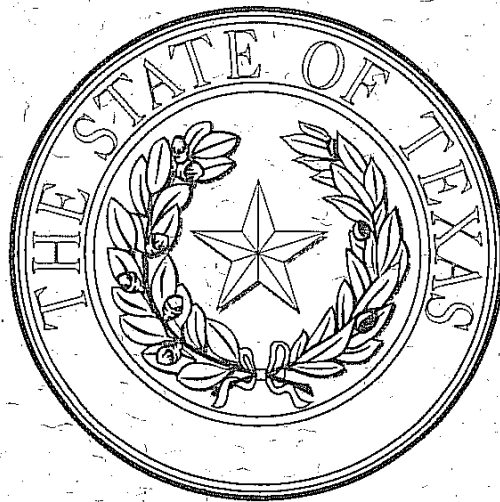


Implementation and Cost-Effectiveness of the Correctional Substance Abuse Treatment Initiative

Report to the 75th Texas Legislature



170840

Criminal Justice Policy Council
March 1997

Tony Fabelo, Ph.D.
Executive Director

.....

...

...

.....

Implementation and Cost-Effectiveness of the Correctional Substance Abuse Treatment Initiative

Report to the 75th Texas Legislature

**Criminal Justice Policy Council
P.O. Box 13332
Austin, Texas 78711-3332
(512) 463-1810**

Researched and Written By:

Michael Eisenberg

Michael Reed

Note From the Director

The Texas correctional substance abuse treatment initiative was originally planned by the Texas Legislature in 1991 to provide 2,000 correctional beds dedicated to house inmates participating in the In-Prison Therapeutic Community (IPTC) and 12,000 beds for probationers participating in the Substance Abuse Felony Punishment (SAFP) program. In 1995, based on evaluation findings from the Criminal Justice Policy Council (CJPC) and the General Investigating Committee of the legislature, the capacity in the IPTC program was scaled back to 800 beds and the SAFP program was maintained at 4,500 beds, the capacity of that program at the time. This decision was based mainly on the finding that the programmatic and financial “nuts and bolts” of the program were not in place to sustain its expansion. The administration of the program was also transferred from the Texas Commission on Alcohol and Drug Abuse (TCADA) to the Texas Department of Criminal Justice (TDCJ).

The CJPC has been monitoring the implementation and operation of these programs. In July 1996 the CJPC issued a progress report examining issues related to the transfer of the administration of these programs to TDCJ. This report continues the review of implementation issues and provides new information related to the outcome and cost-effectiveness of these programs.

TDCJ has addressed most of the financial and program accountability issues raised by the General Investigating Committee of the legislature. The auditing of program finances, the screening instrument used for selecting offenders for the program, and the training of staff have improved. The relapse program is also being revised in an attempt to increase its effectiveness.

Program completion rates for inmates entering the IPTC program have improved since the initial CJPC evaluation presented to the legislature in 1995. Approximately 56% of offenders admitted to the program in 1993 completed treatment compared to 42% for the initial CJPC evaluation sample. Offenders who completed treatment have a lower two year recidivism rate (28%) than those who did not complete treatment (42%) and those in a comparison group (38%). Yet, the reincarceration recidivism rate for offenders completing treatment is still not low enough to offset the cost of the program and the cost of intervening with program dropouts who have higher recidivism rates than the comparison group. On the other hand, offenders entering the SAFP program were more likely to complete the program (62% completed) and had lower recidivism rates than a comparison group (9% were incarcerated one year after release compared to 18% in a comparison group).

A cost-effectiveness analysis examining the amount of money the state invested in treatment compared to the estimated savings the state would get back in reduced reincarceration costs associated with reduced recidivism shows that:

- The state lost 83 cents for every dollar it invested in treatment for the 1992 IPTC group and lost 43 cents for every dollar the state invested in the 1993 IPTC group.

Note From the Director

- The state made \$1.85 for every dollar the state invested in treatment for the 1993 SAFP group. In addition to treatment savings, the CJPC estimates that the state saved \$1.50 for each SAFP offender diverted from prison.

