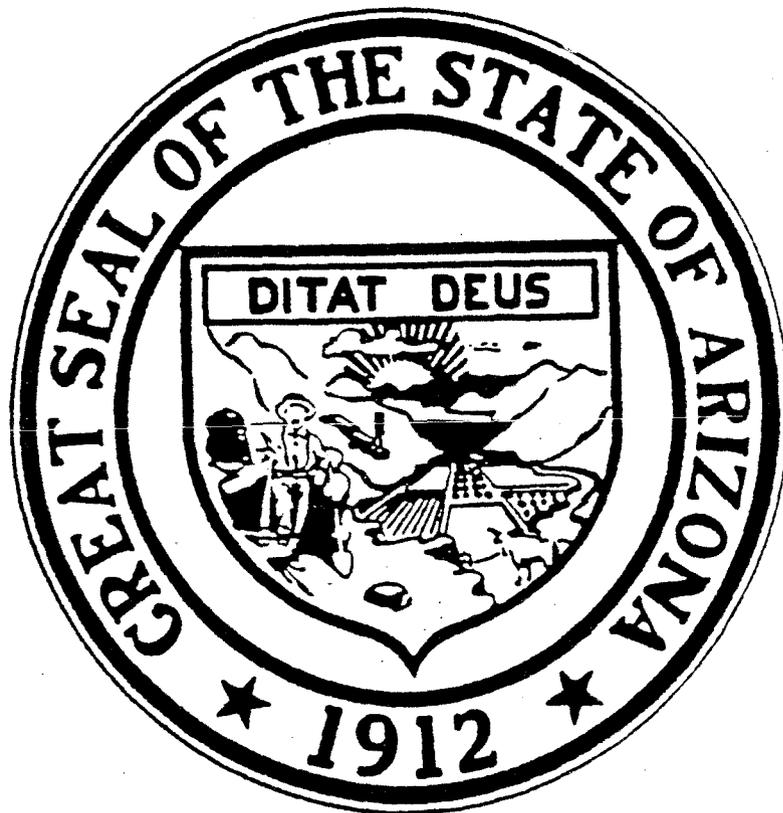


STATE OF ARIZONA

PROJECT S.L.I.M. REPORT ON THE

DEPARTMENT of YOUTH TREATMENT & REHABILITATION



July 2, 1992

**DEPARTMENT OF YOUTH TREATMENT & REHABILITATION
PROJECT SLIM
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DEPARTMENT OF YOUTH TREATMENT & REHABILITATION

PROJECT SLIM

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July 2, 1992

Mr. John R. Arredondo
Director
Department of Youth Treatment & Rehabilitation
1624 West Adams
Phoenix, Arizona 85007

Dear Mr. Arredondo:

The Governor's Project SLIM review of your agency has been completed and we are pleased to present you with this summary of our findings and recommendations. The study was initiated on February 24, 1992 and the field work was completed approximately April 6, 1992.

This summary restates the objectives of the review, the approach which was used and highlights the major changes recommended as a result of the study. It quantifies the potential benefits for your agency and summarizes the key implementation steps needed to convert the potential savings into actual benefits. The summary is followed by the detailed findings and recommendations.

In total, the recommendations identify approximately \$1.5 million in benefits for your agency.

OBJECTIVES AND GOALS

The overall objective of this study was to identify those areas within the Department of Youth Treatment & Rehabilitation where services could be improved and savings could be generated by eliminating duplication of activities, inefficient use of resources and other wasteful practices. The goal was to identify the costs associated with the waste and inefficiencies so that the limited resources of the Department could be allocated more appropriately in order to enable the Agency to more effectively meet the objectives of its mission and its responsibilities to the people, and especially the youth, of Arizona.

APPROACH

We reviewed the shelf data from the Department to understand its mission, responsibilities and workloads. Interviews were conducted with all levels of supervision and selected technical and clerical

positions. We observed work activities and computer system use and obtained estimated work volumes and standards for the processes which were reviewed. We also discussed procedural findings with department and bureau managers and supervisors.

Exhibit 1 lists the 78 individuals we contacted during the course of the review. Many of these individuals were contacted more than once to confirm our understanding of their areas of responsibility and to discuss the feasibility of proposed process changes. Because of their cooperation and participation, we have a high level of confidence that these recommendations can be successfully implemented.

During the course of this review, we focused our efforts on those administrative and support areas that are responsible for the day-to-day business, administrative, maintenance, finance and procurement functions at the Central Office and the institutions. These areas, for the most part, do not have a material impact on the Program or Treatment areas of the Agency. We are aware that you are in the process of implementing extensive changes to various facets of the organization and are contemplating further changes in the near future, especially those areas of the Agency that plan, implement and administer the Programs and Treatments received by the youth within your institutions. As a result, we did not focus a great deal of attention on the Program areas of the Agency.

SUMMARY FINDINGS AND RECOMMENDATIONS

The Department of Youth Treatment and Rehabilitation can realize a variety of benefits by implementing the recommendations developed during the course of this review. The most significant benefits include improved employee performance, better facility maintenance, more visibility of dollars allocated to and spent by each department and a comprehensive Agency-wide MIS strategic plan. There are also dollar savings of \$1,220,210 annually that result from reducing the Department's staff by 42.5 FTEs, as well as \$148,638 of savings from other sources. The total dollar value of all savings that can accrue to the Department by implementing the recommendations detailed in this report amount to \$1,512,591.

The following paragraphs provide a brief summary-level synopsis of the recommendations for each of the areas reviewed. The more detailed recommendations along with the supporting detailed backup information follow within the body of this report.

Mr. John R. Arredondo, Director
Department of Youth Treatment & Rehabilitation
Page 3

CENTRAL OFFICE RECOMMENDATIONS

Central Office Payroll

We recommend that the payroll data input responsibilities being handled by the Administrative Assistant in the Youth Services Bureau be transferred back to the Payroll Department where all of the other Central Office payroll data is currently being processed.

Data gathered during the course of the review also indicates that there is not currently enough workload to justify staffing the Payroll Department with two Payroll Clerks. We recommend that one of the two Payroll Clerk positions be eliminated.

Central Office Accounting Functions

The Accounts Payable functions are currently divided among three Accounting Technician positions, although our interviews and observations in this area indicate that there is only enough work volume for one individual. We recommend that the Accounts Payable responsibilities be consolidated into one position and the other Accounting Technician positions be eliminated.

Eliminating these positions will result in an annual savings of \$44,104.

INSTITUTIONAL RECOMMENDATIONS

Chaplain Services

We recommend that the Arizona Department of Youth Treatment & Rehabilitation reduce its reliance on paid Chaplains and arrange to receive the bulk of their spiritual services from the many religious volunteers that are currently on the roles of the Department. We recommend reducing the clergy staff from the current level of five chaplains to one Senior Chaplain who should serve as the coordinator and manager

of volunteer religious services for the facilities in Phoenix and Tucson. We also recommend reducing the Agency's reliance on contracted religious services.

Eliminating four of the currently employed chaplains will result in annual savings of \$127,895 and reducing the Agency's reliance on contracted religious services can result in an additional savings of \$10,578 annually.

Business Office Accounting

Data gathered during the course of the review indicates that there is not currently enough workload to justify staffing the Business Office at the Adobe Mountain/Black Canyon institution with seven individuals. We recommend eliminating two of the currently filled positions, two vacant positions and downgrading the Administrative Services Officer II position to an Administrative Services Officer I.

Eliminating the over-staffing situation at the Adobe Mountain/Black Canyon Business Office will result in annual savings of \$103,911.

Maintenance

The Adobe Mountain/Black Canyon maintenance department currently spends approximately \$100,000 for outside maintenance services. We have made a variety of recommendations that should result in reducing the need to rely on these outside services. We believe that it should be possible to reduce the current dependence on outside maintenance contractors by at least 50% which would result in annual savings of approximately \$50,000.

Other maintenance related recommendations include:

- Develop and install a backlog system for maintenance projects

- Develop and install a Preventive Maintenance system.

These recommendations will result in:

- Longer life of the institution's physical plant, buildings and related systems
- Reduced repair and replacement costs
- Enhanced maintainability of the institution's systems
- Greater up-time for those systems that relate to the health and safety of the juveniles.

We also recommend eliminating one Clerk Typist position and one Physical Plant Supervisor III position at Adobe Mountain. Eliminating these two positions will result in an annual savings of \$60,608.

The total combined savings that will result from these maintenance recommendations is \$110,608.

Alamo Mental Health Facility

We recommend that the Alamo facility be closed and the juveniles currently housed there be moved to the Black Canyon facility. We believe that the potential benefits that can be realized by the Department by closing the Alamo facility includes the following:

- Provision of a safer, cleaner, healthier and more cost effective facility for those mental health youths currently committed to the care of the Department of Youth Treatment & Rehabilitation
- Better utilization of the Black Canyon facility

- Elimination of rent and operating expenses at Alamo (\$165,330 per year) less the additional cost of opening and operating the second Black Canyon cottage (\$77,270 per year) will result in a net annual savings of \$88,060
- Elimination of those Alamo staff positions that are currently duplicated at Black Canyon and would not need to be transferred if the Alamo facility was absorbed by the Black Canyon operation will result in a net annual savings of approximately \$570,086. This labor savings assumes that the number of youth that would be housed at Black Canyon would be the same as that currently housed at Alamo. If the number of youth increases at Black Canyon, this savings figure could not be fully realized.

JOINT CENTRAL OFFICE & INSTITUTIONAL RECOMMENDATIONS

Procurement

We do not believe that the small volume of work being performed by the Procurement & Contract Management group justifies maintaining a staff which includes a Supervisor, two Buyers, three Contract Management Specialists, and three clerical support staff.

We recommend transferring the responsibility for RFP production, Contract Management and purchasing to the State Procurement Office in the Department of Administration. Transferring these responsibilities to the State Procurement Office will enable the elimination of the entire Procurement and Contract Management group. Eliminating the Contract Management department at the Central Office will result in an annual savings of \$219,584.

When these responsibilities are transferred to the State Procurement Office, we recommend that a performance monitoring system be established to ensure that the State Procurement Office provides the level of service required to meet the goals of the Agency. To the extent that the State Procurement Office can provide the appropriate level of service, it should not be necessary to maintain an entire Contract Management group within the Agency.

Mr. John R. Arredondo, Director
Department of Youth Treatment & Rehabilitation
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We recommend transferring the responsibility for purchase of goods from the two Buyer positions at Adobe Mountain and Black Canyon to the individual department heads (such as is done at the Catalina Mountain facility). This transfer of duties will enable the elimination of the two Buyer positions. Eliminating these two positions will result in an annual savings of \$45,346.

Juvenile Record Maintenance

We recommend that only one active file be maintained on each youth instead of the current multiple files being maintained.

We recommend that the Case Workers or other Agency personnel who create documentation that is to be inserted in the file, do so in its final form, i.e., in either a legible handwritten form or in a typed form and insert it directly into the juvenile's file. The preferred method would be to enter the data directly into a Personal Computer and print the results for inclusion in the juvenile's file. Some of the cottages are currently equipped with Personal Computers.

Transferring the responsibility for file maintenance to the Case Managers and Case Workers will eliminate the need to have a staff of Clerk Typists and Information Processing Specialists at the institutions to type the handwritten documents that are currently being submitted to them.

We also recommend that the Agency continue to pursue its long term goal of automating the entire file maintenance process. Most of the treatment and historical data contained within each youth's file can be entered and stored electronically rather than in the current manually generated paper format. We understand that automating the Agency's youth file system is one of your goals and we concur in this approach.

Eliminating the duplication of files and transferring the responsibility for record maintenance to the Case Managers and Case Workers will result in the following benefits to the Agency:

- Greater accuracy of the one remaining file
- Elimination of the extra steps and personnel currently involved in record preparation, typing, filing and maintenance
- Elimination of 9.5 unnecessary staff positions that are responsible for typing and filing juvenile records for an annual savings of \$173,884.

Departmental Budget Responsibility

We recommend that the broad budget categories that are currently being used by the Agency to allocate the annual budgeted funds be subdivided into smaller, more manageable categories such as those represented by the Object and Sub-Object codes of the STARS system.

We also recommend that a useful monthly reporting tool be developed that provides the Bureau and institution managers with visibility of:

- Monthly expenses compared with the monthly plan
- Year-to-date expenses compared with the year-to-date plan.

Implementing the recommendations listed above will provide the following benefits:

- Provide the individual Bureaus and institutions with the appropriate tools to manage the funds allocated to their areas
- Enhance the ability of the Bureaus and institutions to properly plan their activities and expenditures for the year

- Enable the Bureaus and institutions to monitor their progress against the annual budget on a monthly basis.

Performance Reporting

We recommend that an Agency-wide Performance Monitoring and Reporting System be developed and installed in all Bureaus and departments at the Central Office and all of the institutions. Key components of the system should include:

- Gathering of daily statistical data on the volume of work being completed in each area
- Development of standards that will provide guidance to management regarding the volume of work that can be expected to be performed each day
- A simple method to compare the established standards with the actual daily results
- Active use of the daily data to manage the work of each area.

Installing a Performance Monitoring and Reporting System will provide the following benefits to the Agency:

- Enable management to compare the relative performance of their employees
- Enable management to identify work volume trends and compare performance for similar time periods
- Provide management with the ability to compare the relative performance of similar offices at the various institutions

- Enable management to determine if staffing levels are appropriate for the volume of work being processed
- Enable management to identify areas of their departments that need improvement
- Enable management to determine if performance is improving or deteriorating in their areas
- Enable management to effectively and objectively evaluate the performance of their staff.

MIS Strategic Plan

We recommend that an MIS Strategic Plan be developed by the Director, Deputy Director, Assistant Director of Support Services and other key Agency personnel to be selected by the Director. Other key personnel should be selected to represent the needs of the following areas:

- The Institutions
- Case Management
- Health Services
- Business Office
- Maintenance
- Warehouse
- Purchase of Care

- Accounting and Finance
- Education
- Volunteer Services
- Training Services.

Until the Strategic Plan has been formulated and finalized, we recommend that no further MIS systems be planned, developed or installed.

General Observations

We realize that you are in the process of guiding the Department of Youth Treatment & Rehabilitation through an important and massive evolution. Although the Agency has undergone many changes over the last several years since it was created out of the Department of Corrections, these changes have not resulted in a more effective organization. For the first time since the creation of the Department of Youth Treatment & Rehabilitation, you and your staff are bringing the appropriate experience, vision and strength of purpose to enable this Agency to provide quality treatment and service to the youth of Arizona. We commend you for the positive steps taken thus far and support your future plans.

