

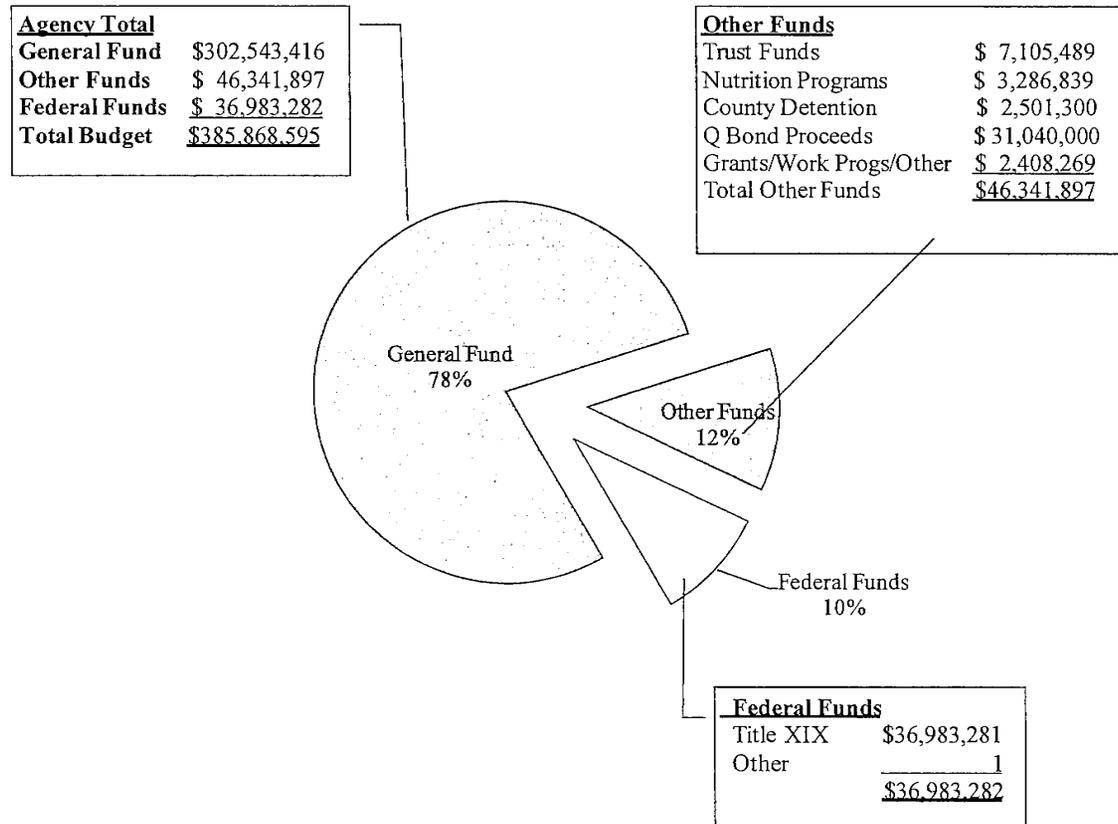
Revenue

# 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 Agency Request 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 funding. The blended Medicaid match rate used for 2013-15 Agency Request 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 \$3,286,839 based on the eligible percentage of forecasted OYA youth offender population and the estimated reimbursement rates. Alcohol and Drug Prevention funds of \$103,580 come from the DHS 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 Agency Request Budget includes other funds limitation youth work programs for 2013-15.

The Agency Request Budget includes a policy option package requesting \$31,040,000 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 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 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 Rec. Budget	2013-15 Leg Adopted Budget
<b>Other Funds</b>						
Non-business Lic. and Fees	6,300	-	-	-	-	-
Charges for Services	27,597	173,890	173,890	177,841	-	-
Care of State Wards	6,089,686	5,702,375	5,702,375	7,105,489	-	-
Rents and Royalties	28,965	25,280	25,280	25,280	-	-
General Fund Obligation Bonds	26,353	-	-	31,040,000	-	-
Sales Income	698,430	905,000	905,000	905,000	-	-
Donations	107,770	103,580	103,580	103,580	-	-
Other Revenues	569,074	2,947,831	2,947,831	3,178,624	-	-
Tsfr From Education, Dept of	2,654,336	2,914,855	2,914,855	3,286,839	-	-
<b>Total Other Funds</b>	<b>\$10,208,511</b>	<b>\$12,772,811</b>	<b>\$12,772,811</b>	<b>\$45,822,653</b>	-	-
<b>Federal Funds</b>						
Federal Funds	28,624,903	31,107,231	31,107,231	36,983,281	-	-
<b>Total Federal Funds</b>	<b>\$28,624,903</b>	<b>\$31,107,231</b>	<b>\$31,107,231</b>	<b>\$36,983,281</b>	-	-
<b>Nonlimited Federal Funds</b>						
Federal Funds	-	1	1	1	-	-
<b>Total Nonlimited Federal Funds</b>	-	<b>\$1</b>	<b>\$1</b>	<b>\$1</b>	-	-