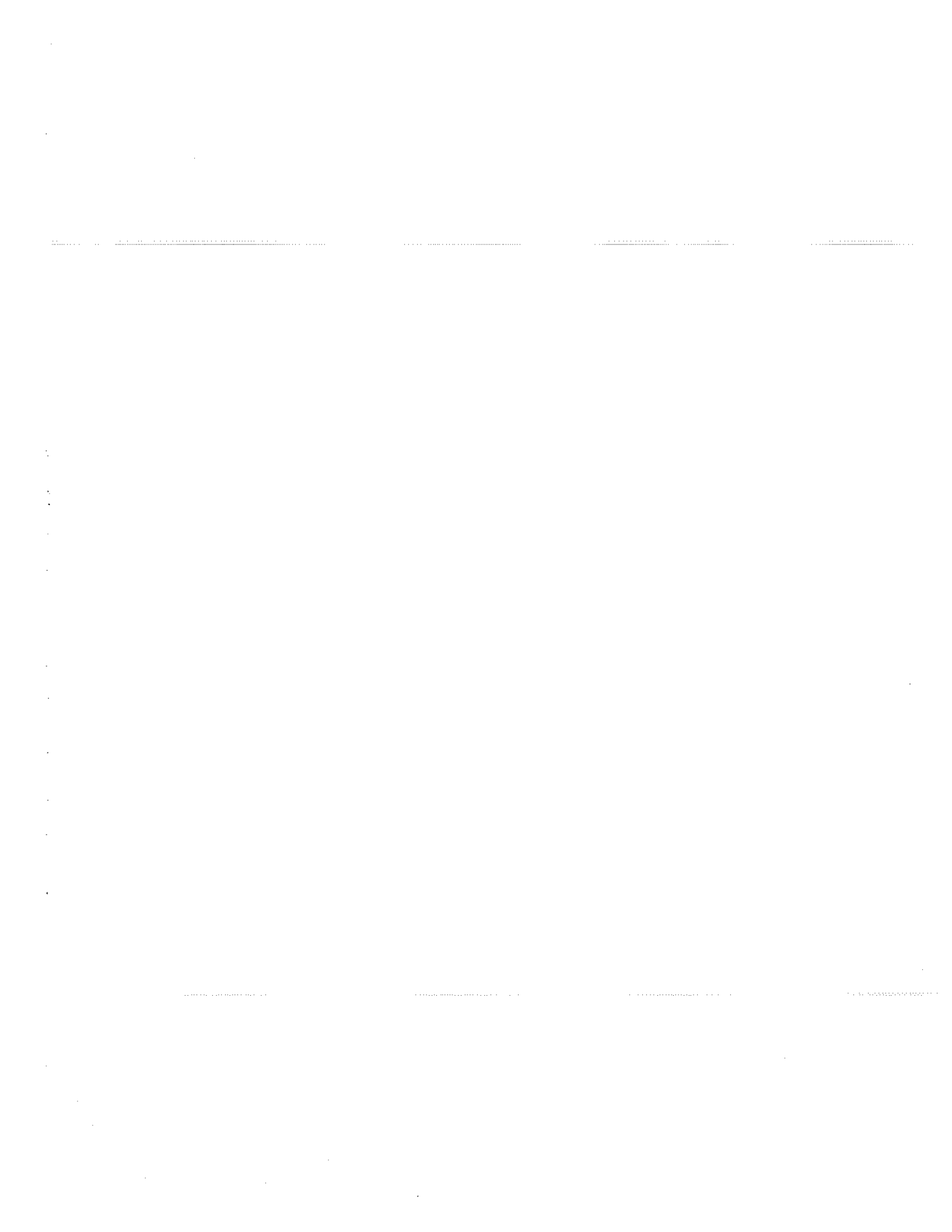
Based on these findings the legislature should consider whether to:

- Keep the IPTC and SAFP programs at current size and allow two more years for legislative and administrative changes to improve the cost-effectiveness of the IPTC program;
- Discontinue or reduce the IPTC program and expand the SAFP program by 500 beds. Presently there is a backlog in county jails of approximately 650 offenders awaiting space in the SAFP program. It should be noted that the conversion of the IPTC capacity into SAFP program capacity would result in a comparable loss of prison capacity;
- Discontinue the IPTC program and maintain the SAFP program at present capacity; or,
- Maintain current correctional bed capacity for the treatment programs but discontinue the distinction between the facilities dedicated to each program to allow TDCJ to allocate the capacity based on program demand.

