

---

# Management Audit of the Hawai'i Youth Correctional Facility

---

A Report to the  
Governor  
and the  
Legislature of  
the State of  
Hawai'i

Report No. 06-03  
May 2006



**THE AUDITOR**  
STATE OF HAWAI'I

---

## Office of the Auditor

The missions of the Office of the Auditor are assigned by the Hawai'i State Constitution (Article VII, Section 10). The primary mission is to conduct post audits of the transactions, accounts, programs, and performance of public agencies. A supplemental mission is to conduct such other investigations and prepare such additional reports as may be directed by the Legislature.

Under its assigned missions, the office conducts the following types of examinations:

1. *Financial audits* attest to the fairness of the financial statements of agencies. They examine the adequacy of the financial records and accounting and internal controls, and they determine the legality and propriety of expenditures.
2. *Management audits*, which are also referred to as *performance audits*, examine the effectiveness of programs or the efficiency of agencies or both. These audits are also called *program audits*, when they focus on whether programs are attaining the objectives and results expected of them, and *operations audits*, when they examine how well agencies are organized and managed and how efficiently they acquire and utilize resources.
3. *Sunset evaluations* evaluate new professional and occupational licensing programs to determine whether the programs should be terminated, continued, or modified. These evaluations are conducted in accordance with criteria established by statute.
4. *Sunrise analyses* are similar to sunset evaluations, but they apply to proposed rather than existing regulatory programs. Before a new professional and occupational licensing program can be enacted, the statutes require that the measure be analyzed by the Office of the Auditor as to its probable effects.
5. *Health insurance analyses* examine bills that propose to mandate certain health insurance benefits. Such bills cannot be enacted unless they are referred to the Office of the Auditor for an assessment of the social and financial impact of the proposed measure.
6. *Analyses of proposed special funds* and existing *trust and revolving funds* determine if proposals to establish these funds are existing funds meet legislative criteria.
7. *Procurement compliance audits* and other *procurement-related monitoring* assist the Legislature in overseeing government procurement practices.
8. *Fiscal accountability reports* analyze expenditures by the state Department of Education in various areas.
9. *Special studies* respond to requests from both houses of the Legislature. The studies usually address specific problems for which the Legislature is seeking solutions.

Hawai'i's laws provide the Auditor with broad powers to examine all books, records, files, papers, and documents and all financial affairs of every agency. The Auditor also has the authority to summon persons to produce records and to question persons under oath. However, the Office of the Auditor exercises no control function, and its authority is limited to reviewing, evaluating, and reporting on its findings and recommendations to the Legislature and the Governor.



### THE AUDITOR STATE OF HAWAI'I

Kekuanao'a Building  
465 S. King Street, Room 500  
Honolulu, Hawai'i 96813

# OVERVIEW

## *Management Audit of the Hawai'i Youth Correctional Facility*

Report No. 06-03, May 2006

---

### Summary

The Hawai'i Youth Correctional Facility has been the focus of intense scrutiny over the past several years. Recently, reports and lawsuits by the American Civil Liberties Union of Hawai'i and the U.S. Department of Justice have highlighted problems at the facility. The State has entered into a memorandum of agreement with the Department of Justice (DOJ) for correction of those problems. Failure to make those improvements will risk reinstatement of the federal lawsuit.

In addition, the Legislature conducted hearings on the situation at the facility, leading to a request for our audit. We conducted this audit in response to Act 1, Session Laws of Hawai'i 2006, to assess whether the Hawai'i Youth Correctional Facility is organized and managed to carry out its mission. We also procured the services of a certified public accounting firm to conduct the financial portion of the audit to assess selected fiscal issues, including, but not limited to, a review of sick leave, overtime, and procurement issues. The financial portion of the audit will be released separately.

We found that the Office of Youth Services, which is responsible for overseeing the facility, has not provided the facility with adequate guidance and support to carry out its mission. For example, the office has not clearly communicated whether the facility's mission is primarily rehabilitation or secure incarceration. This ambiguity has caused considerable confusion among facility staff. Statutory direction has also offered minimal guidance to both the office and the facility. Failing to follow its strategic plan, such as developing more aggressive alternatives to incarceration and strengthening its after-care and transition programs, the Office of Youth Services continues to engage in reactive rather than proactive management. The office also relies on consultant services to improve the conditions at the facility without first utilizing in-state expertise.

We also found that the facility needs to use productive management tools. Positions critical to the improvement of the facility are vacant or temporarily filled, creating management inconsistencies and uncertainty among staff. For example, various facility staff have been temporarily and intermittently assigned to the Corrections Supervisor I position since August 2003. The position, which oversees all social workers and youth corrections supervisors and officers, is instrumental to providing services to the facility's youth and security for the facility. Likewise, job performance evaluations are not conducted systematically or used as an effective management tool — we found that less than 17 percent of facility staff received annual performance appraisals for 2004 and 2005. Further, regularly conducted staff training and a quality assurance program have only recently been implemented as part of the agreement with the federal justice department. The agreement includes four substantive remedial measures; protection



from harm, training, access to medical and mental health care, and special education. The agreement also requires the facility to revise and/or develop its policies and procedures.

---

## Recommendations and Response

We recommended the Legislature consider revising relevant sections of Chapters 352 and 352D, Hawai'i Revised Statutes, to clarify the purpose of the Office of Youth Services and the Hawai'i Youth Correctional Facility. For the office, we recommended it clarify its and the facility's overall missions, clearly state the goals and establish measures of success for each component of its continuum of services, scrutinize the need for consultant services, and ensure that training provided by and plans created with consultants are implemented, monitored, and enforced at the program level. For the Hawai'i Youth Correctional Facility, we recommended that it maintain and systematically ensure that critical positions are filled with permanent staff, that job performance evaluations are conducted annually, and that initial and follow-up training sessions are provided for staff. We further recommended that the facility maintain a quality assurance program, measure program effectiveness, and develop a management information system.

The Office of Youth Services generally agreed with our findings and recommendations and expressed appreciation for the report's fairness in recognizing the organization historically. However, the office disagrees with our finding that consultants have overlapping duties. For example, the office does not consider the technical advisor from the Federal Bureau of Prisons to be a consultant since this person was obtained via an interagency personnel employment exchange. However, regardless of the position title, the agreement requires the office to pay for the services being provided. Further, both the technical advisor and the memorandum of agreement monitor assess the facility's progress in achieving the required improvements—an apparent overlap of duties. In addition, while the office claims to have implemented some of the concepts from the 2000 update to the strategic plan, its officials concede that they have not fully implemented the plan. We maintain that had the office implemented its 2000 update to its strategic plan, improvements at the facility might have precluded the need for a DOJ agreement.

The Office of Youth Services provided additional information to explain its current procedures and corrective actions planned. Some points of clarification were included in the final report.

---

**Marion M. Higa**  
State Auditor  
State of Hawai'i

Office of the Auditor  
465 South King Street, Room 500  
Honolulu, Hawai'i 96813  
(808) 587-0800  
FAX (808) 587-0830

---

# Management Audit of the Hawai'i Youth Correctional Facility

---

A Report to the  
Governor  
and the  
Legislature of  
the State of  
Hawai'i

Submitted by

**THE AUDITOR**  
STATE OF HAWAI'I

Report No. 06-03  
May 2006

---

## Foreword

This audit was conducted in response to Act 1, Session Laws of Hawai'i 2006; fiscal issues are being addressed by a contractor and a subsequent report will follow.

We wish to express our appreciation for the cooperation and assistance extended to us by the Department of Human Services, the Office of Youth Services, the Hawai'i Youth Correctional Facility, and other organizations and individuals we contacted during the course of our audit.

Marion M. Higa  
State Auditor

---

# Table of Contents

## Chapter 1 Introduction

Background .....	1
Objectives .....	6
Scope and Methodology .....	6

## Chapter 2 Youth Correctional Programs Are Weakly Managed

Summary of Findings .....	9
The Office of Youth Services Has Not Provided the Hawai'i Youth Correctional Facility With Adequate Guidance and Support .....	10
The Hawai'i Youth Correctional Facility Needs To Use Productive Management Tools .....	19
Conclusion .....	25
Recommendations .....	25

Notes .....	27
-------------	----

Response of the Affected Agency .....	29
---------------------------------------	----

## List of Exhibits

Exhibit 1.1	Office of Youth Services Organization Chart .....	3
Exhibit 1.2	Hawai'i Youth Correctional Facility Organization Chart .....	5
Exhibit 1.3	HMS 503 - Youth Residential Programs Appropriations for FY2004-05 and FY2005-06 .....	6

---

# Chapter 1

## Introduction

---

The Hawai‘i Youth Correctional Facility, the State’s only institution for incarcerated juvenile offenders, has been the focus of intense scrutiny over the past several years. Extensively researched reports such as the American Civil Liberties Union of Hawai‘i (ACLU) report of August 2003 and the U.S. Department of Justice (DOJ) report of August 2005 have resulted in lawsuits. The ACLU report found “a pattern of egregious conduct and conditions that violate minimum and constitutional standards.” The ACLU filed a 2005 class action lawsuit. The DOJ report cited the absence of policies and procedures as the cause of the “state of chaos” at the facility. The DOJ also filed suit, but entered into a memorandum of agreement with the State that resolves the litigation if the State remedies conditions at the facility in three years. In addition, in November 2005, the Hawai‘i State Legislature held informational briefings that surfaced concerns about the management of the facility.

