



# **Oregon Youth Authority**

## **Systems Improvement Project**

### **90-day Progress Report**

**Robert Jester, Director**  
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**September 15, 2008**



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The Honorable Theodore Kulongoski  
Governor  
254 State Capitol  
900 Court Street  
Salem, OR 97301

Dear Governor Kulongoski:

I have attached a progress report on implementing the Oregon Youth Authority's System Improvement Project. I am pleased to report that I have fulfilled the commitment I made to you in July that all the priorities of this project would either be completed or substantially underway by September 15.

As you know, the Oregon Youth Authority received allegations of fraudulent conduct by the former director of the RiverBend transition facility in LaGrande. I directed agency staff to investigate the allegations, refer suspected crimes to the Oregon State Police, and identify and address weaknesses in agency practices that allowed this alleged fraud to occur.

The Systems Improvement Project is the implementation plan for making needed changes in management practices and business controls at RiverBend and throughout the agency. The level of engagement, effort, and the vigor with which these plans are being implemented I believe speaks volumes about the desire of OYA staff to fulfill your vision from 1995 to create a model juvenile corrections agency in Oregon.

I want to thank you again for the confidence you placed in me to lead this agency, and for your extraordinary commitment to protect the public and provide delinquent youth the opportunity to turn their lives around. SIP is the first step in mapping the future of OYA so it can continue to pursue its potential.

Sincerely,

Robert S. Jester  
Director

Enclosure

## Executive Summary

The Systems Improvement Project (SIP) is the outcome of agency review following the April 2007 discovery of alleged criminal activity by a superintendent at the RiverBend facility in LaGrande. This SIP 90-Day Progress Report outlines the Oregon Youth Authority's progress on 16 priority recommendations to improve management and business controls. Implementation plans for all are completed or on schedule.

### **The SIP Process:**

An internal review team identified 26 categories of processes and management systems that needed scrutiny, ranging from security to quality assurance to business controls. A cross section of agency staff were assigned to 12 workgroups and asked to make specific recommendations for improvement within those categories.

The groups made more than 90 recommendations and narrowed those to their 12 top priorities. Four additional recommendations were contributed by labor unions.

### **Progress to Date:**

Under the guidance and outside perspective of contractor Bobby Mink (now OYA interim director), staff workgroups completed implementation plans on all 16 recommendations.

Of those, Director Bob Jester targeted four priority areas. All have executed project plans successfully with milestones completed.

1. Work site visits by executive managers ensure that each OYA location has on-site oversight reviews annually and staff has direct access to leadership. Eastern Oregon YCF and Deschutes, Marion, and Lane Parole and Probation Office are completed. The assistant directors of Facilities and Field Services are scheduled through this fall to complete the site schedule.
2. An agency organizational Culture/Climate Survey will provide a perspective of the agency from employees' points of view. On schedule for October 2008, OYA has contracted with a national firm to design and conduct the survey. Labor representatives are actively participating in the communication and completion of the survey. Two follow-up surveys will subsequently be conducted to measure change.
3. The Department of Administrative Services Human Resources Division is leading the OYA Employee Services Audit. A reported concern that the HR resource maybe insufficiently staffed and managed, a senior policy and management consultant will oversee a third-party audit team.
4. The Comprehensive Function Services Review has reengineered business services reviews. All sections within OYA Business Services Division collaborated to create an on-site review process. A pilot review is completed and a biennial calendar established to include all offices and facilities.

**Additional SIP Highlights:**

OYA managers need guidelines, skill development and oversight. The remaining recommendations provide direction and clarity to reinforce sound, principle-based organizational practices. These elements are essential to accountability and oversight:

- A leadership training series for all managers has been designed to strengthen and focus their skills and competencies.
- Policies have been created or revised to better monitor time worked, state vehicle use, and cell phone use.
- A six-month project plan for property control and inventory has been completed.

**Sustaining the SIP**

To sustain the SIP, OYA is requesting \$1.5 million and 5.4 FTE in the 2009-11 Agency Request Budget to improve oversight, accountability and performance benchmarks from which efficiency and accountability can be measured.

**Long-Term Impact**

The RiverBend incident provided the impetus for OYA to assess its management controls and organizational character.

SIP addresses business controls and other tangibles. Work remains outside the scope of that project to improve the organization's culture and character. To the extent that there is science behind organizational dynamics, the agency is making an appropriate start with the culture/climate survey. The true test, and hardest work, will begin when the results roll in. The future health of OYA depends on using information to make intangible enhancements – a duty to be embraced by new leadership.

OYA's employees stepped up to the plate on the SIP. They do good work, care about the mission, and are eager to succeed. It is the first of many organizational enhancement efforts that will create a productive, healthy, ethical environment for clients, partners, and staff alike.



