee performance evaluations;
- conflicts of interest;
- board member appointment, training, and removal;
- gubernatorial designation of the board chairman;
- accessibility to programs and facilities;
- annual financial reports;
- information on qualifications and standards of conduct to board members and employees;
- separation of policymaking and management responsibilities; and
- public testimony at board meetings.

The bill would take effect September 1, 1997.

**SUPPORTERS
SAY:**

CSHB 2074 would continue a necessary agency and enhance its operations by improving its contracting procedures. The TYC contracts for a significant amount of services, such as residential care and professional and parole services. The bill would correct certain problematic areas in current procedures by requiring more specificity in contracts regarding goals, outputs, penalties, and accounting and reporting requirements. In addition,

the bill would increase TYC monitoring of its contracts. These provisions would improve the services the TYC receives from its contractors and, in turn, the services that Texas receives from the TYC.

The bill would save money for the TYC and the state by requiring the TYC to apply for Medicaid benefits for eligible youths in its programs when it would be cost effective to do so.

Because of financial concerns, CSHB 2074 would not implement a Sunset Commission recommendation that the TYC jointly establish with the Texas Juvenile Probation Commission (TJPC) county pilot programs that would pool state and local funds to provide services to children within an area's juvenile justice system. Funding for such programs would have come entirely from the TYC, which currently lacks the necessary resources.

Adopting the Sunset Commission's across-the-board provisions would provide consistency among state agencies by standardizing in statute many operational procedures and requirements. The equal opportunity provision simply would require a policy statement that includes an analysis of the commission's workforce, procedures to determine underuse in the workforce and reasonable methods to address areas of underuse. CSHB 2074 would not impose hiring requirements but merely an analysis and policy statement based on federal and state equal opportunity guidelines.

**OPPONENTS
SAY:**

CSHB 2074 should implement the Sunset Commission recommendation for the TYC and the Texas Juvenile Probation Commission to jointly establish county pilot programs. These programs would strengthen early intervention efforts at the local level and reduce the number of juvenile offenders that end up incarcerated in juvenile facilities.

**OTHER
OPPONENTS
SAY:**

The provision requiring the executor director or a designee to prepare a written policy statement "to assure implementation of a program of equal opportunity" and include procedures for determining "the extent of underuse in the commission's workforce of all persons of whom federal or state guidelines encourage a more equitable balance" is vague. It would unwisely go beyond what is required by state and federal employment regulations.

NOTES:

The committee substitute deleted the requirement that the TYC jointly

establish with the TJPC the county pilot programs recommended by the Sunset Advisory Commission.

The companion bill, SB 363 by Brown, has been referred to the Senate Criminal Justice Committee.