The significant attention on the Hawai‘i Youth Correctional Facility spurred the Legislature to request that the State Auditor conduct an audit pursuant to Act 1, Session Laws of Hawai‘i (SLH) 2006. The purpose of this audit is to assess the adequacy of the facility’s management and organization and selected fiscal issues.

---

## Background

In Hawai‘i, youth incarceration dates back to the Hawaiian Kingdom. In 1864, on the island of O‘ahu, King Kamehameha V created the Keone‘ula Reformatory School for boys and girls in Kapālama, the first juvenile facility of its kind in the islands. In 1903, 75 of the boys relocated to farmland in Waiale‘e on the North Shore, remaining there until 1950. The girls moved from Kapālama to Mō‘ili‘ili, and then to Maunawili Training School in Kailua. The facility became known as the Kawailoa Training School for Girls in 1931. In 1950, three “cottages” for boys were built across from the girls’ school in Kailua. All operations at the Waiale‘e Training School for Boys (111 boys and 45 staff members) transferred to the new facility called the Ko‘olau Boys Home.<sup>1</sup>

In 1961, the boys’ and girls’ operations combined to form the Hawai‘i Youth Correctional Facility (HYCF). The facility became a branch of the newly reorganized Department of Social Services and Housing’s Corrections Division. In 1980, the Hawai‘i State Legislature enacted statutory provisions for juvenile justice, later codified as Chapter 352D, Hawai‘i Revised Statutes (HRS).

In 1987, the Legislature created the Department of Corrections by enacting Act 338, SLH 1987. Section 15 of the act temporarily placed juvenile corrections functions into the department for a two-year period ending June 30, 1989. During that time, a juvenile justice interdisciplinary committee was tasked to study and determine the appropriate placement of the youth corrections programs. The committee submitted a report to the Legislature on January 1989 that recommended that a youth services agency be created and attached to the Department of Human Services for administrative purposes. This recommendation resulted in Act 375, SLH 1989, which created the Office of Youth Services. Act 375 also placed the Hawai'i Youth Correctional Facility and its juvenile parole functions under the Office of Youth Services.

### ***Organization of the Office of Youth Services***

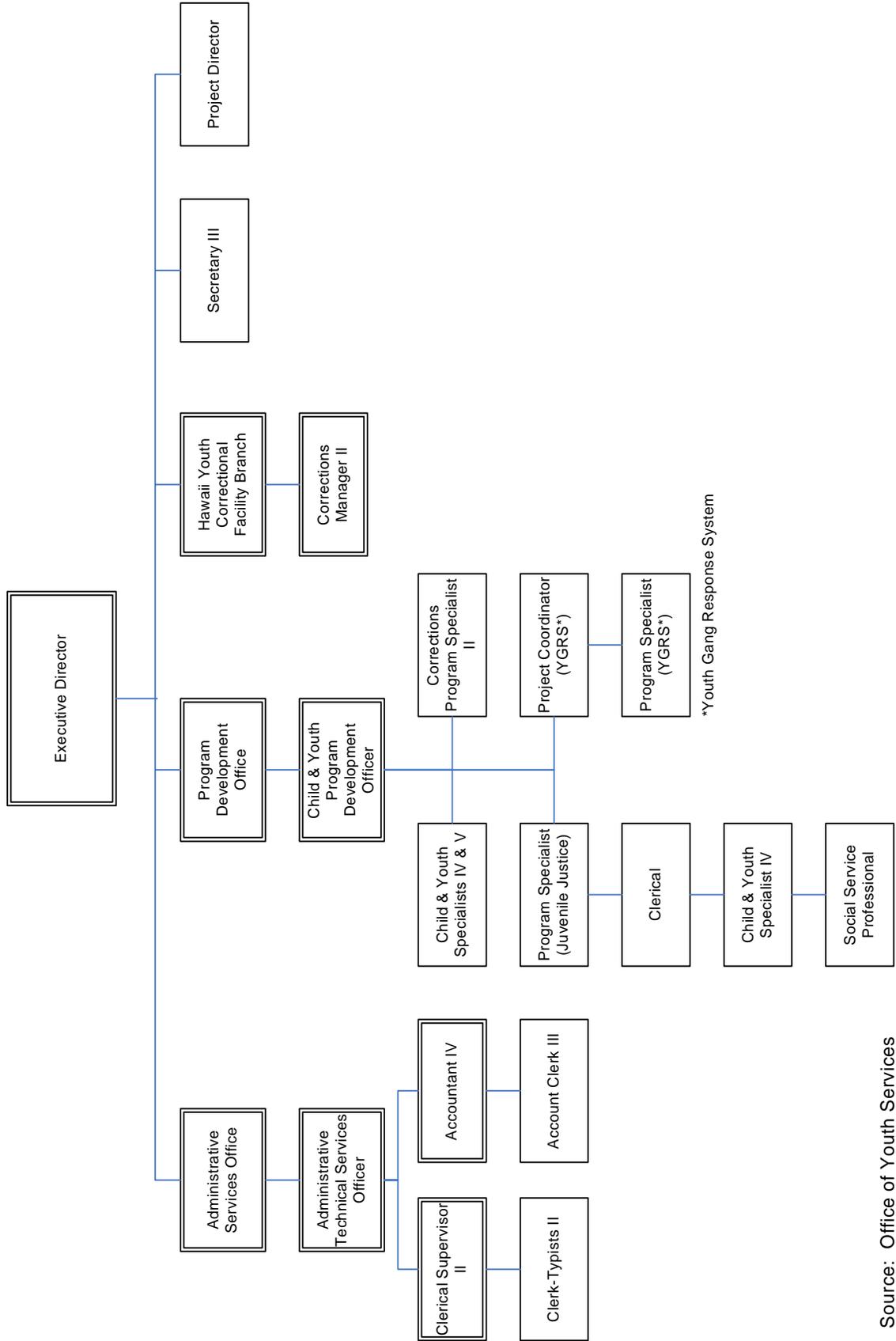
Act 375 called for the Office of Youth Services to assume the leadership role in developing and insuring a comprehensive continuum of statewide planning and system coordination, maintaining oversight of activities and services for children and families, and providing responsibility and accountability for these services. Additionally, the act noted the importance of a single entity that would serve as a central intake agency to coordinate the delivery of services, provide a continuum of programs to eliminate gaps, and prevent delinquency and reduce the incidence of recidivism.

Headed by an executive director, the office comprises three sections: the Administrative Services Office; the Program Development Office; and the Hawai'i Youth Correctional Facility Branch. The Administrative Services Office is responsible for fiscal, procurement, personnel, and technical services for the organization. The Program Development Office staff administer, implement, evaluate, and monitor a broad spectrum of youth services. The Hawai'i Youth Correctional Facility Branch comprises the youth correctional facility, which is described in the following section. Exhibit 1.1 shows the Office of Youth Services organization chart.

### ***Organization of the Hawai'i Youth Correctional Facility***

A main goal of the facility is to rehabilitate incarcerated youth and assist them in transitioning into the community successfully at the time of their release. The facility offers a variety of counseling, treatment, and educational services. All staff members participate in providing guidance and opportunities for positive change in the behavior of the youth. The Department of Education provides educational programs for youth committed to the facility, including special education, at multiple locations on the facility grounds.

**Exhibit 1.1  
Office of Youth Services Organization Chart**



Source: Office of Youth Services

The facility includes three secure units: the high-risk boys' unit, or Secure Custody Facility; the short-term, low-risk boys' facility or Ho'okipa Makai; and the girls' housing at the Observation and Assessment building. During FY2004-05, the facility admitted 108 new commitments (unduplicated and not including parole suspensions); these commitments comprised 86 (80 percent) males and 22 (20 percent) females. Forty-nine (45 percent) of the 108 were for short-term commitments (less than 365 days) and 59 youth (64 percent) were admitted for minority commitments (up until the age of 18, 19, or 20). Fifty-nine were committed by the Family Court's First Judicial Circuit, 45 from the Second, Third, and Fifth Circuits of the Family Court, and four were unknown. During FY2004-05, the average daily population of youth committed to the facility was 60.