The recommendations detailed in this report were made in the context of the state of the Agency as it existed during the time frame of this review. Because your Agency is in a state of transition and still undergoing constant change, it will be imperative to take into consideration any interim changes that are executed by you and your staff when implementing these recommendations. It may be necessary to modify or adjust the suggestions and resolve any differences that may exist due to changes that have occurred since this report was published.

SUMMARY OF SAVINGS

The benefits to be derived from the recommendations outlined above are more fully detailed in the body of this report. Exhibit 2, DYTR Summary of Savings, summarizes:

- The 42.5 currently filled staff positions that can be eliminated
- The seven vacant staff positions that can be abolished
- The \$1,220,210 of annualized savings associated with these staff reductions
- The \$148,638 of annualized savings from sources other than staff reductions.

Exhibits 3 through 10 depict the Organization Charts of those departments and Bureaus that were reviewed and for which recommendations were made that impact the structure of the organization. In all cases, the **Present Organizational Structure** (as it was found during the review) preceeds the **Proposed Organizational Structure** (which reflects the recommended changes). Although the organizations that are depicted in the Proposed Organization exhibits are consistent with the recommendations found in the body of this report, they are not the only organizational structures that can be created to meet the goals of the Agency. As mentioned above, any interim changes within these departments that are made by you or your staff must be taken into account when implementing the recommendations and altering the organization.

IMPLEMENTATION

Implementation is the most critical step in the process of achieving savings. Potential savings are often identified but not achieved when the implementation process is distracted by day-to-day activities or managers shy away from the necessary reduction in staff. Successful implementations are marked by two important attributes:

- A strong commitment from senior management to achieve as much of the savings as possible
- The designation of implementation team leaders with the necessary strength to see the task through to completion.

The implementation process is best carried out as soon after the review process as possible. This maintains momentum while the topics are fresh in people's minds. The recommended Implementation Schedule, shown in Exhibit 11, provides a suggested implementation sequence and approximate duration for each recommendation. We believe a dedicated team can accomplish implementation in 8-10 months. A more detailed implementation plan should be developed as the first step of implementation. Implementation requirements for each of the recommendations are included in the body of the report with each individual recommendation.

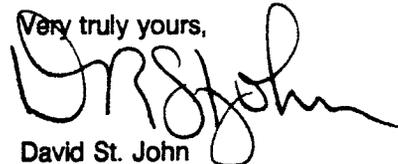
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Mr. John R. Arredondo, Director
Department of Youth Treatment & Rehabilitation
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We wish to thank you as the Director of the Department of Youth Treatment & Rehabilitation and your entire staff for their complete cooperation, participation, comments, suggestions and their full support of our efforts during this study.

We appreciate this opportunity to have been of service to you, the Governor and the SLIM Steering Committee in this endeavor. Should you have any questions regarding this report, please feel free to contact the Project Executive, David St. John, or the SLIM Team Leader for your Agency, John Barker.

The Agency Director's comments follow this signature page.

Very truly yours,

David St. John
Executive Director
Project SLIM



Arizona Department of Youth Treatment and Rehabilitation

1624 WEST ADAMS
PHOENIX, ARIZONA 85007
(602) 542-4988

FIFE SYMINGTON
GOVERNOR

JOHN R. ARREDONDO
DIRECTOR

DAVID J. COCOROS
DEPUTY DIRECTOR

FRAN GONZALO
ASSISTANT DIRECTOR

MEMORANDUM

TO: David St. John, Project Executive, Project SLIM
FROM: John R. Arredondo, Director
DATE: June 5, 1992
SUBJECT: Project SLIM Report

The goal of the Project SLIM audit of the Department of Youth Treatment and Rehabilitation (DYTR) was to identify "waste and inefficiencies so that the limited resources of the Department could be allocated more appropriately in order to enable the Agency to more effectively meet the objectives of its mission and its responsibilities to the people, and especially the youth, of Arizona."¹

The Project SLIM audit report highlights major changes required for the elimination of inefficiencies, makes recommendations for improved services, and supports DYTR plans for meeting youth treatment, community protection and federal lawsuit requirements. DYTR has discussed with Project SLIM the need for adjustments to some recommendations (e.g. savings noted included some limited, unfunded and/or previously abolished positions; certain positions were recommended for elimination that are needed, and so forth), and has already started to implement other recommendations (e.g. closing the Alamo Juvenile Institution; reducing funds spent on contract maintenance, and so forth).

DYTR is, however, in full agreement with the central goal of the Project SLIM audit: to identify inefficiencies so resources can be more appropriately allocated within DYTR.

DYTR is an agency in crisis. The safety of our youth, and staff, is in serious jeopardy.

- Basic life-safety issues such as inoperable fire-alarm systems, heating and cooling systems that function inadequately and/or sporadically, exposed wiring, missing and/or non-functioning lighting and plumbing fixtures in housing units, as well as structural issues such as roofing and building integrity need to be addressed.

¹ Quote from initial Project SLIM draft report.

- Adequate direct-care staff to youth ratios must be established to reduce staff and youth injuries, destruction of state property, staff turn-over, and workers' compensation claims. (Forty-nine workers' compensation claims have been filed by staff working in DYTR secure facilities from December, 1991 through April, 1992).
- Resources need to be re-directed to reduce legal liability. DYTR is currently facing a number of lawsuits relating to conditions of confinement, inadequate staffing ratios, due process procedures, medical care, and treatment program and youth care deficiencies. Over a million dollars has already been expended on defending just the Johnson vs. Upchurch federal lawsuit. The issues raised in this lawsuits must be addressed. The only question is timing: Will we resolve the system-wide issues that have been litigated ourselves, or we will continue to expend resources on legal fees and settlement claims while we wait for federal court directives?

I requested the Project SLIM audit in January, one month after I was appointed as the DYTR Director. The need then, as it is now, was to quickly and thoroughly examine where the agency's resources are being spent ineffectively so that these resources can be re-directed and re-invested into areas that will ensure the safety of youth, staff, and the community.

JRA/sgv

SLIM INTERVIEW LIST
Arizona Department of Youth Treatment & Rehabilitation

	NAME	TITLE	DATE
1	John Arrendondo	Director	2/24/92
2	Bill Patrick	Budget Officer	2/25/92
3	Constance Kohl	Planner	2/25/92
4	Jan Christian	Task Force Liaison	2/25/92
5	Joel Blumenthal	Public Info Officer	2/25/92
6	David Cocoros	Deputy Director	2/26/92
7	Fran Gonzalo	Support Svcs Ass't Director	2/26/92
8	Kelly Spencer	Youth Services Administrator	2/26/92
9	Jim Price	Administrative Svc's Officer	2/26/92
10	Alan Wright	Education Superintendent	2/27/92
11	Mike Ullery	Youth Placement Administrator	2/28/92
12	Diann Patterson	Purchasing Manager	3/2/92
13	Mary Sommers	Fiscal Services Specialist	3/2/92
14	Les Jennings	Management Services Bureau Admin.	3/16/92
15	Lisa Escobar	Administrative Assistant	3/4/92
16	Steve Troxel	Buyer	3/4/92
17	Elena Perez	Information Processing Specialist	3/5/92
18	Jim Swaziek	Contract Management Specialist III	3/5/92
19	Connie Glancy	Contract Management Specialist II	3/5/92
20	Donna Clark	Contract Management Specialist II	3/5/92
21	Jan Piepergerdes	Health Svcs Administrator	3/5/92
22	Dan Myers	Fiscal Svcs Specialist III	3/6/92
23	John Correa	Accounting Tech II	3/6/92
24	Tom Jensen	Fiscal Svcs Specialist V	3/6/92
25	Margaret Burns	Personnel Manager	3/6/92
26	Marian Webber	No. Region Administrator	3/11/92
27	Sam Vaccaro	Diagnostic Center Superintendent	3/12/92
28	Darwin Johnson	Behavioral Health Treatment Unit Mgr	3/9/92
29	Vicki Kaltenberg	Assistant Superintendent	3/10/92
30	Joan Bevier	Administrative Assistant	3/12/92
31	Kay Stephens	Business Manager	3/10/92
32	Jim Nelson	Maintenance Manager	3/11/92
33	George James	Maintenance Supervisor	3/11/92
34	Jim Whitehead	Maintenance Supervisor	3/10/92
35	Mandy Biggs	Fiscal Services Specialist III	3/10/92
36	Elvira Mallory	Fiscal Services Specialist III	3/10/92
37	Jeanine Chaney	Accounting Technician III	3/11/92
38	Alix Sands	Accounting Technician II	3/10/92
39	Dave Novak	Buyer	3/10/92
40	Ray Burley	Storekeeper	3/9/92

SLIM INTERVIEW LIST

Arizona Department of Youth Treatment & Rehabilitation

NAME	TITLE	DATE
41 Diann Weiss	Personnel Technician	3/11/92
42 Vi Henley	Secretary Unit Supervisor	3/12/92
43 Frank Vloch	Senior Chaplain	3/9/92
44 Vic Kane	Work Program Officer	3/10/92
45 Ted Kuhn	Investigations Supervisor II	3/17/92
46 Jack Boyle	Program & Projects Specialist II	3/17/92
47 Pat Thomason	Program & Projects Specialist II	3/17/92
48 Ed Miksch	EDP Program Analyst II	3/18/92
49 Corrine Slater	EDP Program Analyst III	3/18/92
50 Janet McGill	Corr. Records Clerk II	3/18/92
51 Dolores Rankin	Corr. Records Clerk I	3/18/92
52 Mary Lynn Russo	Administrative Assistant III	3/18/92
53 Beth Cowan	Accounting Technician III	3/19/92
54 Wendy Chisholm	Accounting Technician II	3/19/92
55 Phyllis Bennett	Investigator II	3/19/92
56 Beth Bates	Staff Development & Training Officer	3/19/92
57 Sally Cobb	Volunteer Coordinator	3/20/92
58 Duane Gerry	Building Planning Coordinator I	3/20/92
59 Doc Holloway	Investigator III	3/19/92
60 Jim Santa Cruz	Superintendent	3/23/92
61 Kieth Arnold	Chaplain	3/23/92
62 Eli Jefferson	Chief of Security	3/23/92
63 Art Glass	Business Manager	3/23/92
64 Bill McPheron	Equipment Mechanic	3/23/92
65 Bev Waslaski	Fiscal Services Specialist III	3/23/92
66 Fay Eduvigen	Storekeeper I	3/23/92
67 Mike Lopez	Storekeeper I	3/23/92
68 Jim Cook	Physical Plant Supervisor	3/23/92
69 Domenick Collura	Food Service Supervisor II	3/23/92
70 Rich Trujillo	Youth Program Officer II	3/23/92
71 Bill Rowe	Volunteer Coordinator	3/23/92
72 Tom Turos	Correctional Education-Principal	3/23/92
73 Carl Fox	Youth Hearing Board	3/24/92
74 Lisa Shoemaker	Payroll Clerk	3/24/92
75 Dave Graham	Fiscal Services Specialist III	3/24/92
76 Cany Baird	Payroll Clerk	3/31/92
77 Sharon Miller	Youth Services Admin Assistant	4/6/92
78 Cherie Moreno	Business & Finance Admin Assistant	4/6/92

DYTR SUMMARY OF SAVINGS

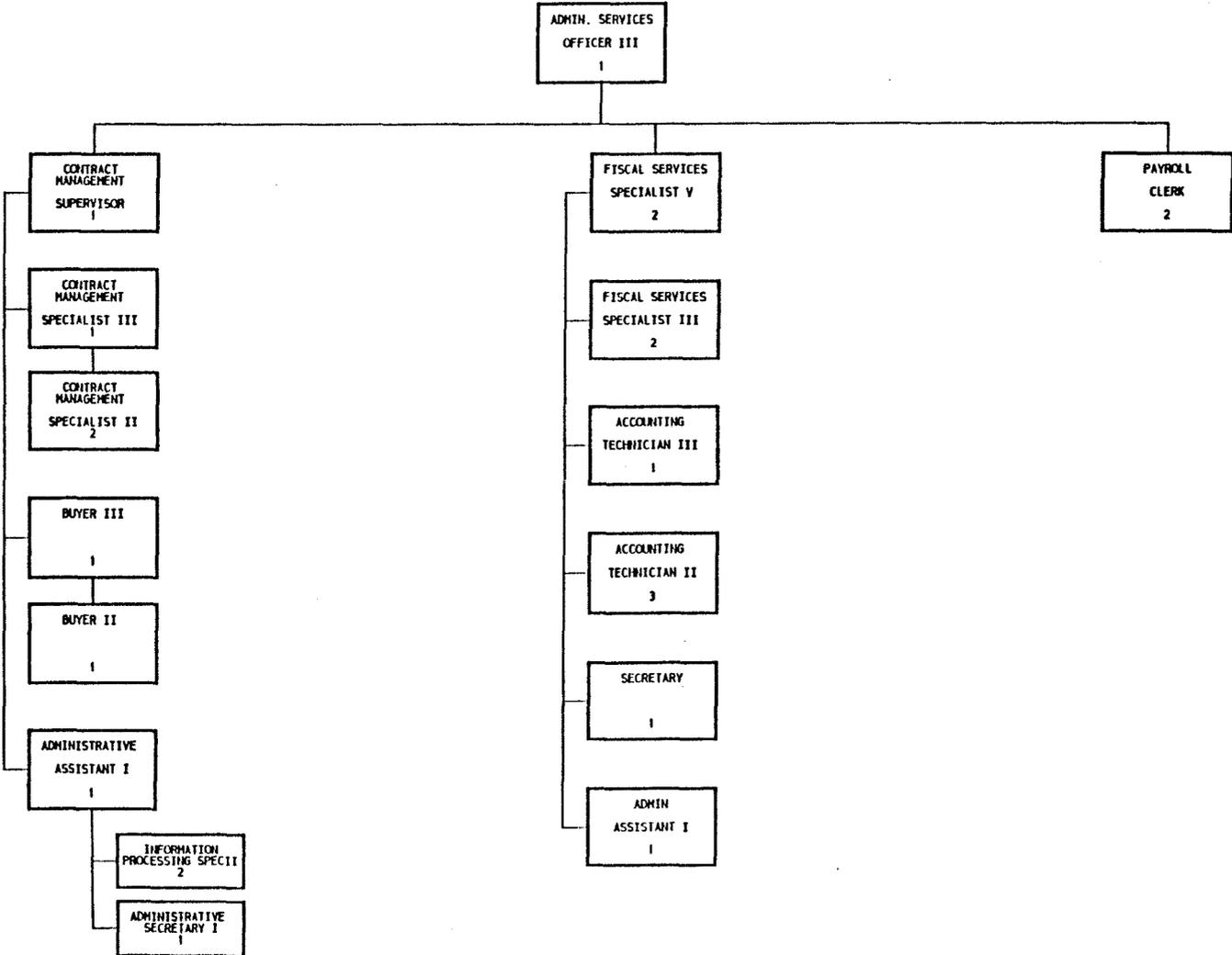
EXHIBIT 2

POINT DESCRIPTION	ELIMINATE FILLED POSITIONS	ABOLISH VACANT POSITIONS	TOTAL POSITIONS SAVED	AVOIDED COST	FTE DOLLAR SAVINGS	OTHER DOLLAR SAVINGS	TOTAL DOLLAR SAVINGS
CENTRAL OFFICE RECOMMENDATIONS							
Central Office Payroll	1		1		\$18,535		\$18,535
Combine Central Office Accounting Functions	1	1	2	18,535	\$25,569		\$44,104
INSTITUTIONAL RECOMMENDATIONS							
Chaplain Services	4		4		\$127,895	\$10,578	\$138,473
Institution Business Office Accounting	2	2	4	49,573	\$54,338		\$103,911
Institution Maintenance	2		2		\$60,608	\$50,000	\$110,608
Alamo Mental Health Facility	17		17		\$570,086	\$88,060	\$658,146
JOINT CENTRAL OFFICE/INSTITUTIONAL RECOMMENDATIONS							
Central Office Procurement & Field Procurement	7	3	10	58,294	\$206,636		\$264,930
Juvenile Record Maintenance	8.5	1	9.5	17,341	\$156,543		\$173,884
Departmental Budget Responsibility							\$0
Performance Reporting							\$0
Develop MIS Strategic Plan							\$0
GRAND TOTAL	42.5	7	49.5	\$143,743	\$1,220,210	\$148,638	\$1,512,591