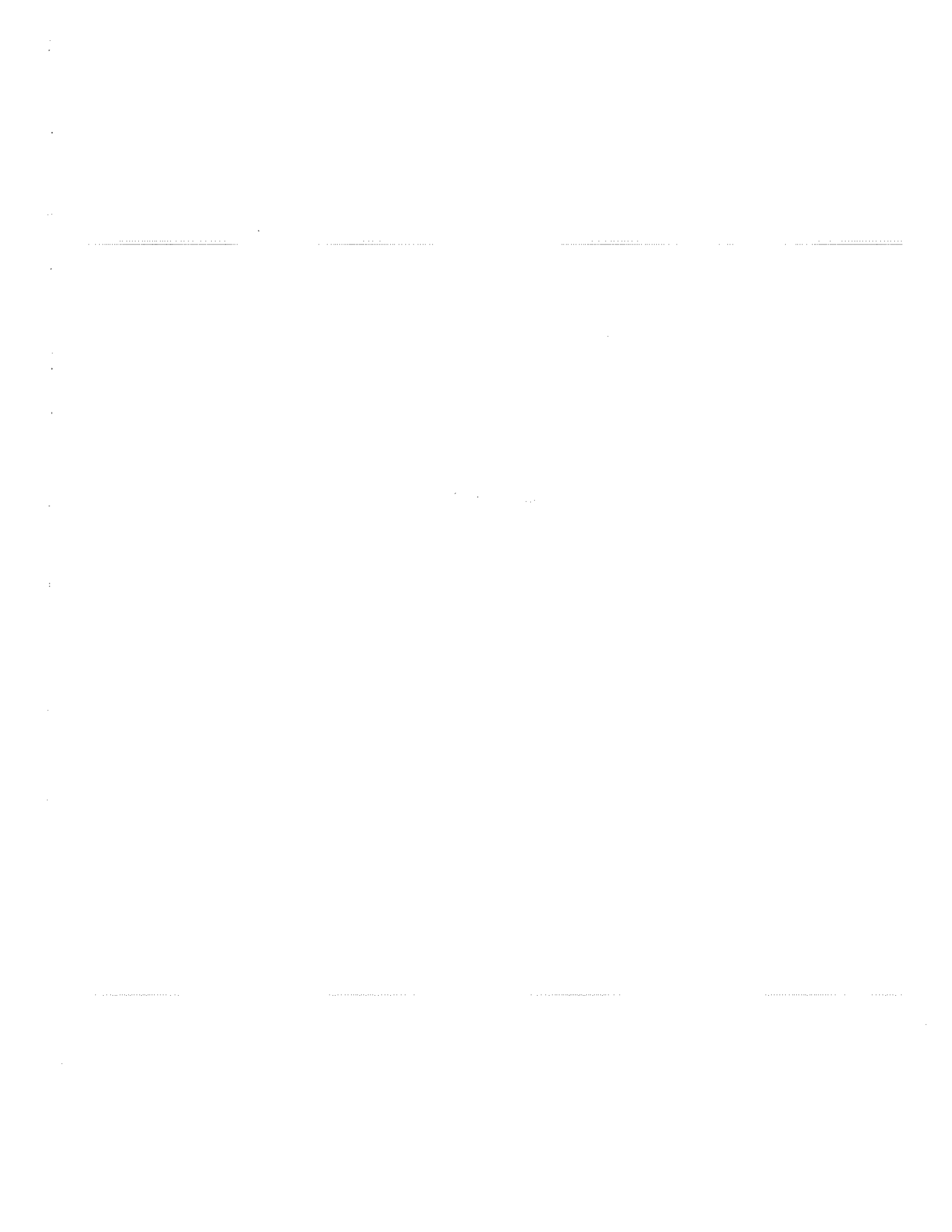
Tony Fabelo, Ph.D.
Executive Director

Acknowledgments

We would like to thank the many program administrators, staff, counselors, wardens, treatment providers, clients, parole officers, and community supervision (probation) officers who provided us with information for this report. In particular we would like to thank Debbie Roberts, Madeline Ortiz, Chris Carter, Barbara Niemeyer, Charles Wood, and Jackie Cordry of the Texas Department of Criminal Justice (TDCJ) Substance Abuse Treatment Program. We would also like to acknowledge Marsha McLane, Cathy Drake, and Willie Mae Johnson of the TDCJ-Parole Division, who provided us assistance and information regarding the post-release aftercare program, and we appreciate the assistance of Steve Henderson in providing insight into the Substance Abuse Felony Punishment (SAFP) program.



