

State of Washington
Joint Legislative Audit and Review Committee (JLARC)



At-Risk Youth Study

Report 05-18

November 30, 2005

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The Joint Legislative Audit and Review Committee (JLARC) carries out oversight, review, and evaluation of state-funded programs and activities on behalf of the Legislature and the citizens of Washington State. This joint, bipartisan committee consists of eight senators and eight representatives, equally divided between the two major political parties. Its statutory authority is established in RCW 44.28.

JLARC staff, under the direction of the Committee and the Legislative Auditor, conduct performance audits, program evaluations, sunset reviews, and other policy and fiscal studies. These studies assess the efficiency and effectiveness of agency operations, impacts and outcomes of state programs, and levels of compliance with legislative direction and intent. The Committee makes recommendations to improve state government performance and to correct problems it identifies. The Committee also follows up on these recommendations to determine how they have been implemented. JLARC has, in recent years, received national recognition for a number of its major studies.

AT-RISK YOUTH STUDY

REPORT 05-18

REPORT DIGEST

NOVEMBER 30, 2005



STATE OF WASHINGTON

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This Joint Legislative Audit and Review Committee (JLARC) study builds on recent work of the Washington State Institute for Public Policy (Institute) analyzing the effectiveness of prevention and early intervention programs for at-risk youth *nationally*. This study focuses on prevention and early intervention programs that have been implemented by local jurisdictions *in Washington* whose proven benefits in improving **child welfare** or reducing **juvenile crime** are greater than their costs. In addition, the study considers options for providing incentives to stimulate local government investment in such programs.

LOCAL IMPLEMENTATION

Through a survey of local jurisdictions, JLARC found that of the three prevention and early intervention programs proven cost-effective nationally in improving **child welfare**, two have been locally implemented in Washington and served a total of 415 reported cases in 2004. Of the 14 prevention and early intervention programs proven cost-effective nationally in reducing **juvenile crime**, 10 have been locally implemented in Washington and served a total of 5,129 reported cases in 2004. These figures represent survey responses, so the total number of programs and cases statewide are likely higher than reported here.

Proven cost-effective **child welfare** prevention and early intervention programs were reported to serve fewer cases than programs demonstrated *not* to be cost-effective. The reverse is true for **juvenile offender** prevention and early intervention programs. Proven cost-effective juvenile offender prevention and early intervention programs were reported to serve far more cases than programs demonstrated *not* to be cost-effective.

The vast majority of reported funding for locally implemented proven cost-effective **child welfare** prevention and early intervention programs came from a combination of county and "other" funds. There was greater variation in reported funding patterns for locally implemented proven cost-effective **juvenile offender** prevention and early intervention programs. Diversion programs with services, which served over half of the reported juvenile offender cases, were funded nearly equally by state and county dollars. Aggression Replacement Training and Functional Family Therapy programs, which together served over a quarter of the reported juvenile offender cases, were primarily funded by state dollars.

In surveying local governments, we asked respondents if their programs had been evaluated in order to determine whether or not these programs, *as implemented by local jurisdictions*, have produced documented, measurable positive outcomes related to preserving families or reducing juvenile crime. Although outcome evaluations are a crucial part of successful implementation of proven cost-effective programs, JLARC received only two such outcome evaluations from survey respondents.

LOCAL INCENTIVES

An interim JLARC report issued in December 2004 considered two possible mechanisms for encouraging local investment in proven cost-effective prevention and early intervention programs. Based on the respective benefit to state and local governments, either a **match rate** or **reimbursement** mechanism could be used to fund specific programs.

Pilot projects in both Washington and Illinois are underway for funding county-based juvenile offender prevention programs with state incentive dollars. In addition, the state budget requires the Department of Social and Health Services' (DSHS) Children's Administration to give priority to proven intervention models.

FINDINGS

At least 12 proven cost-effective prevention and early intervention programs that address child welfare or juvenile crime have been locally implemented in Washington. These programs served a reported total of 5,544 cases with a reported total of \$5.11 million in spending from federal, state, county, city, and “other” sources in 2004. In comparison, prevention and early intervention programs addressing child welfare or juvenile crime determined *not* to be cost-effective served a reported total of 1,528 cases with a reported total of \$2.67 million in spending from federal, state, county, and “other” sources in that same year. Once again, these figures represent survey responses, so the total number of cases and spending statewide are likely higher than reported here.

CONSIDERATIONS

Research has determined that some prevention and early intervention programs for at-risk youth can provide taxpayers a return on their dollar. However, it must be recognized that research into both the effectiveness of prevention and early intervention programs and the benefit-to-cost ratios of those programs is still in the early stages. It should also be recognized that research into programs addressing juvenile crime is much further along than research into programs addressing child welfare.

As concluded by the Institute in its 2004 report, many currently funded prevention and early intervention programs in the state have not been rigorously evaluated. Given this fact, it is not surprising that more proven cost-effective prevention and early intervention programs have not been locally implemented in the state or that outcome evaluations have not been performed for a greater number of those programs that have been implemented locally.

To focus the investment of taxpayer dollars on proven cost-effective programs for at-risk youth, policymakers should consider the following three points:

- Rigorous research to expand the field of available proven cost-effective programs takes both time and money, whether the source of funding is public or private.
- Effective implementation of proven cost-effective programs requires up-front investments, which can be an even greater burden for local governments than for statewide agencies.
- In order to ensure that implemented programs work and produce more benefits than costs, there must be ongoing monitoring and evaluation of these programs, which adds to the costs of those programs.