DYTR - 17

DEPARTMENT OF YOUTH TREATMENT
AND REHABILITATION
CENTRAL OFFICE
BUSINESS/FINANCE ADMINISTRATION
PRESENT ORGANIZATIONAL STRUCTURE

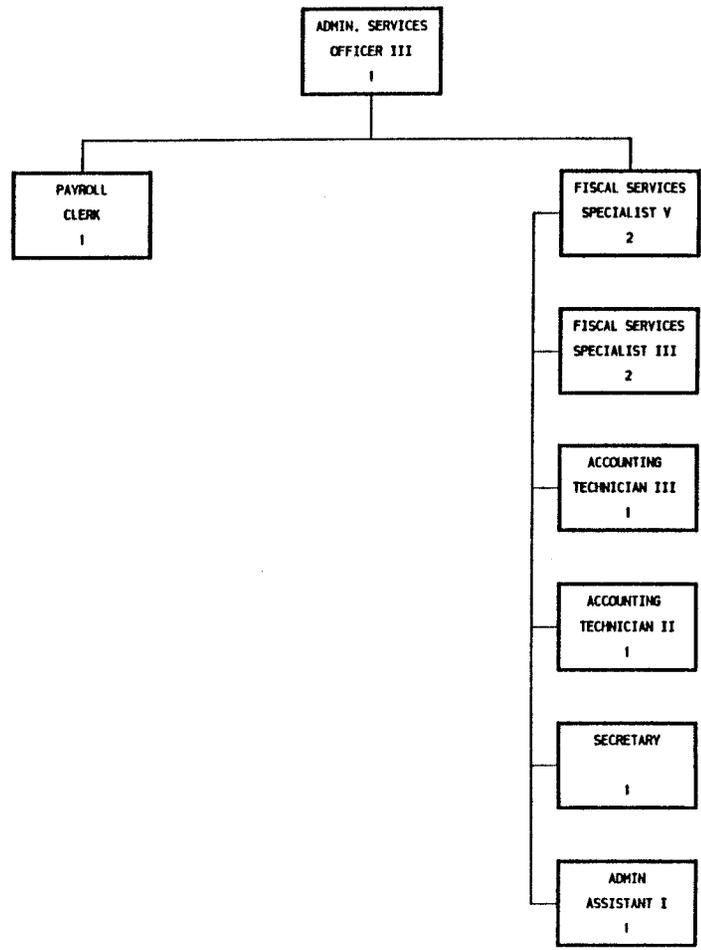
EXHIBIT 3



DYTR - 18

DEPARTMENT OF YOUTH TREATMENT
AND REHABILITATION
CENTRAL OFFICE
BUSINESS/FINANCE ADMINISTRATION
PROPOSED ORGANIZATIONAL STRUCTURE

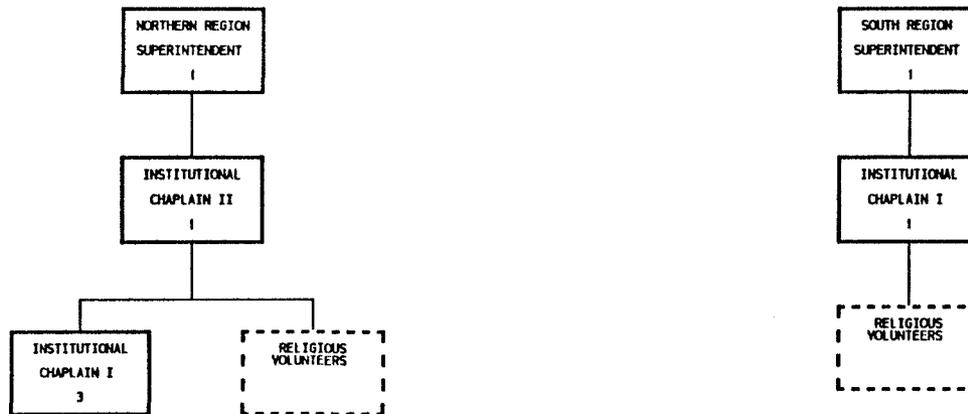
EXHIBIT 4



DYTR - 19

DEPARTMENT OF YOUTH TREATMENT
AND REHABILITATION
CHAPLAIN SERVICES
PRESENT ORGANIZATIONAL STRUCTURE

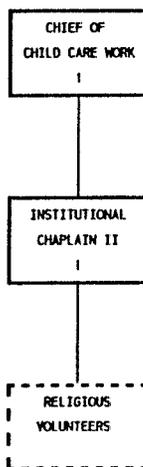
EXHIBIT 5



DYTR - 20

DEPARTMENT OF YOUTH TREATMENT
AND REHABILITATION
CHAPLAIN SERVICES
PROPOSED ORGANIZATIONAL STRUCTURE

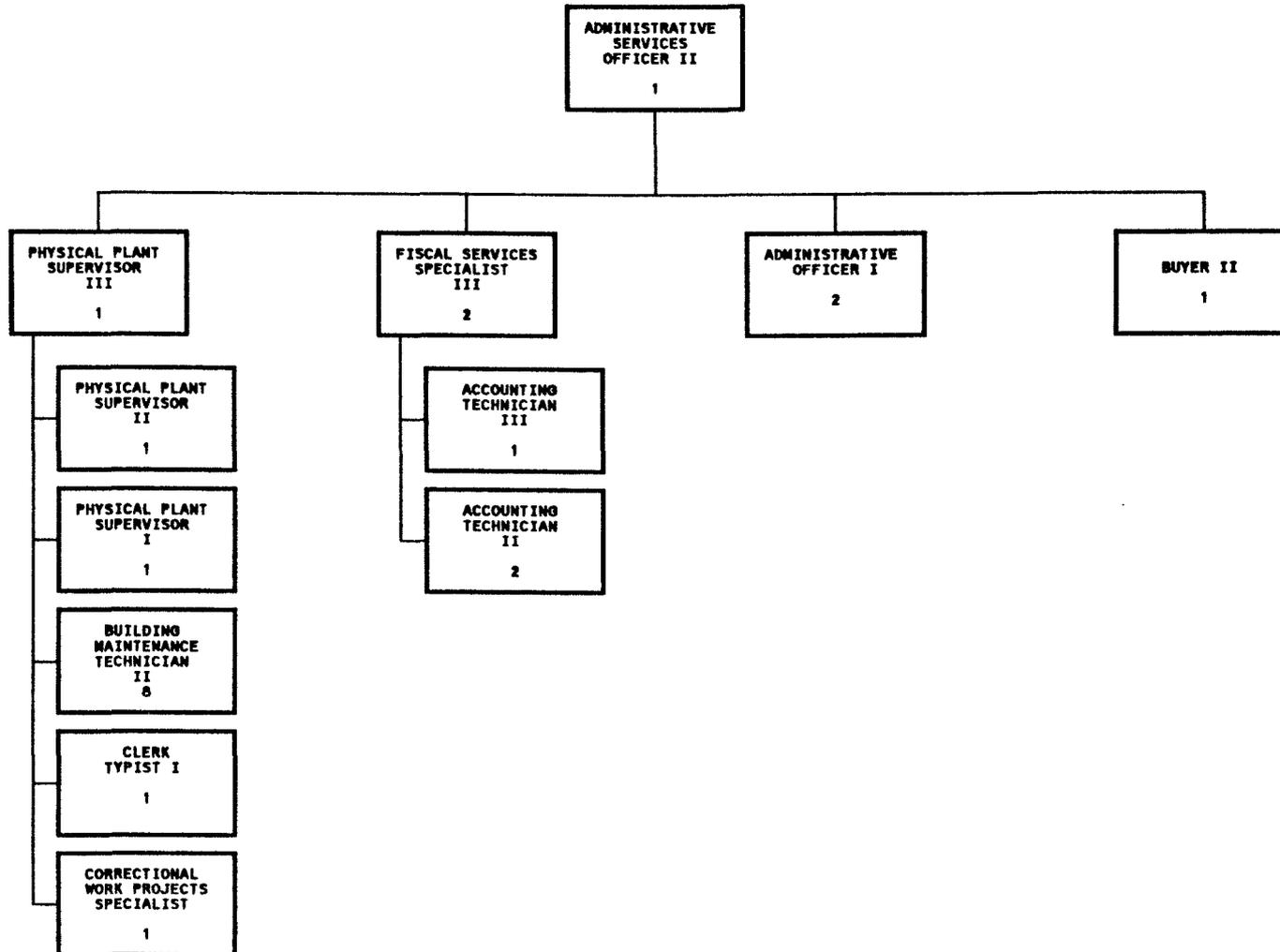
EXHIBIT 6



DYTR - 21

DEPARTMENT OF YOUTH TREATMENT AND REHABILITATION
 ADOBE MOUNTAIN/BLACK CANYON BUSINESS OFFICE
 PRESENT ORGANIZATIONAL STRUCTURE

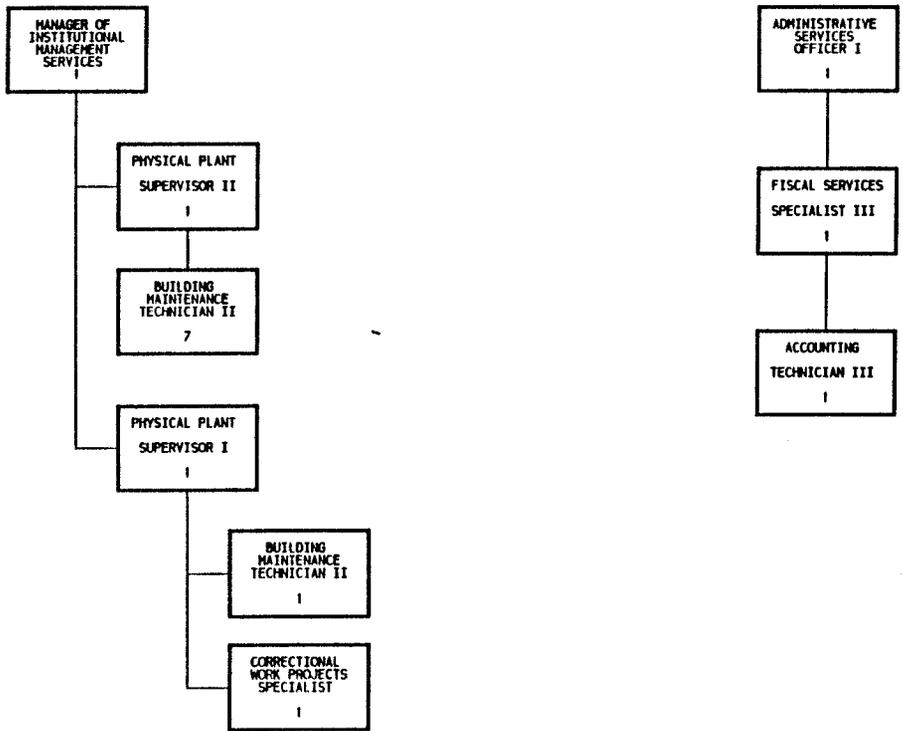
EXHIBIT 7



DYTR - 22

DEPARTMENT OF YOUTH TREATMENT
AND REHABILITATION
ADOBE MOUNTAIN/BLACK CANYON
BUSINESS OFFICE
PROPOSED ORGANIZATIONAL STRUCTURE