I. Introduction



Introduction

- In 1991, the 72nd Texas Legislature created the Texas substance abuse treatment initiative. This was the largest substance abuse treatment initiative for offenders in the United States. The initiative involved:
 - ✓ 2,000 correctional beds as capacity for inmates participating in the In-Prison Therapeutic Community (IPTC) treatment program of the Texas Department of Criminal Justice (TDCJ) -Institutional Division.
 - ✓ 12,000 correctional beds as capacity for probationers with substance abuse problems participating in the Substance Abuse Felony Punishment (SAFP) facility program
 - ✓ Both programs provide 9 to 12 months of intensive treatment in a secure facility followed by 1 to 3 months in a residential treatment facility in the offender's community. A period of outpatient counseling is the final phase of the program.
- The Criminal Justice Policy Council's (CJPC) initial evaluation of the IPTC program, presented to the legislature in 1995, indicated that offenders completing treatment had significantly lower one-year reincarceration recidivism rates (7%) than offenders not completing treatment (19%) and offenders in a comparison group (19%). These results were negatively impacted, however, by the high number of offenders who started the program but did not complete.
 - ✓ Approximately 58% of offenders admitted to treatment did not complete the program, of which 30% did not complete the in-prison phase and 28% did not complete the post-release aftercare phase.
- The primary factor affecting the success of the initiative was the size and rapid expansion of the program. The "nuts and bolts" infrastructure problems included:
 - ✓ The selection process did not identify those offenders most likely to complete and benefit from treatment.
 - ✓ The post-release aftercare program was inconsistent and not well developed.
 - ✓ There were not sufficient numbers of qualified counselors experienced with the therapeutic community treatment approach.

Introduction (cont.)

- A number of reports indicating concern with TCADA internal financial controls and treatment provider monitoring led to a review of TCADA by a joint House / Senate Investigating Committee in 1995. The committee appointed an audit task force which found:
 - ✓ Overreliance by TCADA monitors on “desk” audits rather than “field” audits.
 - ✓ Failure to closely monitor provider expenditures led to inappropriate and sometimes illegal expenditures.
 - ✓ Rate-setting procedures were not competitive and therefore deficient, compliance monitoring was understaffed, and the performance of contract treatment providers was not evaluated.
 - ✓ Regulations and restrictions on funds were unclear and sometimes inconsistently applied. Field audits by the Department of Public Safety (DPS) of 168 TCADA providers resulted in the questioning of over \$30 million in expenditures with the subsequent recovery of \$15 million in cash refunds or reduced billings.
 - ✓ A \$3.3 million shortfall in the IPTC and SAFP programs led to the curtailing of some treatment services in June 1995.
- Based on the findings of the CJPC and the General Investigating Committee, the 74th Texas Legislature in 1995 decided to:
 - ✓ Maintain the treatment initiative at 4,500 SAFP beds and 800 IPTC beds, as opposed to the original plans for 12,000 SAFP beds and 2,000 IPTC beds and;
 - ✓ Transfer program administration to TDCJ.
- In July of 1996 the CJPC issued a progress report to the legislature examining implementation issues related to the transfer of the program to TDCJ.
- This report continues the examination of issues related to the implementation and operation of the program and analyzes the impact of the program on recidivism.

II. Program Administration and Operation



Financial Accountability

TDCJ is currently addressing financial accountability issues raised by the General Investigating Committee. TDCJ has introduced competitive bidding into the contract process, established a contract monitoring program, and is conducting program and financial audits.

- Competitive bidding for treatment services in 1995 resulted in reduced costs for all contract treatment services.

Service	Pre-1995 Contract Cost	Post-1995 Contract Cost
In-Prison Treatment	\$10 / day	\$8 / day
Residential Treatment	\$32 / day	\$30 / day
Outpatient Counseling - Individual	\$47 / hour	\$32 / hour
Outpatient Counseling-Group	\$16 / hour	\$11 / hour

- TDCJ-Parole Division (PD) has established a contract monitoring section with 18 monitors to conduct program and financial audits of residential and outpatient contract treatment vendors. TDCJ-Substance Abuse Treatment has also established an institutional monitoring staff responsible for monitoring in-prison contract treatment providers. Monitors are responsible for verifying:
 - ✓ Compliance of vendors with approved budget;
 - ✓ Allowable expenditures and all revenue sources;
 - ✓ Proper billing procedures (i.e., check for double billing or over billing); and
 - ✓ Compliance with program and service delivery requirements.