Investing in proven cost-effective programs involves up-front and ongoing costs. However, the costs of investing in proven programs may still be less than current spending on unproven programs.

RECOMMENDATION

The Department of Social and Health Services (DSHS) should provide an annual report to the fiscal committees of the Legislature, itemizing the amount of DSHS spending on prevention and early intervention programs that the Washington State Institute for Public Policy has determined are either not cost-effective or for which a cost-benefit estimate cannot be made on the basis of current research.

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CHAPTER ONE – INTRODUCTION

BACKGROUND

Washington State budgeted approximately \$212 million in the 2003-05 Biennium for prevention programs addressing seven at-risk youth behaviors specified in statute: violence, substance abuse, teen pregnancy, suicide, dropouts, abuse and neglect, and domestic violence.¹

Most of these prevention dollars are budgeted for six state entities: Department of Social and Health Services (DSHS); Department of Health; Office of the Superintendent of Public Instruction; Administrative Office of the Courts; Department of Community, Trade and Economic Development; and the Family Policy Council. In some cases, these entities operate the programs directly, but in many cases, they contract program operations to local jurisdictions, such as cities and counties. While the state budget has been appropriating money to these programs for several biennia, most have not had rigorous evaluations to assess whether or not their work has produced the intended results.

At the direction of the Legislature, in July 2004 the Washington State Institute for Public Policy (Institute) completed an analysis of effective prevention and early intervention programs entitled “Benefits and Costs of Prevention and Early Intervention Programs for Youth.”² This study identified approximately 60 programs *nationally* that have had rigorous outcomes evaluations. The study calculated the overall benefits and costs of these programs, and found that the benefits, over time, of approximately half of the programs were equal to, or greater than, the costs of the programs. Again, the Institute study took a broad look at national research on what works and what does not work, rather than focusing specifically on Washington programs.

STUDY MANDATE

In 2003, the Legislature directed the Joint Legislative Audit and Review Committee (JLARC) to build on the work of the Institute with an additional study of programs for at-risk youth in Washington State.³ The legislation instructed JLARC to focus on programs currently operated by local jurisdictions *in Washington* that have:

- Proven effective at preserving families or reducing youth crime; and
- Produced cost savings, or were cost neutral, to the state budget.

¹RCW 70.190.010(4).

²Steve Aos, Roxanne Lieb, Jim Mayfield, Marna Miller, Annie Pennucci. (2004) Benefits and Costs of Prevention and Early Intervention Programs for Youth. Olympia: Washington State Institute for Public Policy. The report is available from the Institute's website: <http://www.wsipp.wa.gov/rptfiles/04-07-3901.pdf>.

³SHB 1028.

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The Legislature directed JLARC to identify and describe these programs and to examine the role that financial and other incentives have played in stimulating local government investment in these programs. The Legislature also asked JLARC to evaluate options for these types of incentives, including reimbursing local jurisdictions for a portion of the savings that accrue to the state as a result of local investment. To accomplish this work, JLARC was instructed to consider recent work completed by the Institute.

STUDY QUESTIONS

In accordance with the legislative mandate, this study considers the following questions:

- Which programs impacting child welfare or juvenile crime deliver a return on investment?
- What are the outcomes for these programs?
- Is there local investment in these programs? Are there incentives in place that stimulated local investment?
- Are there incentives in place for other programs that could be used to promote local implementation of proven cost-effective programs for at-risk youth?
- What are some of the public policy options that legislators could use to stimulate local investment in these programs?

STUDY APPROACH

To answer these questions, JLARC contracted with KMG Consulting to conduct a survey of local jurisdictions and to provide analysis of other states' local investment mechanisms. We also asked the contractor to update an estimate of state spending on prevention programs for youth, which was originally issued by the Institute in a 2001 report.⁴ JLARC also consulted with the Institute throughout the study process.

⁴Kathy Gookin, Steve Aos. (2001) How Much Money Does Washington State Government Spend on Prevention Programs for Youth? Olympia: Washington State Institute for Public Policy. The report is available from the Institute's website: <http://www.wsipp.wa.gov/rptfiles/prevention.pdf>.

CHAPTER TWO – PROGRAMS

PROVEN COST-EFFECTIVE PREVENTION AND EARLY INTERVENTION PROGRAMS NATIONWIDE

JLARC'S effort builds on recent work of the Institute which identified prevention and early intervention programs for at-risk youth operating in Washington and elsewhere for which rigorous outcome evaluations had been completed. The study focused on programs with evaluations that measured the impact on at least one of seven at-risk behaviors identified in Washington statute.⁵ The Institute calculated the benefits and costs of these programs and found that benefits, over time, equaled or exceeded costs in 34 programs *nationally*. Of those, 17 address the two specific areas serving as the focus of this study: three address **child welfare** and 14 address **juvenile crime**. (See Figure 1.)