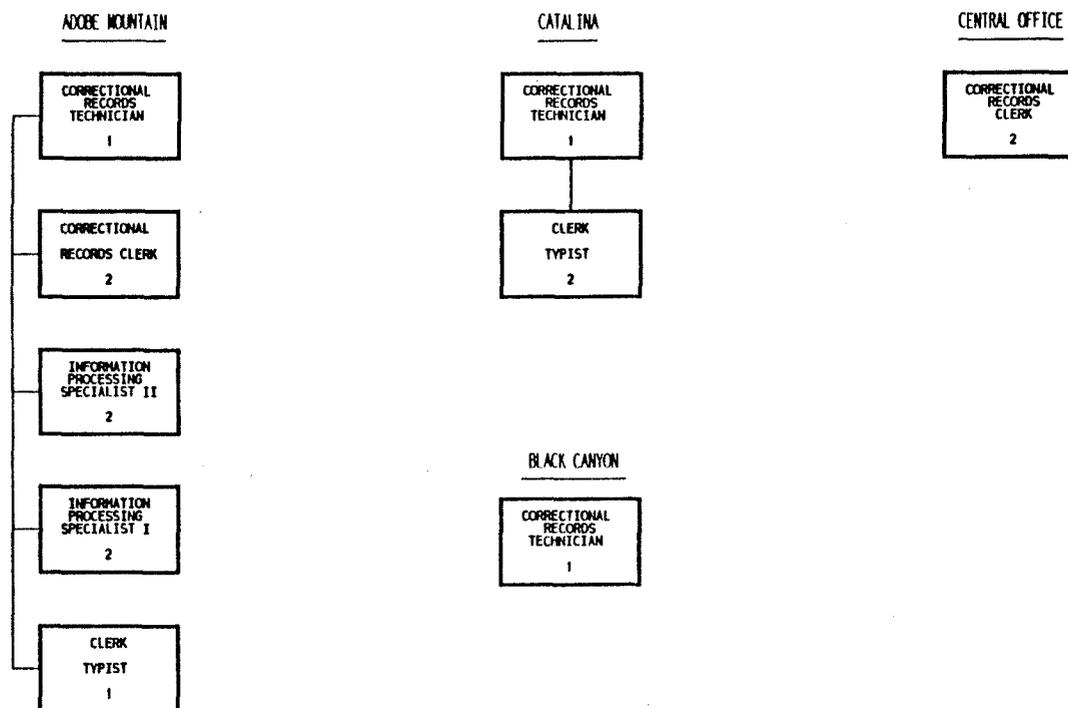
EXHIBIT 8



DYTR - 23

DEPARTMENT OF YOUTH TREATMENT
AND REHABILITATION
JUVENILE RECORD MAINTENANCE
PRESENT ORGANIZATIONAL STRUCTURE

EXHIBIT 9



DYTR - 24

EXHIBIT 10

DEPARTMENT OF YOUTH TREATMENT
AND REHABILITATION

JUVENILE RECORD MAINTENANCE
PROPOSED ORGANIZATIONAL STRUCTURE

ADOBE MOUNTAIN

CORRECTIONAL
RECORDS
TECHNICIAN
|

BLACK CANYON

CORRECTIONAL
RECORDS
TECHNICIAN
|

CATALINA

CORRECTIONAL
RECORDS
TECHNICIAN
|

CENTRAL OFFICE

CORRECTIONAL
RECORDS
CLERK
|

DEPARTMENT OF YOUTH TREATMENT AND REHABILITATION

Implementation Schedule

M O N T H S

POINT TITLE

CENTRAL OFFICE

Payroll

Accounting Functions

INSTITUTIONAL

Chaplain Services

Business Office
Accounting

Maintenance

Alamo Facility

JOINT CENTRAL OFFICE/
INSTITUTIONAL

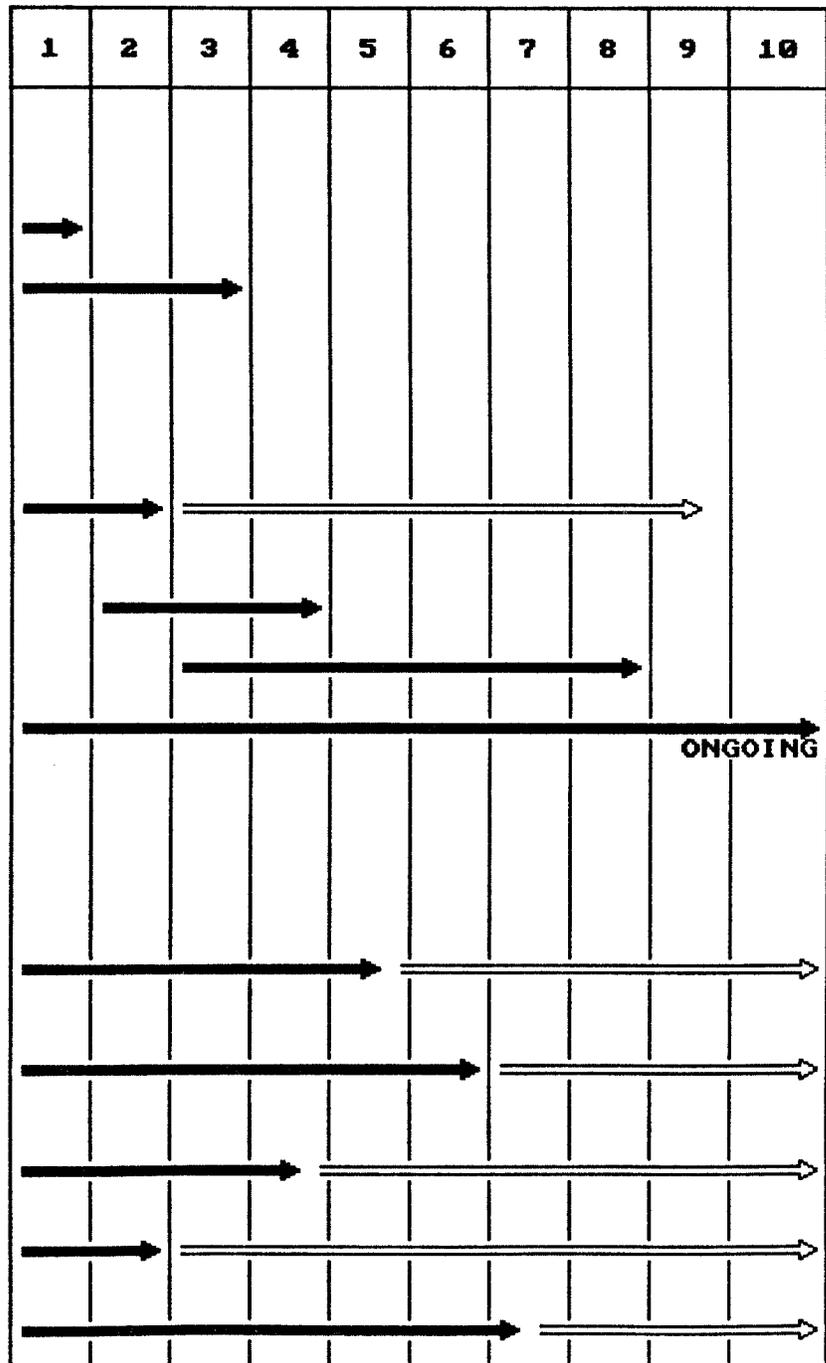
Procurement

Juvenile Record
Maintenance

Departmental Budget
Responsibility

Performance Reporting

Develop MIS Strategic
Plan



→ = ACTIVE IMPLEMENTATION

⇨ = FOLLOW UP

CENTRAL OFFICE PAYROLL

Current Situation

The Central Office Payroll Department is currently staffed with two Accounting Technicians II that serve as the Payroll Clerks for the Agency. They are responsible for the following functions:

- Input exceptions to daily reported hours for each pay period (twice per month) for:
 - Central Office staff
 - Alamo staff
 - Ironwood staff
 - Desert Valley Learning Center staff

(the payroll data for the other institutions is entered remotely at each institution)

- Reconcile Payroll Register with employee Change Sheets once per pay period
- Process Payroll Adjustments once per pay period (as necessary)
- Process Industrial Claims as necessary
- Process Employee Transfers once per pay period (as necessary)
- Reconcile AFIS data with STARS data once per pay period (this task will no longer be necessary after the Agency begins using AFIS II sometime later this year)
- Answer employee's questions regarding payroll issues
- Research payroll questions for employees and Personnel Department.

The two Accounting Technicians that fulfill these responsibilities reported that they spend only 70 hours per month between them to complete all of their daily duties. This "hours worked" figure appeared to be so low relative to the "hours paid" figure (2 people X 160 hours paid/month = 320 hours paid) that both of the individuals were interviewed jointly a second time to verify the amount of time spent on these

activities. The second interview revealed that there are no other duties for which these individuals are responsible and also confirmed the 70 hours per month figure.

The Administrative Assistant in the Youth Services Bureau reported to us that she is responsible for the input of payroll data for approximately 25 Parole Officers. She spends approximately two hours per payroll period (four hours per month) to input the data and reconciling the Payroll Register with the employee Change Sheets.

Impact

Maintaining two Payroll Clerks when there is only 70 hours per month of productive work available has resulted in staffing the department with twice as many clerks as needed.

Recommendation

We recommend that the four hours per month of payroll duties currently being handled by the Youth Services Administrative Assistant be transferred to the Payroll Department.

We recommend that one of the Payroll Clerk positions be eliminated. However, this still leaves approximately 90 hours per month of time available for other duties. We suggest that this available time be used to supplement the other department's clerical needs.

We also recommend that either the Personnel Assistant or Personnel Technician be cross trained to serve as a backup to the Payroll Clerk during periods of absence and vacation.

Benefit

Eliminating the one unnecessary Payroll Clerk position will result in annual payroll savings of \$14,481 and ERE (28%) savings of \$4054 for total annual savings of \$18,535.

Central Office Reduction -- one Accounting Technician II

$$\$14,481 + 28\% \text{ ERE } (\$4054) = \$18,535$$

Implementation

- Transfer all payroll duties to one of the current Payroll Clerks
- Develop internal Agency system to direct clerical duties from the other Agency departments to the Payroll Clerk to perform during periods of low payroll activity
- Cross train Personnel Assistant or Personnel Technician to serve as backup to Payroll Clerk.

COMBINE CENTRAL OFFICE ACCOUNTING FUNCTIONS

Current Situation

The Central Office Accounting function is staffed with one Administrative Services Officer III, two Fiscal Services Specialists V, two Fiscal Services Specialists III, one Accounting Technician III and three Accounting Technicians II (one position is vacant), one Secretary and one Administrative Assistant.

These individuals are responsible for the following activities:

- Accounts Payable processing for:
 - Central Office purchases
 - Health Services purchases
 - Education purchases.

- Accounts Receivable processing for:
 - Witness Fees
 - Fines
 - Parental Assessment
 - Restitution

- Travel Claims from Central Office employees

- Posting of Federal Grant data

- Tracking of donations

- Processing of deposits to the General Accounting Office for such items as:
 - Parental Assessment
 - Restitution
 - etc.

- Administrative transfers

- Reconciliation of checking accounts

- Tracking and reporting of Federal funds received and expended
- Federal Grant reporting
- Reconciliation of STARS and AFIS accounting systems
- Processing Tuition reimbursement requests
- Capital Asset inventory maintenance
- Ad hoc financial reporting.

The Accounts Payable activities (Health Services, Education & Central Office expenditures) have been divided between the two Accounting Technicians II. One of the Technicians processes the Health Services invoices while the other Technician processes the payables for the Education and Central Office expenditures. The Education Payables were previously handled by the third Accounting Technician II. This position is currently vacant and the duties of this position have been transferred to the Technician who handles the Central Office Payables.

Although there is no statistical data currently available to indicate how many Education and Central Office invoices are processed each month, the Technician reports that she spends approximately 50% of her time encumbering the funds and paying the invoices for the Central Office and Education expenditures. She spends an additional 25% of her time posting Federal Grant data and printing the reports associated with the Grants received by the agency. The balance of her time (the remaining 25%) is currently spent processing such items as Parental Assessment payments, restitution STARS entries and tracking donations to the Agency. It was not evident that there was actually 20 hours of work per week involved in these other activities and there was no reported backlog of work.

There are approximately 90 Health Services invoices processed each month by the other Technician. This amounts to about 5 invoices per day. Well organized Accounts Payable systems typically require 1-5 minutes per invoice for processing. At the slowest rate, the Accounts Payable processing for Health Services invoices should take approximately 25 minutes per day. His only other responsibility is processing Tuition Reimbursement requests. These requests are received on an intermittent basis as employees begin and complete outside classes eligible for reimbursement.

Impact

After interviewing and observing the one Technician that is currently handling the Education and Central Office Payables (previously handled by two budgeted FTEs), it appears that there is only enough workload for one position rather than the two positions that are budgeted for this department.

After interviewing and observing the Technician that handles the Health Services Payables, it became clear that the work assigned to this position is not sufficient for one full time employee.

Recommendation

We recommend that the work associated with the Health Services Payables and the Tuition Reimbursements be combined with the work currently being performed by the other Technician handling the balance of the Central Office Payables. This will enable the department to eliminate one of the currently filled Accounting Technician II positions. In addition, we recommend that the currently vacant Accounting Technician II position be abolished.

Benefit

Eliminating the currently filled Accounting Technician II position will result in an annual savings of \$25,569 and not filling the currently vacant position will result in an annual savings of \$18,535 for a total of \$44,104.

Accounting Technician II: $\$19,976 + 28\% \text{ ERE } (\$5593) = \$25,569$

Accounting Technician (vacant): $\$14,481 + 28\% \text{ ERE } (\$4054) = \$18,535$

Total Savings: $\$25,569 + \$18,535 = \$44,104$

Implementation

- Transfer all Accounts Payable processing to one individual

- Cross train one of the Fiscal Service Specialists in the Accounting and Finance department to serve as an Accounts Payable backup during periods of vacation or absence.

CHAPLAIN SERVICES

Current Situation

The Department of Youth Treatment & Rehabilitation currently employs five full time Chaplains to administer to the spiritual needs of the Department's incarcerated youth. The Senior Chaplain is based at Adobe Mountain and manages the activities of three Chaplains (one full time Chaplain at Adobe Mountain, one full time Chaplain at Black Canyon, one 1/4 time Chaplain at Adobe Mountain and one 3/4 time Chaplain at Alamo). The Senior Chaplain is also assisted by contracted Protestant and Catholic services as well as a myriad of volunteer clergy and lay people that utilize the Chapel facility on the grounds of the Adobe Mountain institution. We were told during our interview with the Senior Chaplain that there are as many as 120 volunteers on his rolls at any given time that are able to administer to the needs of the youth at Adobe Mountain and Black Canyon. Currently there are approximately seven volunteer clergy and 110 volunteer lay people assisting the Chaplains at Black Canyon and Adobe Mountain.

There is also one full time Chaplain at Catalina Mountain in the South Region that is supplemented by contracted Catholic services as well as other volunteer clergy and lay people.

The newly appointed Director of the Department of Youth Treatment & Rehabilitation reported that he used only one paid Chaplain for the Youth Treatment Agency which was responsible for the entire state of Texas. This paid Chaplain was then supplemented with a variety of unpaid volunteers from each of the communities in which the institutions were located. The Director reported that there were always more than enough volunteers that were willing to provide the needed services to the incarcerated youth in Texas.