## Budget Narrative

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

SOURCE	FUND	2009-11 ACTUAL	2011-13		2013-15		
			LEGISLATIVELY ADOPTED	2011-13 ESTIMATED	AGENCY REQUEST	GOVERNOR'S BUDGET	LEGISLATIVELY ADOPTED
Trust and Agency Receipts	OF	6,089,686	5,702,375	5,702,375	7,105,489		
Nutrition Program	OF	2,654,336	2,914,855	2,914,855	3,286,839		
COP / Q Bond Proceeds	OF	-	-	-	31,040,000		
Alcohol & Drug Abuse Prevention	OF	107,770	103,580	103,580	103,580		
County Detention Reimbursement	OF	-	2,291,734	-	2,501,300		
Grants	OF	-	-	-	-		
Work Programs and Other	OF	1,359,719	1,760,267	1,760,267	1,785,445		
Title XIX Medicaid Administration	FF	6,185,859	5,465,435	5,465,435	6,316,085		
Program	FF	22,439,044	25,641,796	25,641,796	30,667,196		
Nonlimited Federal Funds	FF	-	1	1	1		
<b>TOTAL</b>	OF	10,211,511	12,772,811	10,481,077	45,822,653		
<b>TOTAL</b>	FF	28,624,903	31,107,232	31,107,232	36,983,282		

2013-15

107BF07

## 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	2,123,096	3,043,137		
Nutrition Program	OF	2,654,336	2,914,855	2,914,855	3,286,839		
COP / Q Bond Proceeds	OF				568,339		
Alcohol & Drug Abuse Prevention	OF	107,770	103,580	103,580	103,580		
County Detention Reimbursement	OF	-	2,291,734	-	2,501,300		
Work Programs and Other	OF	1,208,473	930,280	930,280	934,231		
Title XIX Medicaid Administration	FF	60,759	20,538	20,538	24,365		
TOTAL	OF	6,479,138	8,363,545	6,071,811	10,437,426		
TOTAL	FF	60,759	20,538	20,538	24,365		

2013-15

107BF07

# 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	3,579,279	4,062,352		
Miscellaneous	OF	6,364					
Title XIX Medicaid Administration Program	FF FF	4,473,330 22,439,044	4,253,812 25,641,796	4,253,812 25,641,796	4,908,673 30,667,196		
TOTAL	OF	3,587,491	3,579,279	3,579,279	4,062,352		
TOTAL	FF	26,912,374	29,895,608	29,895,608	35,575,869		

2013-15

107BF07

# 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	829,987	851,214		
Title XIX Medicaid Administration	FF	1,651,770	1,191,085	1,191,085	1,383,047		
TOTAL	OF	144,882	829,987	829,987	851,214		
TOTAL	FF	1,651,770	1,191,085	1,191,085	1,383,047		

2013-15

107BF07

# 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		
TOTAL	OF	-	-	-	-		
TOTAL	FF	-	1	1	1		

2013-15

107BF07

# 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	-	-	-	-	-	-

2013-15

107BF07

## 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		
TOTAL	OF	-	-	-	30,471,661		

2013-15

107BF07

Agencywide Revenues and Disbursements Summary  
2013-15 Biennium

Version: V-01-Agency Request Budget

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

Agencywide Revenues and Disbursements Summary  
2013-15 Biennium

Version: V-01-Agency Request Budget

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

Agencywide Revenues and Disbursements Summary  
2013-15 Biennium

Version: V-01-Agency Request Budget

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