Figure 1 – Proven Cost-Effective Prevention and Early Intervention Programs Impacting Child Welfare and Juvenile Crime Nationwide

Child Welfare Programs
Home visiting programs for at-risk mothers and children Nurse Family Partnership for Low Income Women Parent-Child Interaction Therapy
Juvenile Offender Programs
Adolescent Diversion Project Aggression Replacement Training (as implemented in Washington) Aggression Replacement Training (as implemented outside of Washington) Dialectical Behavior Therapy (as implemented in Washington) Diversion programs with services (v. regular juvenile court processing) Functional Family Therapy (as implemented in Washington) Functional Family Therapy (as implemented outside of Washington) Juvenile Boot Camps (as implemented outside of Washington) Juvenile offender interagency coordination programs Mentoring in the Juvenile Justice System (as implemented in Washington) Multidimensional Treatment Foster Care (v. regular group care) Multi-Systemic Therapy Other family-based therapy programs for juvenile offenders Washington Basic Training Camp

⁵Due to time limitations, the Institute was not able to investigate domestic violence programs. The Institute anticipates completing that work in the future.

LOCAL IMPLEMENTATION OF PROVEN COST-EFFECTIVE PREVENTION AND EARLY INTERVENTION PROGRAMS

JLARC's contractor surveyed cities, counties, and juvenile court administrators in the state to determine where these 17 nationally proven cost-effective prevention and early intervention programs may have been implemented in Washington in 2004.⁶ We received a total of 53 responses: 16 from Eastern Washington and 37 from Western Washington. Those responses included the state's 10 most populous cities, or the counties in which they are located.

Of the 53 respondents, **35** reported having implemented *none* of the 17 proven cost-effective prevention and early intervention programs impacting child welfare or juvenile crime.

Of the three programs addressing **child welfare**, the survey indicates that **two** have been implemented by local jurisdictions in Washington. Of the 14 programs addressing **juvenile crime**, the survey indicates that **10** have been implemented by local jurisdictions. Figure 2 on the following page identifies those 12 programs as well as the number of implementation sites across the state for each program and the number of cases served.

As Figure 2 shows, these locally implemented **child welfare** prevention and early intervention programs served a reported total of 415 cases. Of those cases, the vast majority (385) were served through a home visiting program for at-risk mothers and children at a single site.

The locally implemented **juvenile offender** prevention and early intervention programs served a reported total of 5,129 cases. Of those cases, over half were served through diversion programs with services (2,880) at seven sites. Over a quarter of the total reported cases were served through Aggression Replacement Training (as implemented in Washington) (848) or Functional Family Therapy (as implemented in Washington) (538) at 12 sites each.

In its 2004 report, the Institute determined that some rigorously evaluated prevention and early intervention programs were *not* cost-effective. Of those programs, two **child welfare** programs and one group of **juvenile offender** programs have been locally implemented in Washington.

Survey respondents reported that **60 percent** (625) of reported **child welfare** cases were served by a program demonstrated *not* to be cost-effective. Approximately **15 percent** (903) of reported **juvenile offender** cases were served by programs demonstrated *not* to be cost-effective. Figure 3 on page 6 identifies those programs as well as the number of implementation sites across the state for each program and the number of cases served.

⁶The survey included all of the programs identified in the Institute's report, including programs that were not determined to be cost-effective and programs for which a cost-benefit estimate could not be made.

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Figure 2 – Local Implementation of Proven Cost-Effective Prevention and Early Intervention Programs in Washington
(Based on JLARC Survey)⁷

	Number of Implementation Sites	Number of Cases ⁸
Child Welfare Programs		
Home visiting programs for at-risk mothers and children	1	385
Nurse Family Partnership for Low Income Women	2 ⁹	30 ¹⁰
Juvenile Offender Programs		
Adolescent Diversion Project	2	344
Aggression Replacement Training (as implemented in Washington)	12	848
Aggression Replacement Training (as implemented outside of Washington) ¹¹	1	30
Diversion programs with services (v. regular juvenile court processing)	7	2,880
Functional Family Therapy (as implemented in Washington)	12	538 ¹²
Functional Family Therapy (as implemented outside of Washington)	1	142
Juvenile offender interagency coordination programs	2	93
Mentoring in the Juvenile Justice System (as implemented in Washington)	1	14
Multi-Systemic Therapy	4	240 ¹³
Other family-based therapy programs for juvenile offenders	1	NA ¹⁴

⁷This data is based on a survey that JLARC conducted of cities, counties, and juvenile court administrators in the state to determine where prevention and early intervention programs identified in the Institute's 2004 report have been implemented in 2004. See the Institute's report for a description of each of these programs: <http://www.wsipp.wa.gov/rptfiles/04-07-3901.pdf>.

⁸It is not known if some of these cases were served by more than one reported program. It is also not known if the cases reported for the juvenile offender programs include youth who are not convicted offenders but are being served by those programs.

⁹Although only one county reported implementation sites for the Nurse Family Partnership for Low Income Women program, the official website of the program lists implementation sites in a total of six counties in Washington. This information can be accessed at <http://www.nursefamilypartnership.org/>.

¹⁰JLARC did not receive information on the number of cases served by one of the two reported sites for this program.

¹¹In conducting the cost-benefit analysis in their 2004 report, the Institute distinguished between evaluations of the formal implementation of certain programs (e.g., Aggression Replacement Training, Functional Family Therapy) in Washington versus their implementation elsewhere in the nation. In responding to the JLARC survey, some local entities distinguished their implementation of these programs from the formal implementation of those programs in Washington through DSHS' Juvenile Rehabilitation Administration.

¹²JLARC did not receive information on the number of cases served by one of the 12 reported sites for this program.

¹³JLARC did not receive information on the number of cases served by one of the four reported sites for this program.

¹⁴JLARC did not receive information on the number of cases served for this program.