Impact

The Department of Youth Treatment & Rehabilitation is currently spending \$162,914 per year for the salaries (and ERE) of the five Chaplains and an additional \$10,578 for the Protestant and Catholic services that are contracted to outside entities.

Recommendation

We recommend that the Arizona Department of Youth Treatment & Rehabilitation fashion their Chaplaincy services after the Texas system whereby the bulk of the spiritual services are provided by

volunteers. The Senior Chaplain should serve as the coordinator and manager of these services for the facilities in Phoenix and Tucson. We recommend that the clergy of the various denominations represented by the population of incarcerated youth be contacted to determine their willingness to donate their time to provide those specialized services (such as administering the Mass, baptisms, etc.) that are not able to be provided by volunteers. To the extent that these services are unavailable on a donation basis, we recommend that these services be contracted out on an as-needed basis.

Benefit

Reducing the current Chaplain staff to one Senior Chaplain from the current number of five Chaplains will result in an annualized savings of \$127,895. In addition, if the use of paid contracted Protestant and Catholic Services can be replaced with donated services, an additional savings of approximately \$10,578 can be realized for a total of \$138,473 as shown below.

Adobe Mountain

- .25 Institutional Chaplain: $\$8049 + 28\% \text{ ERE } (\$2253) = \$10,302$
- one Institutional Chaplain: $\$25,500 + 28\% \text{ ERE } (\$7140) = \$32,640$

Alamo

- .75 Institutional Chaplain: $\$16,111 + 28\% \text{ ERE } (\$4511) = \$20,622$

Black Canyon

- one Institutional Chaplain: $\$21,803 + 28\% \text{ ERE } (\$6104) = \$27,907$

Catalina

- one Institutional Chaplain: $\$28,457 + 28\% \text{ ERE } (\$7967) = \$36,424$

Implementation

- Develop a "Service Matrix" for each institution that displays the:

- religious services that need to be delivered to the youth
- the current provider of each service (volunteer, paid state staff or contracted service provider)

- Determine to what extent volunteers can assume the duties that are currently being administered by paid Chaplains

- Assign appropriate volunteers to each service

- Review existing religious service contracts and determine whether service needs to be continued and, if not, the ability to cancel the contract.

INSTITUTION BUSINESS OFFICE ACCOUNTING

Current Situation

The Business Office at the Adobe Mountain/Black Canyon institutions is currently staffed with one Administrative Officer II physically located at Black Canyon, two Administrative Officers I (both positions are currently vacant), two Fiscal Services Specialists III physically located at Black Canyon, one Accounting Technician III physically located at Adobe Mountain and two Accounting Technicians physically located at Black Canyon (one position is vacant).

The Business Office at Catalina Mountain is currently staffed with one Administrative Services Officer I, one Fiscal Services Specialist III and one Accounting Technician III. All three of these positions are currently filled and are physically located at Catalina Mountain.

The one Administrative Services Officer II, two Fiscal Services Specialists, one Accounting Technician II and one Accounting Technician III at Adobe Mountain/Black Canyon and the Administrative Services Officer I, one Fiscal Services Specialist III and one Accounting Technician III at Catalina Mountain are responsible for the following functions at their respective Business Offices:

- Standard Accounting and Reporting System (STARS) data entry for Institutional Accounts Payable (encumbrances and claims)
- STARS data entry for accounting transfers
- Accounting for juvenile trust accounts
- Accounting for travel claims
- Creating monthly financial reports
- Creating financial projections as needed
- Completing physical asset forms
- Maintaining financial records for Awards and Recreation fund

- **Maintaining parental assessment financial records**
- **Coordinating Risk Management paperwork (this will be significantly reduced by a Department of Administration Risk Management recommendation)**
- **Reconciling local bank checking accounts**
- **Maintaining monthly worksheet for National School Breakfast/Lunch Program**
- **Timekeeping for Business Office personnel**
- **Maintaining manual financial ledgers**
- **Reconciling manual ledger with automated STARS printouts on a monthly basis**
- **General supervisory and managerial duties.**

The combined three person staff at Catalina Mountain reported that they spend approximately 400 hours per month in total executing the duties listed above. The 80 hours per month that were left unaccounted for (3 persons X 160 hours/month = 480 hours/month of available time) represent a combination of idle time and under-estimating of the specific duties performed on the part of the staff. During the one day that these individuals were observed performing their responsibilities, very little idle time was apparent.

The staff of the Adobe Mountain/Black Canyon Business Office reported that only 200 hours per month were required each month by the combined staff to execute the duties listed above. Once again, the 600 hours per month left unaccounted for (5 persons X 160 hours/month = 800 hours/month of available time) represent a combination of idle time and under-estimating of the specific duties performed on the part of the staff. During the two days this staff was observed performing their functions, it was apparent that a great deal of idle time exists in this Business Office.

Impact

The contrast between the Catalina Mountain Business Office and the Adobe Mountain/Black Canyon Business Office was remarkable. Whereas the Catalina Mountain Business Office staff appears to

be fully loaded with work throughout the work day and diligently pursues their responsibilities, the Adobe Mountain/Black Canyon Business Office appears to have an excessive amount of idle time built into their workday. This is not to say that the workers are not diligent in the pursuit of their duties. However, the office is over-staffed to such an extent that the workers have no difficulty in completing their work each day with excessive amounts of time left over.

There is no performance reporting system in place to enable the Business Office Manager (the Administrative Services Officer II) to monitor and measure the relative workload and performance of the staff members. This makes it very difficult to determine the appropriate staffing level relative to the existing workload.

The manual ledgers that are maintained and reconciled at both Adobe Mountain/Black Canyon and Catalina Mountain are entirely unnecessary. These ledgers are maintained because of the distrust the Business Offices have for the Agency's Central Office Accounting staff. Apparently the Central Office has made accounting entries in the STARS system in the past that resulted in errors appearing in the accounts of the institutions that were discovered while reviewing the monthly STARS reports. As a result, both of the Business Offices have developed manual ledger systems to supplement the STARS system. The Fiscal Services Specialists use the ledgers to enter and track the entries they make in the automated STARS system. In this way, they can compare the manual ledger with the monthly STARS reports to determine if the Central Office has made any entries that affected their accounts. It was reported that approximately 12 hours per month is spent maintaining and reconciling the manual ledgers. Although an entry by the Central Office is found occasionally, it is typically a correct and legitimate entry. These entries are normally to proportionately allocate the costs of telecommunications and computer services to the institutions.

Recommendation

We recommend that the use of the manual ledgers by the Business Offices be discontinued. We further recommend that, if the Central Office finds it necessary to make STARS entries that will affect the accounts and budgets of the institutions, they notify the appropriate Business Office so they are aware of the transaction.

In regard to the over-staffing situation in the Adobe Mountain/Black Canyon Business Office, we recommend the following staffing modifications:

- Do not fill the vacant Accounting Technician II position

- Eliminate the currently filled Accounting Technician II position
- Eliminate one of the two Fiscal Services Specialists III positions
- Downgrade the Administrative Service Officer II to an Administrative Service Officer I position (to be consistent with the staffing in the Business Office at Catalina Mountain) and eliminate the Administrative Officer II position
- Do not fill the other vacant Administrative Service Officer I position
- Retain the Accounting Technician III position

These changes will result in staffing the Adobe Mountain/Black Canyon Business Office with the same size staff as Catalina Mountain (one Administrative Services Officer I, one Fiscal Services Specialist III and one Accounting Technician III (see Exhibit 8, Adobe Mountain/Black Canyon Business Office – Proposed Organizational Structure).

Although Adobe Mountain/Black Canyon has approximately twice as many juveniles as Catalina Mountain, there should be no reason that the gross number of accounting transactions would also be twice that of Catalina Mountain. Although it would be expected that there would be some increase in the number of transactions, it should not be double (however, the dollar value of the transactions would be expected to be higher). Considering that the Catalina Mountain staff of three is not fully loaded with work at current volumes, we believe that the suggested staffing changes at Adobe Mountain/Black Canyon will be sufficient to handle the current volume of work.

To ensure that the staffing levels are correct, we recommend that a performance monitoring system be developed and implemented at both Adobe Mountain/Black Canyon and Catalina Mountain. This system should enable the Business Manager to:

- Track the volume of each type of work performed by the Business Office staff
- Evaluate the effectiveness of the staff in completing the work in a timely manner
- Determine the appropriate staffing level as work volumes increase or decrease.

Benefit

Eliminating the unnecessary manual ledgers being maintained at the Institution's Business Offices will result in providing the staff of each of the offices with an additional 12 hours of time each month that can be devoted to their other responsibilities.

Eliminating the over-staffing situation at the Adobe Mountain/Black Canyon Business Office will result in annual savings of \$54,338 plus the avoided cost of not filling the two vacant positions of \$49,573.

Adobe Mountain/Black Canyon

Accounting Technician I

$$\$13,548 + 28\% \text{ ERE } (\$3793) = \$17,341 \text{ (vacant)}$$

$$\$14,481 + 28\% \text{ ERE } (\$4054) = \$18,535$$

Fiscal Services Specialist III

$$\$22,274 + 28\% \text{ ERE } (6236) = \$28,510$$

Administrative Services Officer I

$$\$25,182 + 28\% \text{ ERE } (\$7050) = \$32,232 \text{ (vacant)}$$

Downgrade Administrative Services Officer II to Administrative Services Officer I

$$\$39,525 - \$32,232 = \$7,293$$

Implementation

- Develop procedure for Central Office to alert Business Offices of STARS accounting entries made in the Central Office
- Eliminate use of manual ledgers at the Business Offices

- Consolidate Adobe Mountain/Black Canyon Business Office work responsibilities into the three remaining positions
- Develop performance monitoring system for Catalina Mountain and Adobe Mountain/Black Canyon Business Offices.

INSTITUTION MAINTENANCE

Current Situation

The Maintenance Department at Catalina Mountain is staffed with one Physical Plant Supervisor II, three Building Maintenance Technicians II and one Welder. This permanent staff is currently being supplemented with one temporary maintenance worker. The Maintenance Department reports to the Business Manager.

The Physical Plant Supervisor has developed a maintenance backlog system that lists all outstanding maintenance projects on a board in the Maintenance Department. As maintenance jobs or projects are identified, they are added to the board and removed when they are completed. Although no estimates are made of the time required to complete the jobs on the board, it does serve to provide a degree of visibility of the outstanding work to be performed by the Maintenance Department.

In addition to the backlog system, there is a Maintenance Work Order system in place. The Work Order system enables any individual within the institution that notices an item that needs repair to bring the item to the attention of the Maintenance Department by completing a Work Order Request.

Each morning, the Physical Plant Supervisor reviews the items on the Backlog Board, and any outstanding Work Order Requests, and prioritizes the work to be done for that day. He then assigns the daily work to the Maintenance Technicians and the Welder. Although no attempt is made to estimate the amount of time required to complete the work assigned to each worker, the Supervisor does follow up periodically with each Technician to ensure that appropriate progress is being made on each assignment. The Equipment Mechanic does not take part in this assignment system and prioritizes his own work on a daily basis.

Although we were told that a Preventive Maintenance system is in place, it is not a centralized system that enables the Supervisor to periodically review which equipment needs attention and assign the work accordingly. Instead, there is a log on each piece of equipment that enables a Technician to indicate when work has been performed on the equipment.

The Maintenance Department at Adobe Mountain is staffed with one Physical Plant Supervisor III, one Physical Plant Supervisor II, seven Building Maintenance Technicians II (one position is vacant) and one Clerk Typist I. Also reporting to the Physical Plant Supervisor III at Adobe Mountain is the Maintenance

Department at Black Canyon. This crew consists of one Physical Plant Supervisor I, one Building Maintenance Technician II and one Correctional Work Projects Specialist (currently being staffed with one Youth Corrections Officer II). Both of these maintenance groups report to the Business Manager at Black Canyon through the Maintenance Supervisor III at Adobe Mountain.

Our interview with the Physical Plant Supervisor III at Adobe Mountain revealed no reasonable explanation why a Clerk Typist was required in the Maintenance Department. The only project on which she is currently working involves typing information from the Work Orders into a personal computer. This project is resulting in nothing more than a list of Work Orders that have been completed. No cost data is being input and it is not being entered into a data base type system that can be used to access or manipulate any statistical information. The data that is being input into the computer is the same as that on the hard copies of the Work Orders, provides no new information and serves no useful purpose.

No backlog system has been established at either Adobe Mountain or Black Canyon that provides visibility of the maintenance work or projects that need to be performed at these facilities. Although there is a Work Order request system, no attempt is made to estimate the time required to complete the work requested. The work orders are simply handed out to the Maintenance Technicians and they are allowed to complete the work at their own pace.

The Physical Plant Supervisor I at Black Canyon has created a Preventive Maintenance system for all of the equipment at that facility. The system consists of a logbook that contains a separate sheet for each piece of equipment. The sheet details the type of maintenance service that is required and what the required interval is between services. A review of the Preventive Maintenance sheets indicates that the system is being actively used to maintain the equipment at Black Canyon. No such system exists at Adobe Mountain.

The Physical Plant Supervisor II at Adobe Mountain reported to us that he frequently uses the services of outside contractors to supplement the work being performed by the Building Maintenance Technicians. He told us that he does this primarily because of the lack of expertise among his Maintenance Technicians. Accounting records maintained by the Business Manager at Black Canyon indicate that over \$100,000 has been spent thus far this fiscal year for outside maintenance services at the Adobe Mountain and Black Canyon institutions. Interviews with several of the Maintenance Technicians indicated, however, that most of the work being contracted out could have been performed by the on-staff Technicians. The Physical Plant Supervisor at Catalina Mountain told us that he rarely contracts out for maintenance services. He reported that his resident staff has the expertise to perform almost all of the work necessary at the

Catalina Mountain facility. The only exception is the annual service contract for the fire safety system. Arizona law requires that a certified technician perform all maintenance on fire safety systems and there are no such certified technicians on the staff of any of the Department of Youth Treatment & Rehabilitation Institutions. Adobe Mountain & Black Canyon also have a service contract for their fire safety systems.

The Central Office Management Services branch of Support Services has one Building Plans Coordinator I (currently vacant). The individual that fills this position has overall responsibility for the following activities:

- Coordination of all new construction
- Coordination with all regulatory agencies regarding maintenance and construction matters at the institutions
- Coordination with local Fire Marshalls for inspection and repair of the fire safety systems
- Cost estimating for all construction projects
- Coordinating all RFPs and proposals for outside engineering services
- Reviewing and approving all maintenance plans and projects
- Formulating all Agency policy regarding facility maintenance and repair
- Creating capital budget requests.