## Oregon Youth Authority Systems Improvement Project 90-day Progress Report Summary

### **Recommendation 1:**

#### **Worksite Visits**

Increase executive manager oversight of facilities and field offices.

Completed:

1. Annual schedule completed rotating executive staff to all sites twice each year (11 facilities, 11-24 field offices). Eastern Oregon Youth Correctional Facility (YCF) and Deschutes, Marion and Lane Parole/Probation offices completed.
2. Data reports completed by OYA staff for respective facility or field office site visits providing summary/trends on key performance outcomes, resource allocation and fiscal status, personnel, local partnerships, and physical plant needs.

Ongoing:

1. Trending and monitoring developed to ensure that visits occur, gaps are identified, and issues identified during the site visits are resolved.

### **Recommendation 2:**

#### **Culture/Climate Survey**

Create an anonymous survey to periodically assess all OYA staff satisfaction, climate, culture and management practices.

Completed:

1. Contract awarded to National Business Research Institute (NBRI) in August 2008.
2. Survey questions selected by workgroup of management and labor.
3. Communication strategy coordinated and developed with labor to ensure successful response rate.
4. Web-based survey scheduled to begin October 2008.

Ongoing:

1. NBRI works with OYA on survey design and deployment.
2. Upon completion of survey, NBRI tracks trends and works with OYA to mitigate deficiencies identified in baseline survey.
3. Follow-up surveys by NBRI to be administered in 2009 and 2010 to measure changes.

**Recommendation 3:**  
**Employee Services Review**

Conduct an independent third-party review of OYA Employee Services functions.

Completed:

1. Scope of the project defined to include human resources functions, investigation efficiency, and employment laws and issues.
2. OYA Employee Services Values and Guiding Principles.
3. Harassment and Discrimination Free Workplace policy.
4. OYA Culture/Climate Survey questions developed specific to Employee Services.

Ongoing:

1. Department of Administrative Services Human Resources Division is leading the review in September 2008. The team includes a DAS Human Resources auditor, a labor relations professional, and a Human Resources analyst from the Department of Consumer and Business Services.
2. Third-party review findings and subsequent action steps are targeted for late-October 2008.

**Recommendation 4:**  
**Comprehensive Business Function Review of Worksites**

Administrative business function site review includes property purchasing, financial/contracts/accounting/payroll, inventory and receiving, employee services, and information systems.

Completed:

1. All sections within OYA Business Services Division collaborated to design the comprehensive business function review.
2. A standardized template was developed and implemented to coordinate the findings for the business function reviews. They capture strengths, improvement areas, and trends. Outcomes include training and immediate corrective actions.
3. A two-year schedule has been completed for all OYA locations. North Coast YCF, the pilot site, was completed in early June 2008. Oak Creek YCF and Linn/Benton Parole and Probation, the first field office, will be completed in September 2008.
4. Completed Duty to Report protocol outlining required reporting and avenues to file a report of suspected illegal or unethical behavior.

Ongoing:

1. The assistant director of Business Services captures ongoing trends each year for system improvements and training needs.

**Recommendation 5:**  
**Youth Work Projects**

OYA will ensure that youth work projects follow guidelines, have a fair and timely compensation schedule, and staff do not benefit from projects or services outside of policy requirements.

Completed:

1. Draft revised policy ensuring OYA employees do not benefit from projects in a manner not available to the general public (ORS 244).
2. Draft revisions to OYA Conflict of Interest Policy. Final policy implementation is scheduled for October 2008.
3. Created youth work project application and approval process to establish consistency, oversight, and accountability.
4. Coordinated with the Oregon Department of Education on compliance with OYA policy.

Ongoing:

1. Establish and implement fair and timely payment to youth for work performed, related accounting processes, and youth trust account oversight.
2. Establish standards and review for youth while under the care of foster parents.
3. Explore need for specific statutory authority for youth works projects.

**Recommendation 6:**  
**Work Time Tracking**

Supervisors will keep an updated record of employee time worked and used. Time sheets will accurately reflect what occurred during the month to include the tracking of sick, vacation, comp time, flex time and other times away from work.

Completed:

1. OYA Policy I-B-1.0 Payroll Reporting – Issuance of Checks. Includes specific requirements for supervisors to appropriately approve and justify overtime for direct subordinates.
2. Communication of policy to all supervising managers including expectations and an informational document to ensure the policy is carried out.
3. Completed review system to include supervisory oversight and Comprehensive Business Function Review.

**Recommendation 7:**  
**State Vehicle Tracking & Use**

Track and document additional state vehicle trip information.