Figure 3 – Local Implementation of Prevention and Early Intervention Programs in Washington That Are *Not* Cost-Effective
(Based on JLARC Survey)¹⁵

	Number of Implementation Sites	Number of Cases ¹⁶
Child Welfare Programs		
Comprehensive Child Development Program	1	NA ¹⁷
Systems of care/wraparound programs	1	625
Juvenile Offender Programs		
Juvenile intensive probation supervision programs	3	903

Funding

In surveying local jurisdictions, we asked respondents to identify the amounts and sources of funding for each program, categorized as federal, state, county, city, or “other” funding. A reported total of **\$533,942** in state, county, city, and “other” funds was spent on proven cost-effective **child welfare** prevention and early intervention programs in 2004. The vast majority of those funds came from a combination of county and “other” funds.

A reported total of **\$4.57 million** in federal, state, county, city, and “other” funds was spent on proven cost-effective **juvenile offender** prevention and early intervention programs in 2004. There was greater variation in funding patterns for juvenile offender programs than for child welfare programs. Aggression Replacement Training (as implemented in Washington) and Functional Family Therapy (as implemented in Washington) were primarily funded by state dollars. These programs had the greatest numbers of implementation sites (12 each) and the second and third highest number of cases served (848 and 538), respectively. This could be attributed to the fact that both programs have been funded through the state's Community Juvenile Accountability Act (1997). That legislation sought to reduce juvenile crime in a cost-effective way by establishing research-based programs in the state's juvenile courts.

Diversion programs with services had the next greatest number of implementation sites (seven) and served the greatest number of cases (2,880). These programs were funded nearly equally with state and county dollars.

Multi-Systemic Therapy is the only other program with more than two implementation sites. Four sites served the fifth greatest number of cases (240) and were funded with a combination of primarily state, city, and “other” dollars.

¹⁵This data is based on a survey that JLARC conducted of cities, counties, and juvenile court administrators in the state to determine where prevention and early intervention programs identified in the Institute’s 2004 report have been implemented in 2004. See the Institute’s report for a description of each of these programs: <http://www.wsipp.wa.gov/rptfiles/04-07-3901.pdf>.

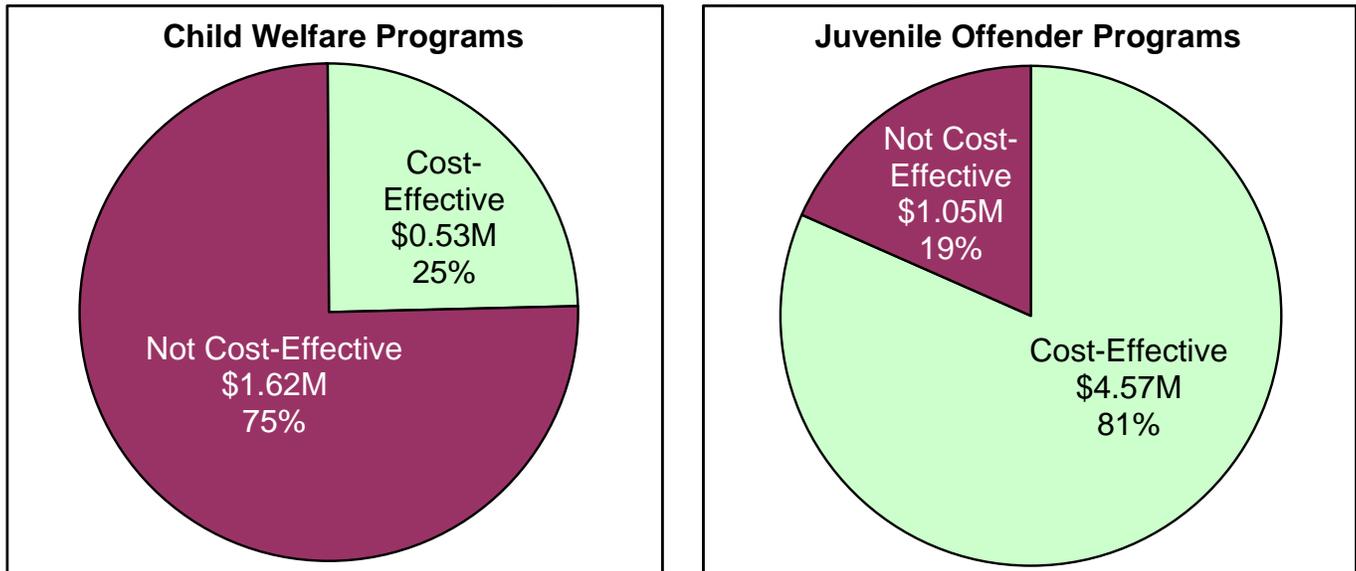
¹⁶It is not known if some of these cases were served by more than one reported program. It is also not known if the cases reported for the juvenile offender programs include youth who are not convicted offenders but are being served by those programs.

¹⁷JLARC did not receive information on the number of cases served for this program.

A reported total of **\$1.62 million** in federal, state, county, and “other” funds was spent on locally implemented **child welfare** prevention and early intervention programs that are *not* cost-effective in 2004. A reported total of **\$1.05 million** in federal, state, and county funds was spent on locally implemented **juvenile offender** prevention and early intervention programs that are *not* cost-effective in that same year.

Figure 4 illustrates the ratio between spending among survey respondents on prevention and early intervention programs that are cost-effective and prevention and early intervention programs that are *not* cost-effective in addressing child welfare or juvenile crime, respectively.