The recently appointed Director of the Department of Youth Treatment & Rehabilitation has formulated a plan to create a new position within the Agency (Institutional Management Services Manager) that will have overall responsibility for all institutional maintenance and be responsible for managing the Maintenance Departments at all of the Agency's institutions. It is envisioned that this individual will also manage all accounting, purchasing, warehouse, maintenance, food service and personnel functions at the Agency's institutions.

Impact

Failure to maintain a backlog system of maintenance projects and work to be completed makes it difficult to:

- Prioritize the work necessary to properly maintain the institutions
- Accurately determine the necessary dollar amount to budget for institution maintenance
- Measure performance of the maintenance departments at each institution.

Furthermore, having a backlog system that lacks an estimate of how much time is expected to be consumed by each project or Work Order makes it difficult to:

- Determine appropriate staffing levels
- Accurately determine reasonable daily work assignments.

Failure to develop and diligently use an adequate Preventive Maintenance system has contributed to the generally poor condition of the institutions of the Department of Youth Treatment & Rehabilitation. This results in higher maintenance costs due to equipment failure and downtime of required systems. Youth health and safety issues have also been negatively impacted in the past (air conditioning and fresh water delivery systems) by the lack of proper maintenance techniques.

The significant use of outside service providers to perform maintenance work at the Adobe Mountain and Black Canyon institutions has resulted from one of two situations. Either the current maintenance staff does not have the skills necessary to maintain the facilities or the maintenance staff is not being utilized effectively. In either case, the result is an unnecessarily high cost to maintain these institutions.

Recommendation

We concur with the Director's plan to create a new position of Manager of Institutional Management Services. We recommend that this individual assume the duties previously performed by the now vacant

Building Plans Coordinator I position. This newly created position should also provide the management framework and performance expectations for the maintenance function at all of the Agency's institutions. Each institution should then have a working maintenance Leadperson reporting to the Manager of Institutional Management Services, but coordinating activities with the management team of the institution. This Leadperson will be responsible for prioritizing, making and following up on daily work assignments for each of the Maintenance Technicians as well as spending 80-90% of the day performing maintenance work. Prioritization and assignment of large scale projects will be made by the Manager of Institutional Management Services. If possible, this position should be filled from within the Agency.

We recommend that the Manager of Institutional Management Services develop and implement a Maintenance Backlog System for each institution as soon as possible. This backlog should consist of all maintenance projects that are currently necessary to be performed in order to bring the physical state of each institution up to an acceptable level. "Acceptable" level of maintenance should be judged in terms of:

- Health and safety of the juveniles
- Health and safety of the staff
- Cost effective maintainability of the institutions

The backlog system should have an "estimated time to complete" associated with each project and, wherever possible, a cost estimate as well. The projects on the backlog system should then be used, in conjunction with the Work Orders that are received, to create the daily work assignments for the Maintenance Technicians.

We also recommend that the Manager of Institutional Management Services ensure that a Preventive Maintenance system is developed, installed and properly administered at each of the institutions.

In order to reduce the dependence on outside maintenance contractors, we recommend that a "Skills Matrix" be developed for each of the Agency's institutions. This matrix should list all of the skills that are necessary to properly maintain each of the Agency's institutions. It should also list all of the skills that are currently resident in each of the Maintenance departments. To the extent that certain required skills are not currently resident within the Agency, we recommend that one of two options be pursued:

- Arrange for necessary training for the current Maintenance Technicians
- Replace the current maintenance staff with appropriately skilled Maintenance Technicians.

We recommend that the Physical Plant Supervisor III position at Adobe Mountain be eliminated after the Manager of Institutional Management Services is brought on board.

We also recommend that the one Clerk Typist I position at Adobe Mountain be eliminated.

Benefit

Transferring responsibility for all institution maintenance to one individual will result in:

- A degree of continuity of maintenance service that has not existed previously
- Better coordination of Agency-wide maintenance resources
- A greater ability to manage and appropriately allocate the Agency's maintenance budget
- Better accountability for the performance of the institution's maintenance departments.

Creating a properly administered Preventive Maintenance program will result in:

- Longer life of the institution's physical plant, buildings and related systems
- Reduced repair and replacement costs
- Enhanced maintainability of the institution's systems
- Greater up-time for those systems that relate to the health and safety of the juveniles.

Developing and properly administering a Maintenance Backlog System will enable the Manager of Institutional Management Services to:

- Accurately determine the necessary dollar amount to budget for institution maintenance

- Accurately determine the necessary dollar amount to budget for institution maintenance
- Determine appropriate staffing levels
- Prioritize the work necessary to properly maintain the institutions
- Accurately determine appropriate daily work assignments
- Measure performance of the maintenance departments at each institution.

Developing and properly using a Maintenance Skills Matrix will enable the Manager of Institutional Management Services to:

- Objectively evaluate the maintenance skills currently resident within the Agency
- Appropriately deploy those skills to maintain the Agency's institutions
- Provide for training to enhance and augment the current skill base
- Replace inappropriately skilled personnel where necessary
- Use outside maintenance contractors on a more selective basis than is currently being done.

We believe that it should be possible to reduce the current dependence on outside maintenance contractors by at least 50% which would result in annual savings of approximately \$50,000.

Eliminating the one Physical Plant Supervisor III position will result in annual salary savings of \$34,559 and ERE savings of \$9676 for a total labor savings of \$44,235.

Eliminating the one Clerk Typist position will result in annual salary savings of \$12,792 and ERE savings of \$3581 for a total labor savings of \$16,373.

The total combined savings that will result from these recommendations is \$110,608 (\$16,373 + \$44,235 + \$50,000).

Implementation

- **Recruit Manager of Institutional Management Services from within the Agency (if possible) to avoid adding unnecessary staff**
- **Develop Maintenance Skills Matrix**
- **Evaluate the skills of the current Maintenance Technicians**
- **Replace Technicians as necessary**
- **Develop, install and administer Preventive Maintenance Program**
- **Develop, install and administer Maintenance Backlog system**
- **Eliminate Physical Plant Supervisor III position**
- **Eliminate Clerk Typist position.**

ALAMO MENTAL HEALTH FACILITY

Current Situation

Those juveniles committed to the Department of Youth Treatment & Rehabilitation that are deemed to be in need of mental health treatment are assigned to the Alamo institution in Phoenix. This quite old, very rundown institution is currently being run by approximately 45 staff members and usually houses between 20 and 30 juveniles at any given time.

The Department of Youth Treatment & Rehabilitation currently pays \$70,000 per year to rent the Alamo facility. An additional \$95,330 is spent for repair, maintenance, utilities and related operating expenses for a total outlay of \$165,330 per year to operate this facility.

The institution at Black Canyon that is used to house girls that are committed to the Department of Youth Treatment & Rehabilitation consists of two cottages, each with a capacity of 60 youth. Although both of the cottages are relatively new and in excellent condition, the number of girls that are currently institutionalized (typically between 40 and 50) only warrants the use of one cottage. The other cottage is locked and sits vacant.

The new Director of the Department of Youth Treatment & Rehabilitation has proposed closing the Alamo facility and moving those juveniles currently housed at Alamo to the one vacant cottage at Black Canyon. The three primary reasons for his proposal are:

- The youths would be housed in a physically safer, cleaner and healthier facility than is currently available at Alamo
- There are substantial dollar savings associated with closing Alamo and moving the juveniles to Black canyon. These savings consist of:
 - Elimination of the annual rental charge
 - Elimination of the ever increasing operating expenses
 - Reduction of duplicate staff.
- Better utilization of the Black Canyon facility.

Impact

The Budget Office of the Department of Youth Treatment & Rehabilitation has performed a cost analysis detailing the potential savings that could be realized from closing the Alamo facility and moving the juveniles to the vacant Black Canyon cottage. The savings consist of the following components:

- Elimination of rent and operating expenses at Alamo
 - Gross reduction of \$165,330 per year
- Incremental additional cost of opening and operating the second Black Canyon cottage
 - Gross additional cost estimated to be \$77,270 per year
 - Annual gross savings of \$165,330 less additional gross annual cost of \$77,270 results in a net annual savings of \$88,060 for rent and operating expenses
- Elimination of those Alamo staff positions that are currently duplicated at Black Canyon and would not need to be replaced if the Alamo facility was absorbed by the Black Canyon operation. If the same number of juveniles that are currently housed at Alamo were moved to Black Canyon, approximately 28 staff members would need to be moved from the Alamo facility to Black Canyon and 17 positions could be eliminated. These position eliminations would result in an annual savings of approximately \$570,086. If the number of juveniles requiring mental health treatment were increased after the move to Alamo, the savings outlined above would be decreased somewhat due to the additional staff that would be required.

Therefore, continuing to operate the antiquated facility at Alamo results in an estimated additional cost to the Department of Youth Treatment & Rehabilitation of \$658,146 per year (\$88,060 for rent and operating expenses plus \$570,086 for salary and 28% ERE = \$658,146).

Recommendation

We concur with the Director's proposal to close the Alamo facility and move the youth housed there to the vacant Black Canyon cottage. We recommend that this proposal be acted upon at the earliest possible opportunity to take full advantage of the potential savings.

We also concur with the Director's proposal that the 17 duplicate staff positions be eliminated when the Alamo facility is closed. Once again, this staff reduction assumes that the number of juveniles requiring mental health treatment would remain constant. We recommend developing a staffing algorithm that would enable the Black Canyon management to determine the appropriate staffing level as the juvenile population increases or decreases.

Benefit

The potential benefits that can be realized by the Department by closing the Alamo facility includes the following:

- Provision of a safer, cleaner, healthier and more cost effective facility for those mental health youths currently committed to the care of the Department of Youth Treatment & Rehabilitation
- Elimination of rent and operating expenses at Alamo (\$165,330 per year) less the additional cost of opening and operating the second Black Canyon cottage (\$77,270 per year) will result in a net annual savings of \$88,060
- Elimination of 17 Alamo staff positions that are currently duplicated at Black Canyon and would not need to be transferred if the Alamo facility was absorbed by the Black Canyon operation will result in a net annual savings of approximately \$570,086. The positions that can be eliminated (assuming the juvenile population remains the same as today) and the annual dollar savings associated with each position are:

(Dollar figures shown include 28% ERE)

- Accounting Technician (\$25,067)
- Administrative Secretary II (\$22,384)
- Building Maintenance Tech III (\$31,441)
- Business Manager (\$29,744)
- Chaplain (cost for eliminating this Chaplain position has already been accounted for in the previous CHAPLAIN SERVICES Recommendation)
- Clerk Typist II (\$21,025)
- Correctional Medical Assistant (\$34,668)

- Correctional RN Supervisor II (\$44,019)
- One Correctional Registered Nurse (\$41,922)
- Two Correctional Registered Nurse (\$41,922)
- Three Correctional Registered Nurse (\$29,744)
- Physical Plant Supervisor II (\$31,709)
- Psychologist II (\$40,710)
- One Psychology Associate II (\$30,191)
- Two Psychology Associate II (\$30,191)
- Storekeeper (\$23,750)
- Superintendent (\$54,400)
- Training Officer (\$37,199)

Total annual savings associated with eliminating these duplicate staff positions is \$570,086.

Implementation

- Inspect vacant Black Canyon cottage and determine whether the Maintenance Department needs to take any action to ensure that the cottage is serviceable and ready to be inhabited
- Complete necessary maintenance items (if required)
- Determine which individuals will be transferred from the Alamo facility to Black Canyon
- Develop staffing algorithm to determine appropriate staffing level
- Develop plan to physically transfer juveniles from the Alamo facility to Black Canyon
- Develop "shutdown plan" for Alamo facility to ensure that the building and grounds are vacated and shutdown in a safe and orderly manner.

CENTRAL OFFICE PROCUREMENT & FIELD PROCUREMENT

Current Situation

The purchasing functions at Catalina Mountain are currently handled in a decentralized fashion with the various department heads (Administration, Maintenance, Warehouse, Vehicle Maintenance, Cottage Supervisors and Food Services) completing a Purchase Requisition after reviewing the state contract listing or consulting with known vendors. If the goods to be purchased are not covered under a state purchase agreement and will cost more than \$500 (but less than \$2500), at least three vendors are contacted to obtain competitive pricing for the goods. After a vendor has been selected, the Purchase Requisition is sent to the Business Manager for review and approval. If the items to be purchased are less than \$2500 or are covered under a state purchase agreement, the Business Manager (or the department head in some cases) will place the order directly with the vendor. When the purchase is greater than \$2500 (but less than \$10,000), the Purchase Requisition is sent to the Procurement group at the Agency's Central Office for processing. Purchases greater than \$10,000 are not handled at the Agency level but are sent to the State Procurement Office for processing. Since the beginning of the current fiscal year on July 1, 1991, the Catalina Mountain Business Office has processed 356 Purchase Requisitions or approximately 11 per week. No data was available regarding the number of Purchase Requisitions over \$2500 that were sent to the Central Office, but we were told that these are minimal and rarely are Purchase Requisitions sent to Phoenix for processing. The vast majority of Purchase Requisitions are for routine items and are handled out of the Business Office at Catalina Mountain.

The Purchasing functions at Adobe Mountain and Black Canyon institutions are being handled in a more centralized manner by one Buyer II physically located at Black Canyon and one Buyer Assistant (currently vacant). The Buyer processes approximately 143 Purchase Requisitions each month or about 36 per week. The majority of these Requisitions are for either routine operating supplies that are purchased on a regular, recurring basis or maintenance items used to repair or maintain the facilities. In addition to processing Purchase Requisitions, the Buyer also periodically creates Requests for Quotes (RFQ) and Invitations for Bids (IFB) when items costing more than \$500 that are not on a state contract are being purchased. No data was available on the number of RFQs or IFBs processed by this Buyer.

The Central Office Procurement function is comprised of a Buyer III and a Buyer II. These two Buyers combined process approximately 140 Purchase Requisitions per month or about 35 per week (the same number handled by the sole Buyer at Black Canyon). These Buyers also prepare IFBs and RFQs as required. No data was available on the volume of RFQs or IFBs prepared by the Central Office Buyers.