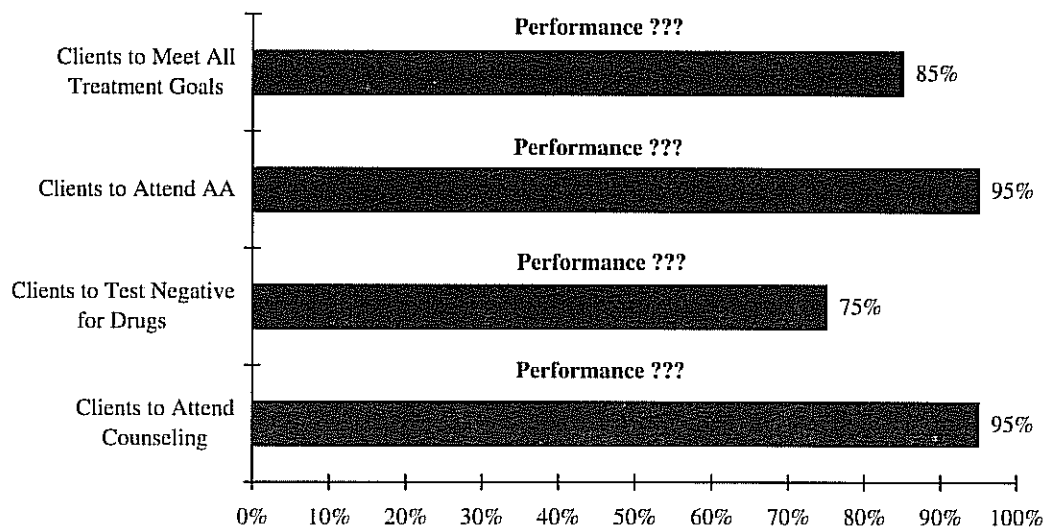
- TDCJ-PD conducted 25 field audits in 1996, compared to the 18 field audits conducted by TCADA over a six year period (1989 - 1995). TDCJ-Substance Abuse Monitoring Section has audited all in-prison contractors and received a favorable review from the State Auditor's Office for the audit procedures established.
 - ✓ TDCJ field audits to date have identified \$149,653 in unallowable expenditures to be reimbursed to the state.

Program Performance Measures

Program performance measures have been specified and are part of contract audit protocols, but the performance measures are not tabulated, evaluated, or used by administrators to identify contractors not meeting performance measures for residential and outpatient treatment providers.

- While program performance measures are specified in contracts and reported by vendors they are not fully utilized. The following performance measures are unknown:
 - ✓ The number and percent of offenders meeting all treatment goals.
 - ✓ The number and percent of offenders testing negative for drug usage.
 - ✓ Measures of overall program performance and measures evaluating the performance of different vendors.

Program Performance Targets for Residential Treatment Facilities



- The reporting of program performance measures by treatment providers is not uniform.
 - ✓ For example, one vendor reported the percent of clients testing negative for drugs by dividing the number testing negative by the total number of clients in the program, while another vendor divided negative tests by the total number tested. Some vendors did not test any clients.

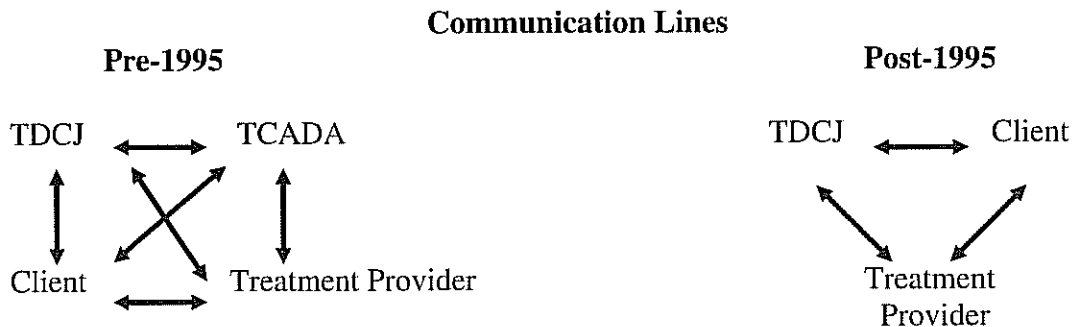
Selection of Offenders for Treatment

The proper selection of offenders for the treatment program is critical to program success. The selection process has improved over time but inappropriate offenders are still being placed in treatment.