Figure 4 – Spending on Child Welfare and Juvenile Offender Prevention and Early Intervention Programs among Survey Respondents



Source: JLARC analysis.

Evaluations

In surveying local governments, we asked respondents if their programs had been evaluated in order to determine whether or not these programs, *as implemented by local jurisdictions*, have produced documented, measurable positive outcomes related to preserving families or reducing juvenile crime. Although outcome evaluations are a crucial part of successful implementation of proven cost-effective programs, JLARC received only two such outcome evaluations from survey respondents.

LOCAL INCENTIVE MECHANISMS

An interim JLARC report issued in December 2004, in compliance with the legislative mandate for this study, identified two possible mechanisms for encouraging local investment in proven cost-effective prevention and early intervention programs.¹⁸ Based on the respective benefit to state and local governments, either a **match rate** or **reimbursement** mechanism could be used to fund specific programs. A match rate approach calls for each party to pay for program costs up front in proportion to the benefit each receives from the program. A reimbursement approach calls for either the state or local government to bear the full program cost up front but then be reimbursed by the other party for the proportionate share of the benefit. As discussed in the interim report, both approaches have the advantages of familiarity and relative ease of administration. However, a disadvantage of both approaches is that local governments may not have the money to invest up front in the match or to bear the full up-front costs to be reimbursed later for a portion of costs by the state.

In laying out next steps, the JLARC interim report anticipated that we would be able to identify the state/local benefit split for each proven prevention and early intervention program addressing child welfare or juvenile crime. However, the information currently available on specific implemented programs in the state does not provide a sufficient basis at this time for reaching those results. As more proven cost-effective prevention and early intervention programs are locally implemented and evaluated, it will be possible to reliably identify state/local benefit splits for those programs.

In researching and analyzing the ways that other states encourage local jurisdictions to invest in proven cost-effective prevention and early intervention programs, JLARC largely found that *Washington State is viewed as the leader in this field*. This perception may be based on the implementation in recent years by DSHS' Juvenile Rehabilitation Administration of proven programs for juvenile offenders, as well as the research and analysis conducted by the Institute for its 2004 report.

STATEWIDE PROGRAM EVALUATIONS

Programs for juvenile offenders implemented across the state by DSHS' Juvenile Rehabilitation Administration have been rigorously evaluated by the Institute. On the basis of those outcome evaluations, the Institute has determined that the following programs *implemented in Washington* reduce recidivism and realize a positive return on investment: Aggression Replacement Training (when delivered competently by courts), Coordination of Services (included in the group of programs identified as juvenile offender interagency coordination programs in the Institute's 2004 report), Family Integrated Transitions, Functional Family Therapy (when delivered by competent therapists), and Washington's Juvenile Basic Training Camp. The Institute identified each of these programs in its 2004 report as proven cost-effective programs, with the exception of Family Integrated Transitions (FIT), since the Institute's evaluation of FIT was completed after the report was issued.

¹⁸The interim report was issued as a memo in December 2004, and is available from JLARC's website: http://www1.leg.wa.gov/reports/AtRiskYouth_Status.pdf.

Two pilot projects currently under development begin to address the issue of local investment in prevention programs for juvenile offenders. One project is the Redeploy Illinois Program, and the second is the Reinvesting in Youth Pilot Program in Washington. In addition, the Washington State budget requires the DSHS' Children's Administration to give priority to proven intervention models.

Redeploy Illinois Program

As established by law in 2003, the purpose of the Redeploy Illinois Program is to avoid incarcerating juvenile offenders.¹⁹ The program establishes pilot projects that reallocate state funds from juvenile correctional confinement to local jurisdictions. Counties or groups of counties then provide local, community-based sanctions and treatment alternatives for juvenile offenders who would otherwise be incarcerated. Counties or groups of counties participating in the program must provide a statement of the type of services and programs to be provided, as well as the research or evidence base that qualifies those services and programs as proven or promising practices.

It should be noted that the Illinois legislation provides no definition of or criteria for "proven practices," "promising practices," or "research or evidence base," which leaves uncertain whether or not this pilot project will result in investment in proven cost-effective programs. However, the Illinois Department of Human Services is required to continually monitor and annually evaluate the program.

Washington's Reinvesting in Youth Pilot Program

The 2005-07 appropriation for DSHS' Juvenile Rehabilitation Administration (JRA) included \$319,000 for fiscal year 2006 and \$678,000 for fiscal year 2007 to establish a Reinvesting in Youth Pilot Program. Funding is limited to the following three programs, which the Institute's 2004 report identified as proven cost-effective prevention and early intervention programs: Functional Family Therapy, Multi-Systemic Therapy, and Aggression Replacement Training.

Three counties or groups of counties may participate in the program, including one charter county with a population of over 800,000 residents and at least one county or group of counties with a combined population of 300,000 residents or less. Payments to counties are limited to 69 percent of the average program cost per youth times the number of youth engaged by the program. Distribution of funds to the charter county is based on the number of youth engaged by the program, up to \$600,000 for the biennium. DSHS may distribute the remaining \$397,000 in grant funds to the other counties selected to participate in the pilot.

By June 30, 2006, DSHS must recommend the following to the Legislature, for use if the program is continued in future biennia: a method to calculate cost savings; a formula for distributing funds; and criteria for determining program eligibility.

JRA is in the process of developing a contract with King County for funding under the pilot, with completion of that process anticipated by September 2005. JRA has opened a statewide grant solicitation to additional counties for participation in the pilot, with awards to be made by September 2005.