In addition to the two Buyers in the Central Office, there are two Contract Management Specialists II, one Contract Management Specialist III, one Contract Management Supervisor, two Information Processing Specialists II (one of which is vacant), one Administrative Assistant I and one Administrative Secretary I (currently vacant). These individuals are responsible for:

- Creating and disseminating Requests for Proposals (RFP) and Requests for Quotes (RFQ) for services requested by the various departments within the Agency
- Coordinating the evaluation and selection process after vendors have submitted their proposals
- Maintaining the contract files after a vendor has been selected (this consists largely of insuring that required insurance and licenses are kept current by the selected vendors).

Although there was no statistical data available to measure the performance or the volume of work processed by this group, we were told that the two Contract Management Specialists II have processed a total of seven RFPs since they began working with the Agency. One of the Specialists has been working with the Agency since July 1, 1991 and has processed four RFPs and the other Specialist, who started on September 1, 1991, has processed three RFPs. No data was available for the workload of the Contract Management Specialist III or the Contract Management Supervisor.

The Contract Management Specialists reported that 85% of the work for which the Contract Management group is responsible comes from the Purchase of Care group. The Purchase of Care department writes the specific program requirements for the services they desire and send these requirements to the Contract Management Specialists. The Specialists then create an RFP or RFQ that combines the specific program requirements provided to them with the standard state-mandated RFP "boilerplate" paragraphs.

Impact

The Catalina Mountain staff is to be commended for their apparent ability to manage the purchase of goods in the decentralized manner currently being employed. One of the reasons that this system works is that each of the departments has been provided with the annual budget information for their area of responsibility (as mentioned in the Departmental Budget Responsibility point). This enables them to manage the funds allocated to their area, to monitor the sums being spent and to determine whether there are funds

available for the purchase of goods. It also provides the appropriate incentive to purchase goods at the lowest possible cost. The other reason this decentralized system works is that the departments have been provided with the names of the vendors that supply the goods they use. The departments are then able to contact the vendors directly to ascertain availability, current pricing and delivery schedules. This is an excellent example of placing the responsibility for an activity at the lowest level that is appropriate for its efficient execution.

At both Adobe Mountain and the Central Office, budget information is not made available to the department heads. This makes it impossible for the various departments to manage the funds allocated to the areas and provides no incentive to manage to a specific budget. Because the vendor information is also not available, it makes it impossible for departments to have direct contact with the vendors that supply their goods. Consequently, both the Central Office and Adobe Mountain (Black Canyon) are staffed with Buyers to manage the purchasing functions when there is actually a very small volume of work to be processed.

The technical aspect of 85% of the RFPs issued by the Contract Management group (Purchase of Care RFPs) is being created by the Purchase of Care department with only standard "boilerplate" RFP language being added by the Contract Management Specialists. Maintaining a staff of three Contract Management Specialists, a Supervisor and three clerical support staff (one position is currently vacant) does not appear to be justified considering the small volume of work that is actually processed by this group.

Recommendation

We recommend that more of the routine items being purchased by the institutions that are not currently covered under a statewide purchasing agreement be incorporated into statewide purchasing contracts. This task can be handled by the State Procurement Office in the Department of Administration. This will facilitate the purchase of goods by the institutions and eliminate the necessity for going out for competitive bids more than once per year.

We recommend that the Buyer II position and the vacant Buyer Assistant position at Black Canyon be eliminated. The purchasing duties currently being performed by the Black Canyon Buyer should be shifted to the various department heads and be performed in a manner similar to that which is currently being conducted at the Catalina Mountain institution. This process will become even more routine than it currently is after more of the regularly used items are covered under statewide purchasing agreements.

We recommend that the relatively small amount of RFP production currently being handled by the Contract Management group be transferred to the State Procurement Office in the Department of Administration. The various departments within the Agency that need to contract out for services (primarily the Purchase of Care group) should continue to prepare the detailed contract requirements as they are currently doing. However, they should be submitted to the State Procurement Office instead of the Contract Management group.

A performance monitoring system should be established to ensure that the State Procurement Office provides the level of service required to meet the goals of the Agency. To the extent that the State Procurement Office can provide the appropriate level of service, it should not be necessary to maintain an entire Contract Management group within the Agency.

The one function of the Contract Management group that should remain the responsibility of the Agency is the monitoring of the licenses and insurance of the vendors with which the Agency does business. Now that a tracking system has been put into place, this should not consume very much time. We recommend that the proposed Internal Audit group assume this responsibility as one of the components of their program review function.

Benefit

Transferring the responsibility for purchase of goods to the individual department heads at Adobe Mountain and Black Canyon will enable the elimination of the two Buyer positions (one of which is vacant). Eliminating the currently filled Buyer position at Black Canyon will result in an annual savings of \$25,466 and not filling the vacant Buyer Assistant I position will result in annual savings of \$19,880 for a total of \$45,346.

Transferring the responsibility for RFP production and Contract Management to the State Procurement Office in the Department of Administration will enable the elimination of the entire Contract Management group. Eliminating the currently filled Contract Management department positions at the Central Office will result in an annual savings of \$181,170 and not filling the two vacant positions will result in annual cost avoidance of \$38,414 for a total of \$219,584.

The total combined savings of these recommendations is \$264,930.

Black Canyon

Buyer II: $\$19,895 + 28\% \text{ ERE } (\$5571) = \$25,466$

Buyer Assistant I (vacant): $\$15,531 + 28\% \text{ ERE } (\$4349) = \$19,880$

Central Office

One Contract Management Supervisor: $\$38,068 + 28\% \text{ ERE } (10,659) = \$48,727$

One Contract Management Specialist III: $\$25,182 + 28\% \text{ ERE } (\$7,050) = \$32,232$

Two Contract Management Specialists II: $\$26,403 + 28\% \text{ ERE } (\$2,112) = \$28,515$

$\$24,065 + 28\% \text{ ERE } (\$6,738) = \$30,803$

Two Information Processing Specialists II (vacant): $\$15,330 + 28\% \text{ ERE } (\$4,292) = \$19,622$

$\$14,481 + 28\% \text{ ERE } (\$4,054) = \$18,535$

One Administrative Assistant I: $\$16,618 + 28\% \text{ ERE } (\$4,653) = \$21,271$

One Administrative Secretary I (vacant): $\$15,531 + 28\% \text{ ERE } (\$4,348) = \$19,879$

Implementation

- Determine which routinely purchased goods not currently on state contract can be incorporated into a state purchasing agreement
- Train department and Bureau managers to more fully administer the requisition of goods and services that are required by their areas of responsibility. This will include, in some cases, routine contacts with appropriate vendors
- Assign responsibility for negotiating all service contracts and other purchases to the State Procurement Office

- **Develop a simple performance monitoring system to ensure that the SPO handles the Agency's purchasing needs in an effective and efficient manner**
- **Transfer responsibility for monitoring the licenses and insurance coverage of outside vendors to the proposed Internal Audit group.**

JUVENILE RECORD MAINTENANCE

Current Situation

When a youth enters the custody of the Agency, a file is created to receive and store all of the records pertaining to the youth's Case Management. These records can consist of such documents as:

- Commitment documents
- Court documents
- Incident Reports
- Monthly Summaries
- Outside Service Reports
- Diagnostic Reports
- Psychology Reports
- Chronos.

There are currently at least three copies of each file (a Master File and a Purchase of Care File maintained in the Central Office in Phoenix and a Field File maintained at the institution where the youth is living). In some cases, a fourth file is created for the Parole Officer.

Approximately 88% of the documents that are contained within the files are handwritten by the Case Workers, Case Managers, Psychologists or Parole Officers. A small number of these documents are placed directly into the Field File in handwritten form while the majority are forwarded to the Records Clerks in the institution to be typed. After the documents have been typed, they are returned to the originator for review. In many cases, the originator edits the typed copy and returns it to be retyped. After the document meets the satisfaction of the originator, it is copied so that the other files (Master File and Purchase of Care File) can receive a copy of each document (any documents that were not typed are also copied for the other

files). The original is then filed in the Field File and the copies are forwarded to the Central Office to be filed in the two files which reside there. Approximately 12% of the documents that are placed in a youth's file are created by being dictated and then typed by one of the Records Room personnel rather than being handwritten by the originator. In a very few cases, the documents are typed by the originator.

The Central Office File Room is staffed with two Correctional Records Clerks who are responsible for receiving and filing all of the copies that are sent from the institutions. In addition, they are responsible for maintaining the files for youths that have been released from the institutions but have not yet reached the age of 23. When a youth that has been released from one of the juvenile correctional institutions reaches the age of 23 and has not been referred to an adult correctional institution, their record is destroyed by the Central Office. If the youth has been referred to an adult institution prior to reaching the age of 23, the record is forwarded to the Department of Corrections.

Adobe Mountain has a Records Room that is currently staffed with two Record Clerks II, one Clerk Typist II, two Information Processing Specialists II and two Information Processing Specialist I (one position is vacant). These individuals are supervised by one Correctional Records Technician. One of the Records Clerks has been on maternity leave since January 1992 and one of the Information Processing Specialists has been on medical leave since February 1992.

Black Canyon has a Records Room that is currently staffed with one Correctional Records Technician.

Catalina Mountain has a Records Room that is currently staffed with one Correctional Records Technician and two Clerk Typists II.

The Records Room staff are responsible for:

- Creating new files on incoming juveniles
- Receiving all incoming documents
- Typing all documents as directed by the Case Workers, Case Managers or Parole Officers
- Updating juvenile information in the AIMS automated tracking system

- Sorting the incoming mail
- Reception duties (Catalina Mountain only).

Impact

There are several negative aspects to administering the juvenile files in the manner described above. Among these are:

- Maintaining more than one file on each juvenile within the system has resulted in none of the files being completely accurate. It was reported to us that it is a common occurrence for documents to be found in one of the youth's files but not in the other files. Consequently, anyone reviewing one of the files can not be certain that all of the documents are present in the file they are using. Additionally, the need to maintain several files on each youth (Field File, Master File and Purchase of Care File) has resulted in a larger than necessary staff at Adobe Mountain and Catalina Mountain (to copy and forward documents to the Central Office) and at the Central Office (to receive, file and maintain the documents sent from the institutions)
- Requiring the documents in the juvenile's file to be typed rather than handwritten (or entered into a Personal Computer and printed by the originator) has resulted in the need to have a staff of Information Processing Specialists and Typists at Adobe Mountain and Catalina Mountain.

Recommendation

We recommend the following changes in the maintenance of Juvenile records:

- Only one file should be maintained on each youth. The file should be maintained at the institution by the Case Managers and Case Workers who are assigned to the youth (rather than in a central Records Room). The files should be maintained in the secure cottage office where the Case Managers and Workers are assigned.

- The only records that should be maintained at the Central Office are those of juveniles who have been released from the Agency's Institutions.
- The Central Office Record Room should be staffed with only one person instead of the current two people. This Clerk should be responsible for:
 - Maintaining the records of those juveniles who have been released from the Agency's institutions
 - Forwarding to the institutions for insertion into the youth's file any documents received from outside sources such as courts, police agencies, etc.
- When a juvenile is committed to an institution the Case Manager assigned to that youth should be responsible for creating the original file and inserting the appropriate documentation as it is generated. As the various Case Workers or other Agency personnel create documentation that is to be inserted in the file, they should do so in its final form, i.e., in either a legible handwritten form or in a typed form and insert it directly into the juvenile's file. The preferred method would be to enter the data directly into a Personal Computer and print the results for inclusion in the juvenile's file. Some of the cottages are currently equipped with Personal Computers. For the Case Workers assigned to cottages that are not so equipped, they should use one of the PCs in the institution administration building.
- Transferring the responsibility for file maintenance to the Case Managers and Case Workers will eliminate the need to have a staff of Clerk Typists and Information Processing Specialists at the institutions to type the handwritten documents that are currently being submitted to them. The institution's Record Room should be responsible only for:
 - Receiving documents from outside sources or the Central Office
 - Forwarding these documents to the Case Managers for insertion into the youth's file
 - Miscellaneous clerical functions (mail handling, reception duties, etc.)

We recommend that the Institutions Records Rooms be staffed as follows:

- Adobe Mountain: one Records Technician
- Catalina Mountain: one Records Technician
- Black Canyon: one Records Technician

We also recommend that the Agency continue to pursue the more long term goal of automating the entire file maintenance process. The only aspect of file maintenance that is currently automated is the AIMS tracking system. This is nothing more than a location tracking device and serves a very limited purpose for the Agency. Most of the treatment and historical data contained within each youth's file can be entered and stored electronically rather than in the current manually generated paper format. We understand that automating the Agency's youth file system is one of the goals of the recently confirmed Director and we concur in this approach.

Benefit

Eliminating the duplication of files and transferring the responsibility for record maintenance to the Case Managers and Case Workers will result in the following benefits:

- Greater accuracy of the one remaining file
- Elimination of the extra steps and personnel currently involved in record preparation, typing, filing and maintenance
- Elimination of 8.5 unnecessary staff positions that are currently filled for an annual savings of \$156,543 and one currently vacant position for an annual savings of \$17,341 resulting in total annual savings of \$173,884 as shown below.

Adobe Mountain

5 Clerk Typists II: $\$7315 + 28\% \text{ ERE } (\$2048) = \$9363$

Two Correctional Records Clerks:	$\$14,481 + 28\% \text{ ERE } (\$4,054) = \$18,535$
	$\$13,548 + 28\% \text{ ERE } (\$3,793) = \$17,341$
Two Information Processing Specialists I:	$\$14,000 + 28\% \text{ ERE } (\$3,920) = \$17,920$
	$\$13,548 + 28\% \text{ ERE } (\$3,793) = \$17,341$
	(vacant)
Two Information Processing Specialists II:	$\$16,294 + 28\% \text{ ERE } (\$4,562) = \$20,856$
	$\$16,020 + 28\% \text{ ERE } (\$4,485) = \$20,505$

Central Office

One Correctional Records Clerk:	$\$13,548 + 28\% \text{ ERE } (\$3,793) = \$17,341$
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Catalina

Two Clerk Typists II:	$\$13,548 + 28\% \text{ ERE } (\$3,793) = \$17,341$
	$\$13,548 + 28\% \text{ ERE } (\$3,793) = \$17,341$

Implementation

- Install secure file cabinets in the Case Managers and Case Workers office in each Cottage
- Ensure that all Case Managers and Workers are trained in the use of Personal Computers where PCs have been installed for their use
- Install PCs in those cottages where they are not currently available for use by Case Managers and Case Workers (to the extent possible within the current budget)
- Revise file maintenance procedures to eliminate the typing and filing responsibilities of the current Records Room staff
- Eliminate the Central Office Records Room (open files only).