A corrections manager, more commonly referred to as the administrator, heads the facility. A secretary and a corrections program specialist report directly to the administrator, as do the office services staff supervisor and the section heads for the health care services, operating services, and youth services and custody sections. A number of key positions at the facility are temporarily filled. Exhibit 1.2 illustrates the organization of the Hawai'i Youth Correctional Facility.

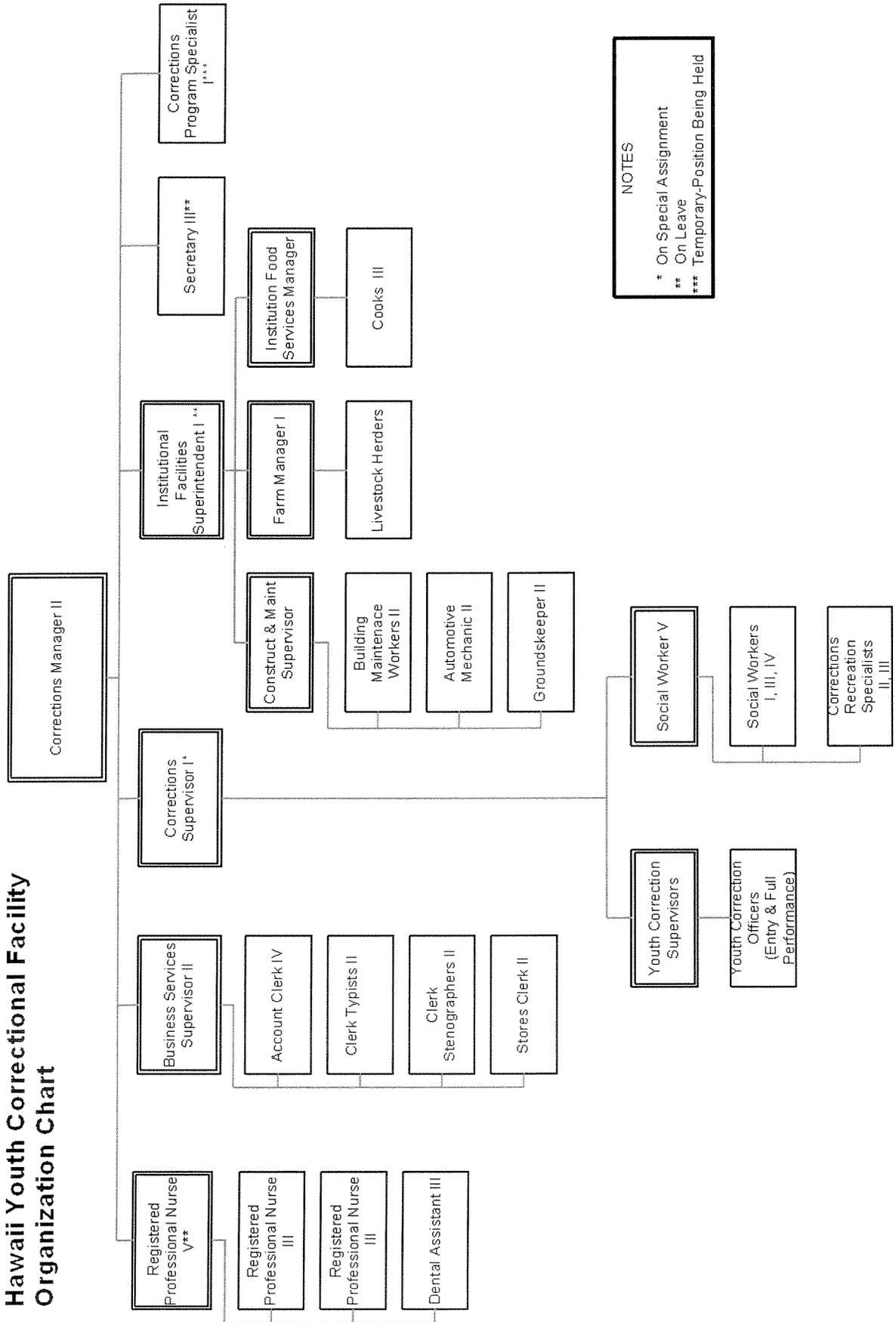
### ***Program appropriations of the Hawai'i Youth Correctional Facility***

The budget for the Office of Youth Services is comprised of three programs: HMS 501—Youth Services Administration; HMS 502—Youth Services Programs; and HMS 503—Youth Residential Programs. The Office of Youth Services allocates moneys to the Hawai'i Youth Correctional Facility from the approved HMS 503 budget. HMS 503 provides "a continuum of residential programs and services ranging from secure custody to non-secure community-based residential services." Exhibit 1.3 summarizes the HMS 503—Youth Residential Programs appropriations for the past two years, as approved by the Legislature in Act 41, SLH 2004, and Act 178, SLH 2005.

### ***Prior audit***

In 1986, our *Management Audit of the Hawai'i Youth Correctional Facility*, Report No. 86-15, assisted the Legislature in assessing the facility's role and performance. We found that Hawai'i's youth corrections policies and practices lacked clarity and consistency and failed to provide an adequate framework for effective program management. More specifically, we found that Hawai'i's legislation created ambiguity in the roles and responsibilities of the three departments directly involved in providing services at the Hawai'i Youth Correctional Facility. These included the then Departments of Social Services and Housing, Education, and Health. These departments lacked concerted planning and programming, and they mainly warehoused wards temporarily committed to their care.

**Exhibit 1.2  
Hawaii Youth Correctional Facility  
Organization Chart**



NOTES  
 \* On Special Assignment  
 \*\* On Leave  
 \*\*\* Temporary-Position Being Held

Source: Office of Youth Services

**Exhibit 1.3**  
**HMS 503 – YOUTH RESIDENTIAL PROGRAMS**  
**APPROPRIATIONS for FY2004-05 AND FY2005-06**

<b>Positions</b>	FY2004-05	FY2005-06
General Fund positions	88.50	88.50
Transfer Fund positions	.50	.50
Total Positions	89.00	89.00

<b>Funds</b>	FY2004-05	FY2005-06
General Fund	\$5,472,979	\$6,278,187
Federal Funds	\$1,463,704	\$1,463,704
Transfer Funds	\$15,940	\$16,540
GO Bonds	\$0	\$100,000
Total	\$6,952,623	\$7,858,431

*Source: Session Laws of Hawaii*

Our audit also revealed that the Hawai‘i Youth Correctional Facility fell short in preparing its wards for their return to the community. The facility was largely deficient in the areas of basic and vocational education, reintegration, and family involvement. The facility also lacked a health education program and an infirmary. We concluded that a confusing and uncertain central mission plagued the facility’s internal management.

## Objectives

1. Assess whether the Hawai‘i Youth Correctional Facility is organized and managed to carry out its mission.
2. Assess selected fiscal issues of the Hawai‘i Youth Correctional Facility, including, but not limited to, a review of sick leave, overtime, and procurement issues.
3. Make recommendations as appropriate.

## Scope and Methodology

Our review focused on FY2004-05 to the present but included previous fiscal years as necessary. In addition to visiting the facility, we reviewed planning documents, organizational and budget reports, and relevant policies and procedures. We also reviewed pertinent state laws and rules, audits, reports, and other documents. In addition, we interviewed personnel involved in the management and oversight of the Hawai‘i Youth Correctional Facility and other relevant agencies.

We procured the services of a certified public accounting firm to review selected financial issues of the Hawai‘i Youth Correctional Facility.

However, as the consultant was not available to conduct its audit work simultaneously with our audit of management issues, a separate report will reflect the consultant's findings related to the facility's fiscal matters. Specifically, the consultant will review the policies and procedures, records, and internal controls in place at the Office of Youth Services and the Hawai'i Youth Correctional Facility related to sick leave, overtime, and procurement.

Our work was performed from January 2006 to April 2006 and conducted according to generally accepted government auditing standards.

*This page intentionally left blank.*

---

# Chapter 2

## Youth Correctional Programs Are Weakly Managed

---

State law recognizes the need for strong leadership in developing and insuring a comprehensive continuum of services for Hawai‘i’s children and families. Act 375, Session Laws of Hawai‘i 1989, now Chapter 352D, Hawai‘i Revised Statutes (HRS), requires that the Office of Youth Services assume this leadership role by providing and delivering services for at-risk youth across the state. It calls for effective planning, system coordination, managerial oversight and accountability for youth services, and it places the administration of the Hawai‘i Youth Correctional Facility under the office.