¹⁹Illinois Public Act 093-0641.

Child Welfare Funding

The 2005-07 Operating Budget provides funding priorities for DSHS' Children and Family Services Program. Priority must be given to proven intervention models, including evidence-based prevention and early intervention programs identified by the Institute and DSHS. In addition, DSHS must include information on the number, type, and outcomes of the evidence-based programs being implemented in its reports on child welfare reform efforts, which are due by December 1 of 2005 and 2006.

The Children's Administration is currently reviewing its contracts for expected outcomes and the availability of evidence-based practice models to provide contracted services. Where appropriate, contracts will be modified to include evidence-based practices. In all cases, contracts are to include required outcomes as part of the statement of work. The review process is scheduled to be complete by June 2006.

CHAPTER THREE – FINDINGS, CONSIDERATIONS AND RECOMMENDATION

FINDINGS

Of the 17 national prevention and early intervention programs identified by the Institute as proven cost-effective programs that address child welfare or juvenile crime, at least 12 have been implemented by local jurisdictions in Washington. From survey responses provided by 53 local entities, a reported total of 5,544 cases were served by those programs with a reported total of \$5.11 million in spending from federal, state, county, city, and “other” sources in 2004. In comparison, prevention and early intervention programs addressing child welfare or juvenile crime determined *not* to be cost-effective served a reported total of 1,528 cases with a reported total of \$2.67 million in spending from federal, state, county, and “other” sources in that same year. Although 12 proven cost-effective prevention and early intervention programs have been locally implemented at 46 sites in Washington, outcome evaluations are available for only two local implementation sites. Outcome evaluations are available for select juvenile offender programs that have been implemented by DSHS’ Juvenile Rehabilitation Administration.

As described in an earlier interim report, either a match rate or reimbursement mechanism could be used to encourage local investment in proven cost-effective prevention and early intervention programs. As discussed in this report, pilot programs in both Washington and Illinois are underway for funding county-based juvenile offender prevention programs. In addition, the Washington State budget requires DSHS’ Children’s Administration to give priority to proven intervention models.

CONSIDERATIONS

Research has determined that some prevention and early intervention programs for at-risk youth can provide taxpayers a return on their dollar. Taxpayer dollars are well invested when spent on these proven programs. However, it must be recognized that research into both the effectiveness of prevention and early intervention programs and the benefit-to-cost ratios of those programs is still in the early stages. It should also be recognized that research into programs addressing juvenile crime is much further along than research into programs addressing child welfare. As concluded by the Institute in its 2004 report, many currently funded prevention and early intervention programs in the state have not been rigorously evaluated. Given this fact, it is not surprising that more proven cost-effective prevention and early intervention programs have not been locally implemented in the state or that outcome evaluations have not been performed for a greater number of those programs that have been implemented locally.

To focus the investment of taxpayer dollars on proven cost-effective programs for at-risk youth, policymakers should consider the following three points:

- Rigorous research to expand the field of available proven cost-effective programs takes both time and money, whether the source of funding is public or private.

- Effective implementation of proven cost-effective programs requires up-front investments, which can be an even greater burden for local governments than for statewide agencies.
- In order to ensure that implemented programs work and produce more benefits than costs, there must be ongoing monitoring and evaluation of these programs, which adds to the costs of those programs.

Investing in proven cost-effective programs involves up-front and ongoing costs. However, the costs of investing in proven programs may still be less than current spending on programs whose ultimate outcomes and costs are not known.

RECOMMENDATION

As directed by the Legislature, this study is focused on local investment in proven cost-effective programs impacting child welfare or juvenile crime. The results of the survey of local jurisdictions documented a reported total of **\$2.67 million** in spending in 2004 from federal, state, county, and “other” sources on prevention and early intervention programs addressing child welfare or juvenile crime that are *not* cost-effective. Of that total, **\$1.46 million** consisted of state funds. Since we did not receive responses to our survey from all local entities, these figures likely understate the amount of public funds being spent on prevention and early intervention programs that are proven to be not cost-effective.

The Institute recommended in its 2004 report that the Legislature and the Governor should avoid spending money on prevention and early intervention programs where there is little evidence of program effectiveness. In addition, as discussed above, the 2005-07 Operating Budget included a proviso directing the Children’s Administration of DSHS to prioritize and report on implementation of evidence-based programs. Building upon these efforts, JLARC is issuing the following recommendation:

Recommendation 1:

The Department of Social and Health Services (DSHS) should provide an annual report to the fiscal committees of the Legislature, itemizing the amount of DSHS spending on prevention and early intervention programs that the Washington State Institute for Public Policy has determined are either not cost-effective or for which a cost-benefit estimate cannot be made on the basis of current research.

Legislation Required:	None
Fiscal Impact:	JLARC assumes this can be provided within existing resources.
Reporting Date:	December 2005

AGENCY RESPONSES

We have shared the report with the Department of Social and Health Services (DSHS) and the Office of Financial Management (OFM) and provided them an opportunity to submit written comments. Their written responses are included in Appendix 2. Appendix 2A contains JLARC’s comments on DSHS’ response.

ACKNOWLEDGEMENTS

We would like to thank the numerous staff at the Department of Social and Health Services who provided information to assist with this report. We are also appreciative of the expertise and efforts provided by the Washington State Institute for Public Policy and JLARC consultant KMG Consulting in support of our review.