DEPARTMENTAL BUDGET RESPONSIBILITY

Current Situation

The annual Department of Youth Treatment & Rehabilitation budget that is created each year by the Agency's Budget Officer and staff for use by the Central Office and the institutions is allocated among the ten following categories:

- Personnel Services & ERE (Employee Related Expenses)
- Professional & Outside Services
- Travel-In-State
- Travel-Out-of-State
- Other Operating Expenses
- Equipment
- Food
- WIPP (Work Incentive Pay Program)
- Purchase of Care
- Governor's Task Force.

The funds in these broad categories are then divided among the various entities within the Agency. The entities among which the Agency's funds were divided for the current fiscal year are:

- Director's Office
- Operations
 - Administration

- Adobe Mountain
 - Alamo
 - Ironwood
 - Black Canyon
 - Catalina Mountain
 - Youth Services Bureau
- Support Division
 - Administration
 - Health Services
 - Training
 - Agency Support
 - Education.

It is then the responsibility of each of the entities listed above to allocate and manage their annually budgeted funds to administer the activities of their Bureau or institution. No further guidance or monthly breakdown of the budget is provided.

No monthly breakdown of expenses is provided by the Budget Officer or the Accounting and Finance Bureau. Although the Budget Officer does issue a Budget Analysis Report, no monthly data is available on this report. It reports only year-to-date expense figures and a percentage reflecting the percent of the total annual allocation that has been spent year-to-date.

The Business Manager at Catalina Mountain allocates the Other Operating Expenses portion of the Catalina Mountain budget to the eighteen various functional areas of responsibility within the institution based on past spending history and anticipated needs for the future year. He then provides the department Supervisors and Managers of the institution with an annual budget figure. They are then expected to manage the budget for their respective areas. This process is not followed at Black Canyon and Adobe Mountain. The Business Manager at Black Canyon (who is also responsible for Adobe Mountain) controls the entire Other Operating Expenses portion of the budget from the Business Office. As Purchase Requisitions or Invoices are received in the Business Office, she decides if there are funds available for the expenditure. This decision is not made based on the funds available for a particular department but rather whether there are funds available in the Other Operating Expenses category for the institution as a whole.

Impact

The budget categories that are currently used to allocate and report Agency costs are far too broad to manage the Agency and the departments within the Agency. Without a further breakdown of several of the categories (Other Operating Expenses and Equipment for example), it is impossible for the Bureaus to properly plan their activities and expenditures for the year.

The lack of a monthly report that shows the monthly expenditures compared with planned monthly expenditures makes it impossible to monitor progress against the annual budget on a monthly basis. Although the current report does show the percentage of the annual budget that has been expended, it is not readily apparent (without performing additional calculations) how much was actually spent during the current month, whether this compares favorably with previous months or whether spending is on track for the year. This makes it very difficult for the Bureau managers to manage the costs of their Bureau.

The budget allocation process followed by the Business Manager at Catalina Mountain is an excellent example of placing the responsibility for an activity in the hands of the lowest level of management that is appropriate for its efficient execution. When the various department supervisors and managers are aware of the amount of their annual budget from the beginning of the year, they are better able to plan the activities and expenditures of their department throughout the course of the year. Without this information, it is impossible to plan and manage the expenses of a department. Additionally, it is unrealistic to expect someone that is not intimately involved in a department on a day-to-day basis to be aware of the specific needs and priorities of that department.

Recommendation

We recommend that the broad budget categories that are currently being used by the Agency to allocate the annual budgeted funds be subdivided into smaller, more manageable categories such as those represented by the Index and Sub-Index codes of the STARS system. In some cases, these will represent too great a breakdown. However, in many cases, these should provide the appropriate level of detail required to manage the specific Bureaus and institutions.

Additionally, we recommend that a more useful monthly reporting tool be developed that provides the Bureau and institution managers with the visibility of:

- Monthly expenses compared with the monthly plan
- Year-to-date expenses compared with the year-to-date plan.

We also recommend that the system being followed at Catalina Mountain that enables each department supervisor and manager to administer their own departmental budget be implemented at the Central Office and at the other Agency's institutions.

Benefit

Implementing the recommendations listed above will provide the following benefits:

- Provide the individual Bureaus and institutions with the appropriate tools to manage the funds allocated to their areas
- Enhance the ability of the Bureaus and institutions to properly plan their activities and expenditures for the year
- Enable the Bureaus and institutions to monitor their progress against the annual budget on a monthly basis
- Places the responsibility for managing the funds allocated to a specific Bureau or department in the hands of those who are actually managing the activities of the Bureau or department.

Implementation

- Develop appropriate budget sub-categories that can be used to manage on an individual bureau and department basis
- Create a reporting tool that provides greater visibility of spending patterns on a monthly basis
- Assign budget accountability responsibility to individual department management.

PERFORMANCE REPORTING

Current Situation

During the course of our review of the Department of Youth Treatment & Rehabilitation, we noted that virtually none of the departments had any type of performance monitoring or reporting system in place. This was first made evident during the interviews that were conducted when almost none of the staff members or their supervisors and managers had any idea of the volume of work that was being processed in their areas. The only exceptions were the Accounting and Finance department and the Procurement department in the Central Office. These two areas have recently installed a system to begin collecting statistics regarding the daily volume of work being processed in their departments. Although this collection of statistics is not, in itself, a Performance Reporting system, it can serve as the basis for developing such a system for these departments. However, no other departments, either at the Central Office or at the institutions, have any similar system in place.

Impact

Failure to administer a Performance Monitoring and Reporting System renders it impossible for management to:

- Gather data on the volume of work being processed
- Compare the relative performance of:
 - employees
 - similar time periods
 - offices at the institutions
- Determine if staffing levels are appropriate for the volume of work being processed
- Identify areas of their departments that could be improved
- Determine if performance is improving or deteriorating

- Identify areas where employee training may be required
- Effectively and objectively evaluate the performance of their staff.

Recommendation

We recommend that an Agency-wide Performance Monitoring and Reporting System be developed and installed in all Bureaus and departments at the Central Office and all of the institutions. Key components of the system should include:

- Gathering of daily statistical data on the volume of work being completed in each area
- Development of standards that will provide guidance to management regarding the volume of work that can be expected to be performed each day
- A simple method to compare the established standards with the actual daily results
- Active use of the daily data to manage the work of each area.

Benefit

Installing a Performance Monitoring and Reporting System will provide the following benefits to the Agency:

- Enable management to compare the relative performance of their employees
- Enable management to identify work volume trends and compare performance for similar time periods
- Provide management with the ability to compare the relative performance of similar offices at the various institutions

- Enable management to determine if staffing levels are appropriate for the volume of work being processed
- Enable management to identify areas of their departments that need improvement
- Enable management to determine if performance is improving or deteriorating in their areas
- Enable management to effectively and objectively evaluate the performance of their staff.

Implementation

- Develop a tool for collecting daily statistical data for each work area
- Develop standards for daily performance in each work area
- Train staff members to use the tools
- Train department and Bureau managers to use the system to evaluate individual and group performance.

DEVELOP MIS STRATEGIC PLAN

Current Situation

The various Bureaus and correctional Institutions of the Department of Youth Treatment and Rehabilitation are currently using several different automated systems to conduct the day-to-day operations of the Agency. These systems include:

- AIMS: This Department of Corrections system is used solely to track the movements of the juveniles that are incarcerated in the Agency's institutions. It does not have the ability to maintain any information regarding:
 - The cost to maintain a youth within the Agency's system
 - The treatment programs that are being administered for the incarcerated juveniles
 - Any historical data regarding the treatment a juvenile has received or the progress that has been made while the juvenile was incarcerated
 - Services received from outside agencies or placement centers
- STARS: The Standard Accounting and Reporting System (STARS) is used by the Department of Youth Treatment and Rehabilitation to record all accounting transactions executed by the Agency. The STARS system interfaces with the AFIS system which is a separate and distinct accounting system used by the Department of Administration. The STARS system was installed because AFIS did not provide the ability to track the detailed cost information desired by the Agency. AFIS II, which is supposed to be able to provide more detailed information, is scheduled to be released later this year. It is anticipated that STARS will be able to be replaced by AFIS II. This replacement will eliminate the need to perform the monthly reconciliation of the data contained within STARS and AFIS.
- AFIS: This is the Department of Administration accounting system with which all state agencies interface. The Department of Youth Treatment and Rehabilitation Accounting group does not actually enter any data into this system. However, they receive printouts from AFIS that are used to reconcile the data entered into STARS (by the Agency) and data entered in (or downloaded to) AFIS by the Department of Administration. This system is scheduled to be replaced with a new version (AFIS II) sometime later this year.

- JOLTS: This is an automated system owned and operated by Maricopa County. Although the Department of Youth Treatment and Rehabilitation has the ability to access the data contained within this system, they do not have the ability to enter any data or manipulate the data in JOLTS. The JOLTS system was designed specifically for juvenile corrections (as opposed to adult corrections) and provides much more useful information to the Agency than does the AIMS system.

- PURCHASE OF CARE SYSTEM: This is a stand-alone system developed by the Purchase of Care group to enable the Agency to track and monitor the cost of maintaining a juvenile in outside placement centers as well as provide historical data regarding the service providers and the services provided to the juveniles. It was designed to contain many of the same data elements as JOLTS so that downloading of information from JOLTS to this system would be possible. Although the design and development of this system is complete, it is not actually up and running yet. Historical service provider and juvenile information is currently being loaded into this system so that it can be used in the near future.

- LAN system: Several Local Area Networks have been installed throughout the Agency. There are five separate LANs at the following locations:
 - Adobe Mountain
 - Black Canyon
 - Catalina Mountain
 - Central Office
 - Purchase of Care (physically located at the Central Office but separate from the main Central Office LAN)

- These LANs provide the users with the ability to access and use the following software:
 - Word Perfect
 - Quatro Pro
 - Paradox
 - Novel Btrieve (Purchase of Care system only)

The users of the five LANs do not currently have the ability to access and share data among the networks because they are not connected to each other.

There are Personal Computers connected to the LAN in all of the Central Office bureaus that have a need to access the system. All of the Business Offices at the institutions also have Personal Computers that provide them with access to their LAN. Some of the cottages at the institutions also are equipped with personal computers.

Although no formalized MIS department exists within the Agency, there are three staff members that provide MIS services to the Agency's user population. One individual provides technical and user support for the LANs in the Central Office as well as at the Institutions. One other individual provides user software support and training. Another Central Office staff member provides user support for the STARS system, maintains the STARS programs and initiates the daily batch processing that is necessary with the STARS system.

The interviews that were conducted within the Agency revealed that there is no centralized MIS planning or coordination between the Central Office and the Institutions. There is also very little coordination between the various Bureaus at the Central Office. Most importantly, no strategic plan for MIS services has been developed for this Agency. Each department and institution has been relatively free to formulate and execute their own MIS plans and strategies. The only apparent constraints on the various bureaus have been budgetary in nature.

Impact

The lack of a coordinated Agency-wide strategic plan for MIS services has resulted in, and will continue to contribute to, several negative impacts on the Department. Among these are:

- Each Bureau and institution will continue to attempt to formulate their own plans without proper guidance and expertise
- The various plans that will be formulated will not take into account what other Bureaus and institutions are planning in regard to MIS matters which will lead to duplication and overlap of systems

- No centralized planning and allocation of resources (both staff and budget) for MIS needs can be made without a strategic plan
- Scarce budget resources will be fragmented and possibly wasted as the individual Bureaus and Institutions pursue their own plans
- Without the framework of a strategic plan, it is impossible to:
 - Establish realistic Agency-wide MIS priorities and balance the needs of the various Bureaus and Institutions
 - Establish a realistic and reasonable MIS budget
 - Appropriately assign MIS staff.

Recommendation

We recommend that an MIS Strategic Plan be developed by the Director, Deputy Director, Assistant Director Support Services and other key Agency personnel to be selected by the Director. Other key personnel should be selected to represent the needs of the following areas:

- The Institutions
 - Case Management
 - Health Services
 - Business Office
 - Maintenance
 - Warehouse
- Purchase of Care
- Accounting and Finance
- Education
- Volunteer Services
- Training Services.

Until the Strategic Plan has been formulated and finalized, no further MIS systems should be planned, developed or installed. This includes the Purchase of Care system that has been recently developed. A decision will need to be made whether the Purchase of Care system will fit into the needs of the Agency before proceeding further with it. If it is decided to proceed with the Purchase of Care system, plans will need to be made about how it will interface with other Agency systems.

Additionally, the creation of an MIS department should be postponed until the Strategic Plan is completed. The structure of the MIS Department cannot be decided until the Plan has been formulated. For example, will there be a centralized MIS Department in the Central Office or decentralized departments at the institutions? Can the services of DOA's MIS resources be used? What kind of skills will be required to execute the Strategic Plan? Are those skills currently resident in the Agency or will it be necessary to recruit other individuals to acquire the appropriate skills? The correct and appropriate answers to these questions can not be provided until the Agency determines its needs.

The skills necessary to develop and install automated systems are distinctly different than those required to maintain an ongoing system. Rather than create an MIS department to develop, install and maintain the required systems, we recommend that the development and installation activities be contracted to an outside service provider. The ongoing maintenance of the system can then be assigned to the Agency's MIS staff.

Benefit

Developing and implementing an Agency-wide MIS Strategic Plan will result in the following benefits:

- Provide a coordinated direction regarding MIS services for the entire Agency
- Enable the Agency to plan and develop systems that will meet its needs and mission
- Enable the Agency to appropriately and intelligently allocate its resources to achieve its MIS needs
- Provide a framework upon which the MIS priorities of the Bureaus and Institutions can be established

- Enable the Agency to eliminate those systems that do not currently meet its needs (e.g., AIMS)
- Avoid the fragmentation and overlapping of MIS services that currently exists.

Using an outside service provider to develop and install the required automated systems will result in:

- Bringing the systems online more quickly than with inhouse staff
- The ability to maintain a smaller MIS staff for maintenance and user support only.

Implementation

Key implementation tasks include:

- Determine automated system needs for each department and Agency service function
- Determine to what extent the identified needs of the Agency are currently being met by existing systems
- Determine whether modifications of existing systems can be made to meet the needs of the Agency
- Develop detailed System Requirements Plan for those needs not currently being met
- Identify and assign parts of the Plan to existing staff where their skills can be applied on a cost effective basis
- Locate appropriate outside service providers to develop, program and install needed automated services which can not be cost effectively provided by existing staff.