However, weak management within the Office of Youth Services and Hawai‘i Youth Correctional Facility has hampered achievement of successful planning and system-wide coordination in the foreseeable future. Neither organization has taken the time to clarify its respective mission statements, renew goals and objectives, and rethink roles and responsibilities. Without clear mission statements, the office and facility are unable to plan strategically for the future.

Both the office and facility need to step back from daily operational work to outline priorities in terms of strategic goals, performance management, human resources practices, and program evaluations. Once accomplished, top-to-bottom redesign of what the agencies do and how they plan to do it is necessary to empower the office and facility with effective ways to address their priorities.

---

### Summary of Findings

1. The Office of Youth Services has not provided the Hawai‘i Youth Correctional Facility with adequate guidance and support.
2. The Hawai‘i Youth Correctional Facility needs to use productive management tools.

---

## **The Office of Youth Services Has Not Provided the Hawai'i Youth Correctional Facility With Adequate Guidance and Support**

The main reason for the Office of Youth Services' inability to provide the Hawai'i Youth Correctional Facility with adequate guidance and support lies in the office's confusion about its mission and that of the Hawai'i Youth Correctional Facility. A somewhat contradictory statutory mandate that has elements of both "punishment" and "reintegration" or rehabilitation contributes to an unclear mission statement. Further, the office recently decided to expand its mission from at-risk youth to *all* youth. The rationale for this expansion and how programs will carry out that expanded mission have not been made clear to personnel at the facility. Without proper communication and clarification between the office and the Hawai'i Youth Correctional Facility, confusion will continue.

The Hawai'i Youth Correctional Facility has embraced a mission of "rehabilitation." However, the facility's staff are not in agreement. Some still believe the facility exists merely to "punish." Poor communication between the facility administrator and the staff contribute to this conflict in perceptions. The Office of Youth Services has also neglected to support the facility by failing to implement strategic plans and using consultants in a questionable manner.

### ***The mission of the office is unclear***

A mission statement is a brief, comprehensive statement of an organization's purpose. It defines what the agency is and why it exists. A basic statement that is not clearly communicated and understood in an organization such as the Office of Youth Services hinders its attempts to create restructuring and purposeful change. The Office of Youth Services' 1991 strategic plan noted the importance of a clear mission:

*People who work in the Office of Youth Services must have a clear understanding of the fundamental purpose for which the system exists. There should be virtually identical understanding of policy goals and operational goals among those responsible for carrying out the agency's mission.*

*To date, this has represented an area of almost "automatic" success for the Office; its staff has been so small as to guarantee unanimity of purposes. However, as positions are filled and new people begin to act on its behalf, the Office must be able to assure that everyone is working with the same immediate organizational and long-term strategic goals. This does not mean that everyone must have the same ideas about everything. Once a full discussion has taken place, however, care should be taken that all staff have a common understanding of the*

*“official” position and are able to translate it into operational terms. In addition, they will play a critical role in helping to shape a common public view of the Office. Particular attention should be given to assuring that a consistent set of goals are being expressed.*

The Office of Youth Service’s focus has shifted throughout the years with different executive directors. The most marked shift occurred in 2004 when the vision and mission of the office was restated to what the current executive director felt reflected a “more community centered state agency.” The vision statement in the Office of Youth Services’ 2001 annual report read, “A safe, healthy and nurturing community that values youth as productive and contributing members and provides opportunities for actualization of their highest potential.” Its mission stated, “To develop and enhance an effective continuum of services for Hawai‘i’s at-risk youth.” In 2004, the vision became “Resilient children, families and communities,” and the mission changed to “The right services, for the right child, at the right time, in the right way.”

The Office of Youth Services’ broadened mission statement of focusing on *all* youth instead of just at-risk youth appears to have overly expanded its statutory mandate. Although the mission of serving all youth is laudable, given the situation at the Hawai‘i Youth Correctional Facility, we suggest that the office consider dealing with its core responsibilities before branching out.

### **The statutory direction for the office is ambiguous**

The very laws that created the Office of Youth Services have contributed to the confusion over its mission. According to Section 352-2.1(a), HRS, the Hawai‘i Youth Correctional Facility was created “in order to provide for the incarceration, punishment and institutional care and services to reintegrate into their communities and families, children committed by the courts of the State.” The ambiguity and conflicting nature of all these requirements did not go unnoticed by the Legislature. Chapter 352-2.1(b), HRS, notes this apparent incongruity by citing that the policy and purpose of the Hawai‘i Youth Correctional Facility is to “harmonize the sometimes conflicting requirements of public safety, secure placement, and individualized services for law violators in the custody and care of the director” (of the Office of Youth Services).

The Office of Youth Services executive director, who is responsible for the Hawai‘i Youth Correctional Facility, and the Hawai‘i Youth Correctional Facility administrator, who oversees the day-to-day operations of the facility and reports to the director, both agree that facility’s goal is one of rehabilitation. According to Section 352D-6,

HRS, this focus echoes the specific duties related to incarcerated youth, including the “diagnostic evaluation, treatment, and rehabilitation services for all youths referred to services provided by the office or placed in the office’s custody by the family court.” However, if this indeed is the mission of the Hawai‘i Youth Correctional Facility, then this message has been diluted or lost among its staff who remain in conflict about the facility’s purpose and goals.

Clearly, this conflicting mandate has caused difficulty for the Office of Youth Services and the Hawai‘i Youth Correctional Facility to “own” and articulate its own purpose. Therefore, the Legislature might consider assisting the office by clarifying relevant sections of Chapters 352 and 352D, HRS.

### **Poor communication of the facility’s mission results in conflicting perceptions**

Rehabilitation, the Hawai‘i Youth Correctional Facility’s current goal, has not been embraced by all staff as the facility’s mission. Legislative testimony and interviews conducted by our staff have indicated confusion about the facility’s role and purpose. For example, some youth corrections officers view the facility as a prison and believe that it should be run as a correctional institution. The focus here reflects punishment rather than rehabilitation and ignores the reality that incarcerated juveniles will eventually be released. When asked during a legislative hearing whether the facility administrator was qualified, one youth corrections officer stated that the current administrator would be better suited in a group home environment, which normally is more rehabilitative in nature. During legislative testimony provided by the Office of Youth Services, the executive director stated that “our focus remains on rebuilding a foundation that is based on rehabilitation, not punishment.” If this is the mission statement for the facility, stronger, more effective communication is needed to reach the Hawai‘i Youth Correctional Facility staff.

### ***Strategic plans have not been implemented***

In 1991, a team of national experts in the field of juvenile justice, guided by the National Child Welfare Resource Center for Management and Administration at the University of Southern Maine, authored a strategic plan for the Office of Youth Services. The plan responded to a legislative request for a study of at-risk youth and the current state response to their needs. It also made recommendations regarding the structure and function of the Office of Youth Services.

According to the plan, the Office of Youth Services was to provide a wide range of statewide services that benefit Hawai‘i’s youth, especially those at risk. While a core responsibility of the Office of Youth Services

called for managing and operating the Hawai'i Youth Correctional Facility, the office placed great emphasis on providing and supporting what it termed "front end" services—areas of prevention, diversion, and intervention. More specifically, the office attempted to provide a spectrum or continuum of care, which addressed the needs of youth, from prevention to incarceration and aftercare. Apparently, the office was unable to handle any of these areas very well.

In 1999, the Legislature expressed concerns with the Office of Youth Services through House Concurrent Resolution 63, House Draft 1. The original resolution had attempted to establish a task force in the governor's office to develop a strategic plan and requested an audit of the Office of Youth Services. However, after the office admitted that it had been out of compliance with its statutory mandates, the resolution was replaced with new language.

The resolution requested the Office of Youth Services to consider efforts to revise its strategic plan, identify the status of the office in reaching the stated vision of the office, identify the necessary resources needed to fulfill the vision, and assess the office's efforts in working with various youth-serving agencies to assist all youth, not just youth in the juvenile justice system. In response to the resolution, the office contracted with the Center for Study of Youth Policy to review the 1991 strategic plan. Staff from the center for youth policy: 1) reviewed the 1991 strategic plan; 2) conducted nearly 50 interviews with key actors and officials from throughout Hawai'i; 3) examined data on high risk youth; 4) reviewed relevant reports and studies; and 5) examined appropriate legislation.

The 2000 update to the 1991 strategic plan noted that relatively few of the recommendations from the original plan had been implemented. The report stated that some interviewees blamed Hawai'i's poor economy (i.e., lack of funds for programs), and others faulted a lack of strong leadership at the Office of Youth Services. The 2000 update concluded that the Office of Youth Services fell short of its statutory mandate because it focused on only two areas: 1) The administration and operation of the Hawai'i Youth Correctional Facility; and 2) managing a relatively small purchase of services program.