Ruta Fanning
Legislative Auditor

This report was provided to members of the Joint Legislative Audit and Review Committee at its October 18, 2005, meeting. Because the Committee did not have a quorum at the October 18th meeting, a formal vote to approve the report for distribution was delayed until the Committee's November 30, 2005, meeting. On November 30, 2005, this report was approved for distribution by the Joint Legislative Audit and Review Committee.

Representative Ross Hunter
Chair

APPENDIX 1 – SCOPE AND OBJECTIVES

At Risk Youth Study

SCOPE AND OBJECTIVES

SEPTEMBER 2004



STATE OF WASHINGTON
JOINT LEGISLATIVE AUDIT
AND REVIEW COMMITTEE

STUDY TEAM
Deborah Frazier

LEGISLATIVE AUDITOR
CINDI YATES

Joint Legislative Audit & Review
Committee
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BACKGROUND

Washington State budgeted over \$162 million in the 1999-01 Biennium for prevention programs with the primary purpose of addressing seven At Risk youth behaviors specified in statute: violence, substance abuse, teen pregnancy, suicide, dropouts, abuse and neglect, and domestic violence (RCW 70.190.010(4)).

Most of these prevention dollars are budgeted for five state entities: Department of Social and Health Services; Office of the Superintendent of Public Instruction; Family Policy Council; Department of Community, Trade and Economic Development; and Department of Health.

In some cases, these entities operate the programs directly; in many cases, the agencies contract program operations to local jurisdictions. While the state budget is appropriating money to these programs, most have not had rigorous outcomes evaluations to assess whether the intended outcomes have been achieved.

In July 2004, the Washington State Institute for Public Policy (Institute) completed a legislatively mandated analysis of effective prevention programs entitled "Benefits and Costs of Prevention and Early Intervention Programs for Youth."²⁰ This study identifies approximately 60 programs nationally, with rigorous outcomes evaluations, and calculates the overall benefits and costs of these programs. The Institute study found that approximately half of the programs produce benefits equal to, or greater than, costs.

MANDATE

The Committee authorized this study in response to the provisions of Substitute House Bill 1028 (2003). This bill instructs JLARC to focus on programs currently operated by local jurisdictions in Washington that have:

- Proven effective at preserving families and reducing youth crime; and,
- Produced cost savings, or were cost neutral, to the state budget.

JLARC is instructed to identify and describe these programs and to examine the role that financial and other incentives have played in stimulating local government investment in these programs. JLARC must evaluate options for these types of incentives, including reimbursing local jurisdictions for a portion of the savings that accrue to the state as a result of local investment. To accomplish this work, JLARC is instructed to consider recent work completed by the Institute.

²⁰ The Institute report may be obtained on line at <http://www.wsipp.wa.gov/rptfiles/04-07-3901.pdf>.

PROPOSED SCOPE AND OBJECTIVES

The JLARC At Risk Youth Study will provide the Legislature with current information about prevention programs for youth operating in Washington that have rigorous outcome evaluations and have been found to be effective. The study will also provide information about mechanisms that can be employed to stimulate local investment in such programs. This information can be combined to target state and local budget dollars to prevention programs that have proven their effectiveness.

As directed by the Legislature, JLARC staff will build on work recently completed by the Institute. This research identifies the programs that meet the criteria for inclusion in the JLARC study.

Some of the questions the JLARC study will examine include:

- Which programs deliver a return on investment? What are the program outcomes?
- Was there local investment in the program? Were there incentive mechanisms in place that stimulated local investment?
- Are there incentives in place in other programs that could be used to promote local implementation of effective At Risk youth prevention programs?
- What are some of the public policy options available to legislators to use as incentives to stimulate local investment?

OVERVIEW OF STUDY APPROACH

JLARC staff will conduct the study through research, data analysis, and field work. Staff will work with the Institute and other consultants as appropriate to gain specialized expertise.

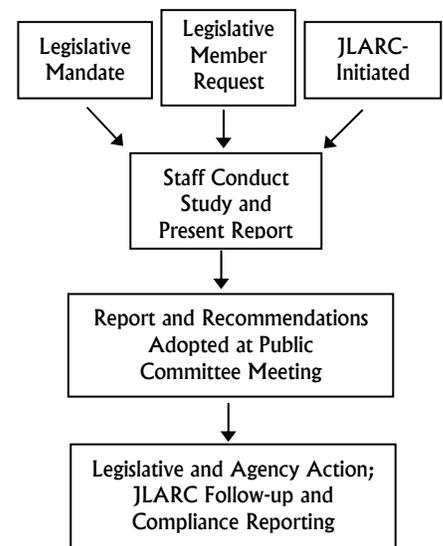
TIMEFRAME FOR THE STUDY

Staff will present preliminary findings about local investment mechanism options in November 2004. The complete study report with detailed program descriptions and additional findings on mechanisms will be presented to JLARC in September 2005.

JLARC STAFF TO CONTACT FOR THE STUDY

Deborah Frazier (360) 786-5186 frazier.deborah@leg.wa.gov

JLARC Study Process



Criteria for Establishing JLARC

Work Program Priorities

- Is study consistent with JLARC mission? Is it mandated?
- Is this an area of significant fiscal or program impact, a major policy issue facing the state, or otherwise of compelling public interest?
- Will there likely be substantive findings and recommendations?
- Is this the best use of JLARC resources: For example:
 - Is the JLARC the most appropriate agency to perform the work?
 - Would the study be nonduplicating?
 - Would this study be cost-effective compared to other projects (e.g., larger, more substantive studies take longer and cost more, but might also yield more useful results)?
- Is funding available to carry out the project?