Completed:

1. Revised vehicle log form to expand information on state vehicle use and trips.
2. Revised Policy I-C-2.0 to identify a vehicle custodian at each worksite, oversight and monitoring of vehicles, and process to report potential misuse of a state vehicle.
3. Designated a custodian of the logs and keys at each office/facility to ensure staff completes vehicles maintenance schedule and log information.

**Recommendation 8:**  
**Cell Phone Use**

All supervisors will conduct a review of state cell phone bills and use to ensure proper usage.

Completed:

1. Revised OYA Policy I-C-9.0 Use of State-owned Cellular Phones and procedure to include: All cell phone purchases will be approved by OYA Central Office and all cell phones will be purchased and managed by Business Services telecommunications coordinator.
2. Developed Cellular Telephone Agreement and Acquisition Form and process that includes criteria for purchase.

Ongoing:

1. Train all managers to ensure that they understand expectation to review cell phone bills.

**Recommendation 9:**  
**Purchasing**

Develop and/or improve policies and procedures to ensure appropriate use of state resources.

Completed:

1. Revised the Delegation for Expenditures policy to ensure appropriate use of state resources. Key areas addressed are purchasing authority limitations, clarification of responsibility and accountability when approving purchases, and determination of consequence(s) for non-compliance.
2. Developed training plan to ensure policies and procedures are understood and enacted.
3. Review system to include supervisory oversight and Comprehensive Business Function Review.



**Recommendation 10:**  
**Property Control**

Establish a property control and inventory system for susceptible property under \$5000.

Completed:

1. Established a Property Control Committee and assigned a lead staff person to implement a six month inventory and control project work plan.
2. Review of the Oregon Accounting Manual 10.55.00.PO Internal Control, Employee Assigned Property to ensure compliance with policy development.
3. Designated susceptible property and assessed areas with risk for loss.
4. Revised OYA Policy - Internal Property Control to include susceptible property monitoring under \$5,000.
5. Established a pilot site at a facility to begin the property inventory control system. This complex project distinguishes tracking, marking, employee assignment, and levels of property controls.
6. A schedule to ensure all OYA locations have initiated an inventory control system for susceptible property within six months.

In Process:

1. OYA has submitted a policy option package requesting a new FTE position to administer and monitor the property inventory control system.

**Recommendation 11:**  
**More Professional Standards Resources**

Add an additional staff to the Professional Standards Office to assist with the workload. All hotline complaints for OYA are directed to this office.

Completed:

1. Hire one limited duration Professional Standards analyst in August 2008 for the Professional Standards Office.
2. Submitted Policy Option Package Request 09-11 for one permanent Professional Standards analyst FTE position.

**Recommendation 12:**  
**Management Training**

Develop leadership and risk management training for all OYA managers

Completed:

1. All management service staff will attend a professionally facilitated full-day session on Mission, Values, and Ethics in September/October 2008. All 150 managers will initiate their leadership series with this session.
2. Completed design of an OYA leadership training curriculum spanning ten days concluding July 1, 2009. Includes competencies of all OYA managers,

**Recommendation 13:**  
**No Business Relationship with Subordinates**

Revise current OYA policy to ensure that managers do not engage in a business relationship with someone that they supervise.

Completed:

1. Draft revisions to OYA Conflict of Interest Policy that prohibits business relationships with subordinate staff.
2. Consulted with the Ethics Commission who assisted with policy revision and will assist with training on Oregon ethics laws to all OYA staff.

**Recommendation 14:**  
**Managers Deliver Expectations to Staff**

Managers should lead, direct, and communicate the agency mission and goals. All managers should clearly model performance and behavioral expectations.

Completed:

1. Design and deployment schedule of the OYA Culture/Climate Survey designed to gathering data and information to measure how well management is doing on delivering performance and behavioral expectations for staff.
2. Designed an OYA leadership training series to reinforce best practices. Training will be completed by all agency managers by July 1, 2009.
3. Added a 360 feedback survey to the annual management performance appraisals. Staff will have input on management performance and leadership development.

**Recommendation 15:**  
**Feedback Process for Manager Performance Appraisals**

Develop a feedback component to obtain information from partners, peers, and subordinates in an annual performance appraisal.

Completed:

1. Developed a 360 survey tool to evaluate performance of management service staff.
2. Implementation roll out plan to begin November 1, 2008.
3. Revised OYA performance evaluation system for represented and management service employees. A new appraisal guide, trial service review for represented and management service staff and annual appraisal formats were redesigned to better reflect performance.

**Recommendation 16:**  
**Requires Managers to Attend Training with Staff**

Requires managers to attend training needed to carry out the key supervisory responsibilities of their duties.

Completed:

1. Identified required training:
  - a. all agency mandatory training
  - b. initiative trainings
  - c. any and all training required to carry out key supervisory duties
2. Annual performance appraisals will assess completed supervisor training .