Although concluding that the 1991 strategic plan was generally sound, the authors of the 2000 update made some recommendations to improve upon the initial plan. In addition to developing a "Children's Cabinet" to replace the "umbrella" concept of having the Office of Youth Services coordinate services, other recommendations related directly to the Hawai'i Youth Correctional Facility. One recommendation called for the Office of Youth Services to develop more aggressive alternatives for the facility regarding youth who do not need the level of security and

conduct that the institution provides. Additionally, the 2000 update recommended that the Office of Youth Services give priority to upgrading the quality of programming at the Hawai'i Youth Correctional Facility and strengthening after-care and transition programs.

The advice was not heeded, which has placed the Office of Youth Services in a position of grappling with the February 2006 Department of Justice agreement. If the office is unable to comply with the agreement, the Department of Justice will reinstate its lawsuit, which may result in a federal takeover of the facility. Further, the original plan and the new direction posited in recent annual reports have not been incorporated into a single document. In fact, planning efforts have largely been ignored as the Office of Youth Services busily puts out fires at the Hawai'i Youth Correctional Facility rather than creating a clear purpose and stable long-term infrastructure for improving the facility.

### **The director of the Office of Youth Services concedes that the strategic plan is not followed**

During a January 2006 legislative hearing for a Hawai'i Youth Correctional Facility emergency appropriation request, the Office of Youth Services' executive director conceded that the office has not followed the strategic plan and has instead focused on meeting the requirements of the Department of Justice agreement. This mentality resulted in a missed opportunity to implement the strategic plan. The Department of Justice requirements do not conflict with the strategic plan and, in fact, help to implement it. It is in the Office of Youth Services' best interest to engage in long-term strategic planning for all of its programs, including the Hawai'i Youth Correctional Facility.

### **The Hawai'i Youth Correctional Facility operates in a reactive mode**

If the facility, under the guidance of the Office of Youth Services, had clearly defined its mission and implemented its strategic plan, it might have avoided the scrutiny and litigation it currently faces, such as the Department of Justice agreement and the American Civil Liberties Union lawsuit.

In another example, interviewed facility staff consistently commented on the administration's lack of planning and its operating in "react" mode. Some staff believed that obtaining input from experienced staff when revising policies and procedures would result in more meaningful revisions. Instead of seeking this input, the office has opted to hire a number of consultants to provide "expert advice." We question the value of some of these "experts."

***The value of hiring multiple consultants to assist the facility is debatable***

During the 2006 Legislature, the Office of Youth Services requested an emergency appropriation of \$1.32 million. This request, under House Bill 2371, was later amended by the office to include an additional \$5,498,844 for associated costs to comply with the Department of Justice agreement for a total of over \$6.8 million. Although the bulk of the funds benefit the Office of Youth Services, over \$600,000 is reserved for consultants.

We question whether these consultant services are necessary and whether utilizing in-state expertise was considered before looking elsewhere. For example, one consultant has been awarded multiple contracts totaling over \$500,000 since 2004. Even more dubious is the manner in which this consultant was selected. Some of the consultant's responsibilities also appear to overlap with the responsibilities of other consultants and facility staff.

**A consultant hand-picked by the DHS director was awarded a \$450,000 contract**

During the November 2005 legislative hearings, committee members raised questions about the Department of Human Services director's involvement with hiring a consultant to assist the Hawai'i Youth Correctional Facility. The controversy stemmed from the manner in which the consultant was selected. Apparently, a current department consultant recommended the consultant candidate to the director. An initial training contract was awarded to the individual for the period November 6, 2004 to January 31, 2005. The consultant was asked to provide:

1. Initial assessment of training needs;
2. Discussions with the federal Department of Justice;
3. Executive briefing on training issues; and
4. Recommendations for future training.

The memo documenting the contract involved the director and the contractor only, and made no mention of the Office of Youth Services' executive director or the Hawai'i Youth Correctional Facility's administrator, both of whom denied involvement with the identification and hiring of the consultant. Given that these two individuals are expected to work directly with the consultant, we find it unusual that they would not be consulted by the Department of Human Services' director prior to procurement.

In yet another questionable instance, an attempt was made to award the same contractor candidate a second contract for a nine-month period without competition. The director requested the State Procurement Office grant an exemption from Chapter 103D, HRS, on the basis of the consultant's past contract for training and extensive knowledge of juvenile corrections, staff management and the American Correctional Association standards, which would support the Hawai'i Youth Correctional Facility's efforts for improvement in addressing the Department of Justice findings. The State Procurement Office disapproved the request but allowed a shorter 90-day contract, from April 28, 2005 to July 29, 2005, so that the Office of Youth Services could use a competitive process to hire a longer-term consultant. The Chief Procurement Officer noted the following:

*While the contractor has worked with the DHS in the past and appears to have experience in this field, this is not sufficient justification to not issue a solicitation to seek other qualified persons. Since there is potential that other vendors may be equally qualified to provide the service, and other vendors may be needed in the future, a competitive solicitation should be issued.*

The \$30,600 second contract, paid through federal funds, enabled the consultant to review and assess the operational components of the Hawai'i Youth Correctional Facility. The consultant was to ensure consistent services and best practices that met federal requirements, assist and consult with staff to complete improvement plans, and monitor and evaluate progress to implement and sustain improvements. Once again, the Hawai'i Youth Correctional Facility's administrator noted that she was not involved with the procurement of this contract.

Ultimately, a third contract was awarded to this consultant after the department underwent a competitive process. This general-funded contract for \$448,148.11 runs from October 1, 2005 to September 30, 2007. It will aim to develop and implement a comprehensive, performance-based improvement plan that will protect the civil rights of institutionalized youth, substantially enhance the living conditions and the quality of services provided these youth, and help the State avoid any federal court involvement on these issues. However, the consultant competed with just one other firm. The evaluators shared similar concerns with both consultant candidates.

Three evaluators reviewed the applications for the contract. All three noted that both applicants did not necessarily demonstrate an in-depth knowledge of Hawai'i's juvenile justice system. One evaluator noted

that the proposal submitted by the firm awarded the contract:

- *did not provide thorough and comprehensive information regarding the proposed work, quality assurance, accelerated improvement and the sustaining of improvement plans; and*
- *did not provide sufficient information to substantiate the offeror's thorough knowledge of the broader Hawai'i Juvenile Justice System.*

Another evaluator had even more specific concerns regarding:

- *the lack of clarity about experience in juvenile prison reform; most citations of experience focus on residential, parole, specialized services, and Title IV-E;*
- *the implemented programs, services, and practices seem to focus on Texas, not necessarily national in terms of standards and implementation;*
- *the lack of details in the quality assurance section; and*
- *the offeror's description of IV-E and other human services issues which did not suffice for addressing the essential needs of the HYCF.*

Staff we interviewed at the facility expressed concerns with the consultant's lack of cultural competence and dearth of knowledge on unions. For example, a facility employee noted that the consultant thought it was disrespectful for the wards to refer to the youth correctional officers as "uncle" or "auntie," a common local practice, and preferred the use of "mister" or "miss." We learned that the consultant's lack of union experience may have resulted in confusion and misunderstanding about the handling of training programs and new initiatives.

### **Multiple consultants have overlapping duties**

When the Office of Youth Services, through the Department of Human Services, requested gubernatorial approval to hire a consultant, the governor expressed the following concern:

*Although the request for contracted services appear [sic] to overlap with the duties of the administrator of HYCF and the Executive Director of OYS, I hereby approve of your request to obtain the services of a consultant to improve HYCF operations. Please ensure that the execution of consultant contract meets all*

*requirements of Chapter 103D, HRS, Hawai'i Public Procurement Code.*

We, too, question the appearance of overlap. For example, the consultant is involved with revising policies and procedures. This is one of the main duties of the Office of Youth Services' project director. In another example, the consultant has been hired to develop training programs, although a Hawai'i Youth Correctional Facility employee is currently responsible for training.

In addition to this apparent overlap, the Office of Youth Services has recently hired several other consultants whose duties also may duplicate the initial consultant's work. For example, a Chief Technical Advisor was hired for \$169,000 annually to *provide intense review and recommendations to the Hawai'i Youth Correctional Facility administrator on a daily basis*. Yet the initial consultant, dubbed as Hawai'i Youth Correctional Facility Improvement Project Consultant, *provides for a team of five consultants with expertise in key areas to work with HYCF employee project teams on federal compliance improvements and to provide recommendations and research on best practice*. These consultants have very similar duties and, in fact, the Chief Technical Advisor has an even broader knowledge base and experience than the initial consultant.