APPENDIX 2 – AGENCY RESPONSES

- Department of Social and Health Services (DSHS)
- Office of Financial Management (OFM)



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STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
Olympia, WA 98504-5000

September 15, 2005

TO: Ruta Fanning, Legislative Auditor
Joint Legislative Audit & Review Committee

FROM: Robin Arnold-Williams, Secretary
Department of Social & Health Services *Robin*

SUBJECT: AT RISK YOUTH STUDY – PRELIMINARY REPORT

Thank you for the opportunity to review and comment on the Joint Legislative Audit & Review Committee's At-Risk Youth Study preliminary report.

We have reviewed the recommendations and provide the attached comments for your review and consideration.

Please contact Cheryl Stephani, Assistant Secretary for the Children's Administration, at (360) 902-7820 or Robin Cummings, Acting Assistant Secretary for the Juvenile Rehabilitation Administration, at (360) 902-7804 if you have any questions regarding our comments.

Thank you.

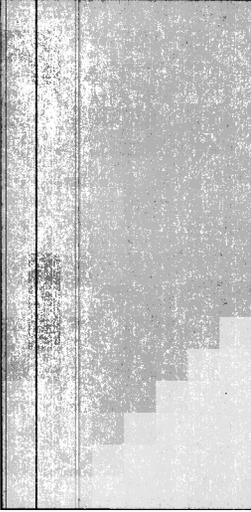
Attachments

c: Blake Chard
Cheryl Stephani
Robin Cummings



**JLARC AT RISK YOUTH STUDY
AGENCY RESPONSE**

RECOMMENDATION	AGENCY POSITION	COMMENTS
<p>Recommendation #1</p> <p>DSHS should provide an annual report to the fiscal committees of the Legislature, itemizing the amount of spending on prevention and early intervention programs that the Washington State Institute for Public Policy has determined are either not cost-effective or for which a cost-benefit estimate cannot be made</p>	<p>Partially concur</p>	<p>The report references funding sources which include a variety of funding sources beyond what the Department provides for "At Risk Youth" programs in both juvenile justice and child welfare. The department believes that it would be more appropriate to report on programs for which the department delivers directly, or at least has oversight responsibility. The department does not have a mechanism, or authority, to collect information on programs funded by other sources beyond the department's control. It is suggested that the recommendation be revised to state <u>"...the amount of Department spending on prevention and early intervention programs..."</u></p> <p>This change would clearly limit the scope of the report to Department funded programs.</p> <p>The Department also recommends that in addition to reporting out on not cost-effective programs, that the report includes the evidence based (EBPs) cost-effective programs with a narrative section that details the progress and plans toward further implementation of EBPs. This additional information would provide a more complete picture to the legislature, enabling them to be aware of the entire scope of the efforts to expand cost-effective programming in the Department.</p>

			<p>Lastly, the Department recommends that the third and fourth words from the end of the recommendation #1, “..<i>can not be</i>..”, be changed to state “...have not been...” The words “can not be” appear to make the assumption that every program that has not been evaluated does not possess the characteristics to be evaluated. This assessment of all DSHS “at risk youth” programs that are not EBPs has not been completed.</p>
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STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

September 28, 2005

TO: Ruta Fanning, Legislative Auditor
Joint Legislative Audit and Review Committee

FROM: Victor A. Moore, Director *V.A.M.*

SUBJECT: AT-RISK YOUTH STUDY – PRELIMINARY REPORT

Thank you for providing the Office of Financial Management (OFM) the opportunity to review JLARC's preliminary report on the At-Risk Youth Study.

The information presented in this report will assist OFM in evaluating what share of child welfare and at-risk youth funding is cost-effective. Here is our response to the specific recommendation in the report.

Recommendation	Agency Position	Comments
The Department of Social and Health Services should provide an annual report to the fiscal committees of the Legislature, itemizing the amount of spending on prevention and early intervention programs that the Washington State Institute for Public Policy (WSIPP) has determined are either not cost-effective or for which a cost-benefit estimate cannot be made.	Concur	OFM concurs with the recommendation that DSHS report annually on the early intervention and prevention programs that are not cost-effective. However, we offer caution on how one could interpret the WSIPP report, because only a small percentage of these programs have received adequate analysis to determine their cost-effectiveness. Therefore, the results of the report may characterize as quite high the amount of DSHS spending on programs that cannot be determined to be cost-effective when in fact they may be.



APPENDIX 2A – JLARC’S COMMENTS ON AGENCY RESPONSES

We are pleased that DSHS partially concurs with the recommendation included in our Preliminary Report, and has suggested changes to the language of the recommendation which support our intent. We are largely in agreement with DSHS’ suggested changes, and have revised the recommendation to:

- Clarify that the annual report would itemize only *DSHS* spending; and
- Specify that the second of the two groups of programs for which DSHS should itemize their spending are programs for which the Institute has determined a cost-benefit estimate cannot be made *on the basis of current research*.

We are also fully supportive of additional information that DSHS would like to provide when it reports program spending to the Legislature. The inclusion of additional information in the report, such as DSHS spending on programs that the Institute has identified as proven cost-effective prevention and early intervention programs and efforts to increase spending on proven cost-effective prevention and early intervention programs, will be helpful for the Legislature.