### **The Hawai'i Youth Correctional Facility should rely on in-state expertise**

The Office of Youth Services should consider employing state employees who are familiar with Hawai'i's juvenile justice system. In December 2001, the Department of the Attorney General's Crime Prevention and Justice Assistance Division drafted a report which included a recidivism study on the Hawai'i Youth Correctional Facility. The study was commissioned by the prior executive director of the Office of Youth Services. The recidivism study reported that 43 of the confinement recidivates, or 36.1 percent, were sentenced to another term at the facility. No one we interviewed during our audit knew the current recidivism rate for the facility, including the facility administrator and the office's executive director.

In addition to reviewing recidivism rates, the researchers felt the need to discuss the juvenile justice system and its inherent shortcomings in an attempt to address causes and recommend changes. The highly critical report was in many ways a preview of the 2005 Department of Justice report. For reasons not completely clear, the prior Office of Youth Services' director blocked the release of the report, arguing that it contained misleading data and that the study deviated from its original

intent. A less harshly written report that utilized some of the data collected in the earlier study was issued by a new set of researchers from the National Council on Crime and Delinquency in February 2004. The 2004 report essentially echoed the 2001 report, albeit in what can be characterized as a less forthright style.

The current executive director might consider tapping the knowledge base of the Department of Attorney General's researchers. Utilizing in-state employees may be more cost effective and practical than employing out-of-state experts.

---

## **The Hawai'i Youth Correctional Facility Needs To Use Productive Management Tools**

Nearly twenty years have passed since our 1986 audit of the Hawai'i Youth Correctional Facility. Although the Office of Youth Services did not exist at that time, and some programmatic changes have been made since its establishment in 1989, the same basic problems continue to plague the facility. These areas of weakness, raised in our prior audit and by other oversight bodies, include poor management and human resources practices and, until recently, a virtually non-existent quality assurance system.

### ***The Hawai'i Youth Correctional Facility's poor human resources practices exacerbate the situation***

Human resources issues have concerned the Legislature. Our 1986 report on the Hawai'i Youth Correctional Facility noted personnel management as a serious problem. Adequate facility staff coverage, hiring issues (i.e., whether an incumbent is qualified to do the job), and lack of training were discussed at length in our report and in subsequent reports. In order for the facility and the Office of Youth Services to comply with the Department of Justice agreement, it will need to resolve all of these issues.

### **Critical positions are vacant or temporarily filled**

A number of positions critical to the management and functioning of the facility are vacant or temporarily filled. For example, the Corrections Supervisor I position, which oversees all social workers and youth corrections supervisors and officers, has been vacant for over two and one half years. In August 2003, the incumbent was reassigned for unclear reasons to work under the executive director of the Office of Youth Services. Apparently, this individual was abruptly transferred out of the facility and has been performing random duties such as moving computer equipment.

Additionally, social workers, recreational specialists, and youth corrections supervisors and officers have been temporarily and intermittently assigned to the Corrections Supervisor I position since

August 2003. The assignments are based on seniority and are first offered to corrections supervisors. However, if an assignment is not accepted by a corrections supervisor, the assignment is offered to youth corrections officers. This system is problematic, since youth corrections officers are subordinate to youth corrections supervisors. When an officer's temporary assignment to the Corrections Supervisor I position ends, that person must return to work under the supervisors he or she had supervised.

According to the Department of Human Services' personnel office staff, social workers and recreational specialists should be the first to be offered the temporary Corrections Supervisor I position for two reasons: 1) they are members of the same bargaining unit; and 2) the position requires a college degree in behavioral science, such as sociology or psychology.

More importantly, staff temporarily assigned to the Corrections Supervisor I position do not provide consistent, long-term management and oversight of the youth corrections supervisors and officers, which appears to be sorely needed.

Another position central to the facility's management that has been temporarily filled since August 2004 is the Corrections Program Specialist I position. The incumbent accepted a four-year appointment to the Hawai'i Paroling Authority with return rights to the facility position, requiring a temporary hire during a time of flux for the facility. This position is crucial to meeting the training, quality assurance, and policies and procedures requirements of the Department of Justice Memorandum of Agreement. That the facility is experiencing difficulty filling eight vacant youth corrections officer positions further exacerbates the problem. According to the facility administrator, the few certified candidates who meet the minimal Department of Human Resource Development qualifications often fail the required criminal history background check.

Without permanent staff in key positions to address these long-standing issues, any remedial efforts will be lost and the facility could face a federal takeover.

### **Job performance evaluations are conducted only sporadically**

The Department of Human Resources Development's Supervisory Manual on the State's Performance Appraisal System requires all supervisors to evaluate the performance of their civil service employees annually. The manual further states that the purpose of performance appraisals is to evaluate whether employees meet the performance requirements of their positions and to improve performance.

Performance appraisals also provide an opportunity for management to identify staff training needs and problems or employee concerns. The consultant hired by the Office of Youth Services to address the Department of Justice issues recommended in June 2003 that the facility's administrative staff be evaluated until all staff have a current annual evaluation between March 1, 2006 and February 28, 2007.

We selected a judgmental sample of 24 personnel files for the Hawai'i Youth Correctional Facility. Our review found that less than 17 percent contained annual performance appraisals for years 2004 and 2005. We also found that less than 21 percent contained annual appraisals for both 2002 and 2003. Our review also revealed that three permanent staff, one of which was hired in 1989, have never received performance appraisals and that one permanent employee has not received an appraisal since 1995. According to the facility administrator, "a lot of my staff have not been evaluated in a long time," and attributed the practice to being busy "fighting fires."

### **Training has not been provided on a regular basis**

Proper training is one of the main focuses of the Department of Justice agreement. The facility currently responds to this agreement by offering instruction in basic orientation, suicide prevention, the "Handle with Care" technique (a crisis intervention technique for juvenile justice), certain policies and procedures, safe culture and CPR/AED (cardiopulmonary resuscitation/automated external defibrillation). Much of the instruction is provided by the Department of Public Safety, Training and Staff Development.

Staff informed us that until the introduction of the Department of Justice agreement, the facility training plan was based upon a *Training Needs and Curricula for Hawai'i Office of Youth Services* report, completed in December 1992 by the Center for the Study of Youth Policy Social Research Institute at the University of Utah, Graduate School of Social Work. We found through staff interviews and reviews of training reports that not all of the security staff have received the basic orientation training. In addition, some of the staff have not received first aid or CPR/AED refresher training in order to maintain certification, which could pose a risk to the safety of the youth.

Although new courses have been developed with a juvenile justice focus, many newly-hired and senior staff have not received the revised training. For example, of the six new policies, only one policy dealing with use of force has been part of the training of the entire direct care staff.

Chapter 352-5, HRS, requires staff standards and training. The executive director of the Office of Youth Services is required to establish written

standards of conduct and operation to govern each staff member during working hours. New staff members must undergo initial training to prepare them to comply with the standards. Attendance at periodic training sessions is mandatory to increase staff members' (anyone directly involved with treatment and care) effectiveness in carrying out their duties. Therefore, even without the Department of Justice settlement agreement, the Office of Youth Services, by statutory mandate, must provide training to the Hawai'i Youth Correctional Facility staff. But, training documentation shows that the new-hired staff are not consistently receiving orientation training prior to beginning work.

***Quality assurance is virtually non-existent and program effectiveness has not been measured***

It appears as though the Hawai'i Youth Correctional Facility and the Office of Youth Services have never had a quality assurance system in place, despite repeated recommendations in the past to create one. A good quality assurance system helps to measure progress toward achieving previously identified goals and objectives. The 1991 strategic plan, reiterating Section 352D-1, HRS, noted that the Office of Youth Services is responsible for statewide planning and program development, evaluation and monitoring, intake and assessment, oversight, as well as consultation, technical assistance, and staff training relating to the delivery of services. The 1991 plan noted its multi-level approach to planning and evaluation:

- Monitor and review individual cases;
- Evaluate success of discrete functions or programs; and
- Periodically assess the outcomes of the entire system.

To accomplish each of the above, key parties must agree on the fundamental expectations at each level of the system, including the completion of regular, structured review and evaluation activities. Equally important is a system-wide capacity to assess the evaluation outcomes and to use them as the basis for constructive change.

The Department of Justice is now forcing the facility to develop and implement a quality assurance program, which should have long been in place. The Office of Youth Services' Program Development Office can work with the Hawai'i Youth Correctional Facility to develop this evaluation capacity. According to its functional statements, the Program Development Office provides the development, implementation, evaluation, and monitoring of a broad spectrum of children and youth services in the State by:

- Developing comprehensive short and long range plans to meet the office's overall mission, goals, and program objectives regarding juvenile justice and youth services in the state;
- Developing and implementing policies, procedures, and administrative rules that guide and define how programs and services are managed within the office;
- Monitoring and evaluating program, fiscal, and general performance of contractors through verbal feedback, written reports, and site visits;
- Preparing reports for programmatic, administrative, evaluation, and research purposes; and
- Directing, coordinating, and maintaining a management information system including assessment, evaluation, and research initiatives that supports the program objectives of the office.

### **A management information system has never been developed**

The Office of Youth Services did not heed earlier advice on needed improvements. The 2000 update to the 1991 strategic plan emphasized the need for a quality assurance system. The report noted that the Office of Youth Services should: take advantage of web-based technology in order to improve its management information system capabilities, enhance its program monitoring and quality assurance functions, and assist providers in developing state-of-the art management information and clinical/treatment programs. The report also noted that the Office of Youth Services should develop a quality assurance office with responsibility for monitoring the quality of care in all public and private youth serving agencies. The report also recommended that the Office of Youth Services actively explore the use of web-based technology in the process and conduct an assessment of the training needs in the private sector; further, before the year 2000 ended, it should begin providing the training and technical assistance needed to improve the quality of services in the state.

A management information system provides a mechanism to organize, store, review, and retrieve information. Such systems also facilitate decision making and timely responses to youth needs.

### **A performance-based system has only recently been implemented**

The Office of Youth Services contracted for quality assurance services in June 2005 with the Council of Juvenile Correctional Administrators, a national nonprofit organization for improvement of youth correctional services and practices. The council developed the Performance-based Standards or PbS system at the request of the Office of Juvenile Justice and Delinquency Prevention of the U.S. Department of Justice to help youth correction and detention facilities continuously improve confinement and services. PbS is a data-driven continuous improvement system that captures data organized into seven operational areas: safety, order, security, health/mental health, programming, justice, and reintegration. More specifically, data is captured on such issues as contraband, staff misconduct, injuries to youth and staff, assessment, treatment and transition programming. PbS also provides tools to help facilities learn from the data and then develop and implement improvement plans.

The first data collection was completed in October 2005, and a report should have been produced that would compare the Hawai'i Youth Correctional Facility with other similar facilities. However, staff informed us that the required data was not obtainable and thus could not be entered, resulting in flawed results. Additionally, data collection is time-consuming because it is all done manually.

Performance measures are critical to an organization because they help to gauge and report progress in achieving the goals and objectives in a plan. Careful performance measurement provides the information necessary to make management decisions. Performance measures should be linked to a framework, which includes:

- Input—resources used to produce services, e.g., staff, funds, materials, facilities, and supplies;
- Process—what the organization provides or produces such as training, services, education, treatments, interventions, programs. This is what the organization does;
- Output—countable measures or amounts of activity that are provided or produced;
- Outcomes—intermediate effects of a program upon a stated condition or problem. They are the actual results of the program;
- Efficiency—amount of input needed to produce a given level of output. It is productivity;

- Quality—characteristics of reliability, accuracy, courtesy, competence, responsiveness and completeness associated with a product or services provided; and
- Impact—long term effects of a program upon a stated condition or problem. Also referred to as long-term outcome.

Mandated by the Department of Justice to implement a quality assurance system, the Office of Youth Services promises that it and the Hawai‘i Youth Correctional Facility will finally address this concern.

---

## Conclusion

The troubles of the Hawai‘i Youth Correctional Facility have been repeatedly documented and discussed, but with no long-term solution in sight. Now faced with a federal agreement, the Office of Youth Services has contracted consultants to help it improve the Hawai‘i Youth Correctional Facility in complying with the agreement. However, first the office needs to address the facility’s problems by developing and implementing new processes to benefit the youth it serves. The office should also reassess the services it is mandated to provide to the facility’s youth—and to all youth. Additionally, the office should not view the federal agreement as a reason to hire consultants without first examining the office’s long-term, overall need. A sense of urgency is needed to address problems, but hasty decision making and reactive instead of proactive action will leave the Hawai‘i Youth Correctional Facility in an even worse situation—all to the detriment of the youth they are charged to help.

---

## Recommendations

1. The Legislature should consider revising relevant sections of Chapters 352 and 352D, HRS, to clarify the purpose of the Office of Youth Services and the Hawai‘i Youth Correctional Facility.
2. The executive director of the Office of Youth Services must:
  - a. Clarify the office and facility’s overall missions and ensure that staff understand their roles in carrying out the missions;
  - b. Clearly state the goals for each component of its continuum of services, particularly the Hawai‘i Youth Correctional Facility, so that they all align with the overall mission;
  - c. Establish measures of success for each component of the office’s continuum, such as reducing recidivism at the Hawai‘i Youth Correctional Facility; and

- d. Scrutinize the need for consultant services and ensure that training provided by and plans created with consultants are implemented, monitored, and enforced at the program level.
3. The administrator of the Hawai'i Youth Correctional Facility must maintain and systematically ensure that:
    - a. Critical positions are filled with permanent staff;
    - b. Job performance evaluations are conducted annually;
    - c. Initial and follow-up training sessions are provided for staff; and
    - d. The quality assurance program is maintained and program effectiveness is measured. The facility should also develop a management information system to ensure that data on the wards and service providers are collected and evaluated on a quarterly basis.

---

## Notes

### Chapter 1

1. *Office of Youth Services and Hawai'i Youth Correctional Facility 2004 Annual Report*, State of Hawai'i Department of Human Services Office of Youth Services, 2005, page 7.

*This page intentionally left blank.*

---

## Response of the Affected Agency

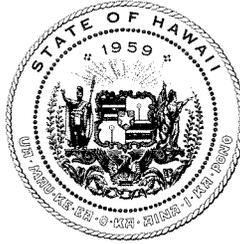
### Comments on Agency Response

We transmitted a draft of this report to the Department of Human Resources on April 24, 2006. A copy of the transmittal letter to the department is included as Attachment 1. The response of the Office of Youth Services is included as Attachment 2.

The Office of Youth Services generally agreed with our findings and recommendations and expressed appreciation for the report's fairness in recognizing the organization historically. However, the office disagrees with our finding that consultants have overlapping duties. For example, the office does not consider the technical advisor from the Federal Bureau of Prisons to be a consultant since this person was obtained via an interagency personnel employment exchange. However, regardless of the position title, the agreement requires the office to pay for the services being provided. Further, both the technical advisor and the memorandum of agreement monitor assess the facility's progress in achieving the required improvements—an apparent overlap of duties. In addition, while the office claims to have implemented some of the concepts from the 2000 update to the strategic plan, its officials concede that they have not fully implemented the plan. We maintain that had the office implemented its 2000 update to its strategic plan, improvements at the facility might have precluded the need for an agreement.

The office provided additional information to explain its current procedures and corrective actions planned. Some points of clarification were included in the final report.

STATE OF HAWAII  
OFFICE OF THE AUDITOR  
465 S. King Street, Room 500  
Honolulu, Hawaii 96813-2917



MARION M. HIGA  
State Auditor  
(808) 587-0800  
FAX: (808) 587-0830

April 24, 2006

*COPY*

The Honorable Lillian B. Koller  
Director  
Department of Human Services  
Queen Liliuokalani Building  
1390 Miller Street  
Honolulu, Hawai'i 96813

Dear Ms. Koller:

Enclosed for your information are three copies, numbered 6 to 8, of our confidential draft report, *Management Audit of the Hawai'i Youth Correctional Facility*. We ask that you telephone us by Tuesday, April 25, 2006, on whether or not you intend to comment on our recommendations. If you wish your comments to be included in the report, please submit them no later than Thursday, April 27, 2006.

The Governor, and presiding officers of the two houses of the Legislature have also been provided copies of this confidential draft report.

Since this report is not in final form and changes may be made to it, access to the report should be restricted to those assisting you in preparing your response. Public release of the report will be made solely by our office and only after the report is published in its final form.

Sincerely,

A handwritten signature in cursive script that reads 'marion m. higa'.

Marion M. Higa  
State Auditor

Enclosures



STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
820 Mililani Street, Suite 817  
Honolulu, Hawaii 96813

Phone: (808) 587-5700  
Fax: (808) 587-5734  
Email: oys@pixi.com

April 27, 2006

Ms. Marion Higa  
State Legislative Auditor  
465 South King Street, Suite 500  
Honolulu, Hawaii 96813

Dear Ms. Higa

I am responding on behalf of the Department of Human Services (DHS), since the subject of the audit is my direct responsibility as the Executive Director of the Office of Youth Services (OYS).

Thank you for the opportunity to respond to the draft of the *Management Audit of the Hawaii Youth Correctional Facility*. The issues addressed in your report are helpful to the OYS in assessing our present priorities and in determining planning initiatives for the next biennium. We want to express our appreciation for the time your staff invested in this report.

In general we agree with many of the findings. We feel that you afforded the OYS fairness and honesty in your assessment of where we are today, and historically how we arrived at the present conditions. We take seriously your recommendations, and value the viewpoints expressed.

There are some clarifications or distinctions in terminology I would like to make.

**The report states that the mission of OYS is unclear.**

We welcome the opportunity to address the mission of the OYS. Certainly circumstances have changed since the inception of this agency. The OYS stands ready to work with a larger body to engage in a community, legislative, and administrative team to determine the direction and reach of the agency. We agree that our mandate is sometimes contrary to the goals of the OYS. It may need to be amended to add clarity to how the office functions. Clearly the umbrella agency concept at the time OYS was created was idealistic.

We agree that communication is critical to our success in improving the programs and operations of the Hawaii Youth Correctional Facility (HYCF).

**The report states that strategic plans have not been implemented.**

Since February 2003, time has been spent reviewing the 1991 *Strategic Plan for the Office of Youth Services in Hawaii* and the 2000 update. Some of the concepts from the updated plan have been implemented including the focus on decentralized services to incorporate a more community-focused delivery of programs statewide. In 2004 a newly appointed Juvenile Justice State Advisory Committee (JJSAC) was established to broaden diversity, and to garner greater input of regional community needs. While we have not fully implemented the 2000 update, we continue our efforts to address regional community input and needs including alternatives to incarceration, and strengthening aftercare and transition programs through contracted,

RECEIVED  
2006 APR 28 AM 11:41  
OFFICE OF THE AUDITOR  
STATE OF HAWAII

community-based services. Since 2004, the OYS has expanded positive youth development programs using TANF funds. The Hawaii Youth Advocacy Program has increased home-based services for transitioning youth. In addition, we piloted a Safe House program and funded a Girls Court Pilot Project in the First Judicial Circuit in our efforts to divert youth from incarceration at HYCF.

Also in 2004, the OYS held a Jurisdictional Planning Conference to address the broad scope of juvenile justice in the State. The outcome of that conference was a greater understanding of the integrated systems that impact children who ultimately end up at HYCF. In 2005, the Juvenile Justice State Advisory Council began strategic planning to assist the OYS in moving with greater velocity to meet community needs and alternatives for youth.

**The report questions the value of hiring multiple consultants to assist the facility.**

It appears that there may be some misunderstanding on the roles of various people working with us from outside the State employment sector. The audit report refers to the \$600,000 in the current HYCF Emergency Appropriation Bill for consultants; however it is important to state that the reasons and needs for each contract or agreement are different.

- There is a mainland consulting contract which was executed in 2005. This contract provides a five-member team of juvenile correction specialists to work with HYCF staff beginning in 2005. Their consulting work is based on program areas such as behavior management programs, operational system improvement, reporting systems, case management and team building. The contract cost if continued in year two will be \$250,000.
- The technical advisor is not a consultant. This person is provided to the State by means of an interagency personnel employment exchange with the Federal Bureau of Prisons whereby we have a correctional expert. Under this agreement, OYS will reimburse the salary, benefits and 25% Cost of Living Allowance (C.O.L.A.) to the Bureau of Prisons. This person, who is the federal juvenile administrator for youth under the jurisdiction of the federal system, is on loan to the state for a period of up to two years at which time he will return to the federal government. He advises the HYCF Youth Facility Administrator on ways to become more efficient and effective in day-to-day operations. The estimated cost in 2007 is \$167,000.
- The Memorandum of Agreement (MOA) Monitor is required under the agreement with the Department of Justice (DOJ). The Monitor is essential to assess, assist in, and report on the State's progress in accomplishing the improvements that are necessary at HYCF. Moreover, the individual selected had to be acceptable to both the State and the Department of Justice. The estimated cost is \$125,000.
- Other costs in this area include fees for legal experts in the field of Department of Justice who may be needed for future litigation assistance should the State fail to meet compliance, and technical experts in areas where the HYCF may be significantly weak in specialized or therapeutic programs.

It should be noted that the contract consultant for \$450,000, referenced on page 16 of the report was procured through a competitive process and that the DHS Director was not involved in the evaluation or selection process. Further, that the training contract for \$24,443.52 referenced on page 15, was procured under Chapter 3-120, HAR. The services of trainers are exempt from Chapter 103D, HRS and the small purchase threshold does not apply. At the time the initial training contract was established, we had not yet entered into the settlement agreement with the DOJ and had not yet explored the possibility of using a technical advisor

from the Federal Bureau of Prisons. Nonetheless, we knew that we needed outside expertise to begin work on some of the problems we had already identified at HYCF.

The most important factor to be considered about these funds is that the OYS, with the assistance of the Department of Human Services and the Office of the Attorney General, requested the assistance of experienced outside experts in an effort to avoid a consent decree. In fact, it is exactly this proactiveness and good faith effort that worked in the State's favor in reaching a preferred negotiated settlement. As for the DHS Director's involvement in providing assistance, she should be acknowledged for making every effort to help OYS address evolving issues.

**The report questions whether multiple consultants have overlapping duties.**

It is a misperception that consultants have overlapping duties. The original consultants were contracted to provide training and program needs outlined by the Youth Facility Administrator and the Special Project Director. The Monitor's function is to assess, assist in, and report the State's progress in accomplishing the required improvements of HYCF. The technical advisor assesses daily progress and works with the HYCF and OYS administration to make improvements to the operation systems being implemented at HYCF.

**The report states that HYCF needs to use productive management tools.**

The OYS and HYCF are currently improving management systems as part of the Memorandum of Agreement (MOA). Clearly we see the value this holds in improving decision making, management, and in improving our delivery of services to youth.

**The report states that critical positions are vacant or temporarily filled.**

The Department of Human Services and the Department of Human Resource Development have been assisting the OYS and HYCF with critical problems in this area. We recognize the need for improving the workforce, speeding the recruitment process, and providing employee improvement support. Under the emergency appropriation for meeting the terms of the DOJ MOA, we have requested a personnel specialist specifically to assist HYCF in improving its human resources practices. In addition, we have requested two full-time trainers and a clerk to enable the HYCF to have ongoing training and recertification to maintain national standards.

**The report states that job performance evaluations are conducted only sporadically.**

The HYCF Youth Facility Administrator has been working with the Department of Human Services Personnel Office to design comprehensive training for supervisory staff on how to complete the State's performance appraisal for all subordinates. The Youth Facility Administrator will institute a timeline schedule with each Section Administrator to ensure that performance appraisals are completed and that Section Administrators are held accountable for consistency and thoroughness.

**The report states that training has not been provided on a regular basis.**

For many years the facility operated with less than adequate training resources due to budget constraints. It was only recently that staff training resources became available to help the facility in providing the necessary training needed to bring staff in compliance with best practices and national standards.

As a result of support from the current Administration and Legislature as well as the Unions, the facility is aggressively moving forward to provide in-house trainers, a new juvenile justice curriculum, equipment and a training program with the appropriate accreditation to bring the facility staff up to par with best practices and national standards.

**The report states that quality assurance is virtually non-existent and program effectiveness has not been measured.**

The Performance-based Standards (PbS) Candidacy application began in 2004. The State had to apply and be accepted into the program. A Special Project Director was hired in fall of 2004 to oversee the implementation of the PbS program, organize staff into teams, provide training for the data collection, and work with the national project coordinator. The first data collection for any state is used to set a baseline or starting point for future measurement. This is why progress reports have not been generated as yet. Data collections are taken every six months. After the first year we will begin to measure improvement in over 100 operational areas of facility management.

Our emergency appropriation request includes additional support staff to internally monitor the quality of education, vocational, and rehabilitative program services. We continue to seek additional ways to measure quality assurance at OYS and HYCF.

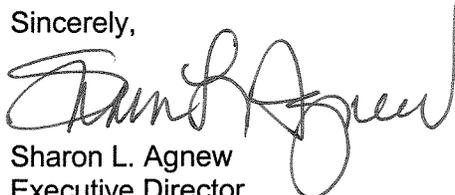
**The report states that a management information system has never been developed.**

We recognize the lack of integrated management systems has taken its toll on the facility, and in part, contributes to the position the State is in with the Department of Justice. The OYS and HYCF will be improving management systems as part of the DOJ MOA. This will also assist us in improving our PbS data collection. Clearly we see the value this holds in improving decision making, management, and improving our delivery of services to youth.

In conclusion, I would like to say that we sincerely appreciate the recommendations of the audit report. This will assist us in focusing our efforts and in structuring our work as we prepare for the next biennium. This report will constructively help us address improvement. We appreciate your objectiveness in presenting the historical patterns at OYS and HYCF that have led to the current circumstances. It is our intention to take this information and build on it.

We thank the Legislature for assisting us in our improvement. We welcome input and the opportunity to work with the Legislature to achieve a better future for Hawaii's children.

Sincerely,



Sharon L. Agnew  
Executive Director  
Office of Youth Services