- Selection of offenders most likely to need and benefit from this type of treatment is critical for program success. Accordingly, selection should be based on screening tests and assessment interviews that indicate a need for treatment and the intensity of treatment needed.
- IPTC offenders are selected by the parole board from a pool of offenders determined eligible by a screening test designed to identify offenders needing treatment, the Substance Abuse Subtle Screening Inventory (SASSI).
 - ✓ Questions about the accuracy of the SASSI, the need to improve the selection process, and increasing costs associated with the use of this instrument (\$1.60 per test) resulted in a review of this screening instrument.
 - ✓ Consultants from the federal Center for Substance Abuse Treatment (CSAT) evaluated the SASSI in relation to four other screening instruments and determined that more accurate instruments are available. Moreover, these instruments are available in the public domain at minimal cost.
 - ✓ TDCJ is in the process of changing screening instruments and is working to improve the assessment and selection process.
- SAFP offenders are sentenced to treatment by local judges as a condition of probation. Local jurisdictions use a screening test of their choice. When the instrument indicates a need for drug treatment, the offender is eligible for SAFP.
 - ✓ In addition to identifying an appropriate screening tool, there is concern that the selection process does not result in the selection of offenders most appropriate for treatment.
 - ✓ Interviewed SAFP offenders estimated that 40% to 60% of offenders are placed as a result of a plea bargain. For example, some offenders indicated that they were given a choice of 9 months in a SAFP or 4 years in prison, regardless *if* treatment was needed.
 - ✓ Another concern is that offenders who may only need outpatient treatment are placed in SAFP, which is more intensive and more expensive than outpatient treatment, because treatment resources are not available in some communities.

Communication

Single agency administration of the treatment initiative has improved communication and achieved administrative savings.



- Prior to 1995, the treatment initiative was administered by both TDCJ and TCADA. The failure to clearly delineate administrative responsibilities of the two agencies resulted in conflicting responses to program and financial questions.
 - ✓ Clients engaged in triangulation, pitting different program authorities against each other in order to manipulate treatment, which caused numerous problems.
- The transition to single agency administration has reduced miscommunication and misinformation regarding program and financial issues.
- A CSAT consultant report, which recommended the reorganization of TDCJ substance abuse treatment administration, indicated that savings could be achieved under a single agency by:
 - ✓ Reducing administrative staff from 56 positions in TDCJ and TCADA to 33 in TDCJ. This would result in reduced administrative expenditures from \$2,002,628 to \$984,504. Most of the consultant recommendations have been implemented.
 - ✓ While the reorganization appears to have been beneficial, reduced staffing has delayed some contract processes and caused some problems in program administration that may impact program quality and success.

Training

Training, which was terminated during the first six months of the transition to TDCJ, has been reinstated and represents a critical component of the treatment program.

- Because of the multi-disciplinary approach of the treatment program, staff with different primary missions must learn how to best coordinate delivery of services.
 - ✓ The treatment program stresses offenders taking responsibility for their lives. This contrasts with correctional officers limiting offenders' authority for security reasons. These different missions have caused conflict in the delivery of treatment services in a prison environment.
- Cross-training (referred to as "Immersion training") was originally developed by TCADA to allow correctional officers, treatment counselors, parole officers, and community supervision (probation) officers to learn how to coordinate treatment and security services.
 - ✓ Due to staff turnover and the uniqueness of the Texas treatment program, pre-service and in-service training is critical for quality delivery of the therapeutic community program.
- Since April 1996, new training has been developed and offered to staff involved in the treatment initiative. Between April 1996 and October 1996, 47 training sessions were held.

Resource Allocation

While monetary payments are usually required from parolees to assist in paying for treatment costs, probationers usually are not required to pay. Moreover, current allocated resources do not provide adequately for residential beds in some communities, nor are adequate resources provided for female offenders with special needs.

- The contract for residential treatment providers specifies that each resident referred to the facility shall be assessed 25% of their gross monthly income to help pay for treatment program costs. For parolees in the program, the residential fee requirement is a condition of their release. For probationers, this condition must be stipulated as a condition of their supervision. In most cases judges have not included this stipulation in the probationer's conditions of supervision.
- Parolees, who make up 30% of the population placed in residential treatment, paid over \$334,000 in residential fees in FY 1996. Probationers, who represent 70% of residential placements, paid only \$3,119 in residential fees.
 - ✓ If probationers paid fees in proportion to the parolees, it is projected that an additional \$785,000 could be collected to offset treatment costs.
 - ✓ In some cases, fees already imposed on probationers (restitution, court costs, fines, etc.) may make the additional residential fee unreasonable.
- SAFP administrators should encourage judges to require that probationers placed in the SAFP program have a supervision requirement stipulating that 25% of their gross income, during their treatment in the residential facility, be collected to pay for their treatment when feasible.
- Offenders completing the in-prison phase of the IPTC or SAFP programs are placed in a community residential treatment program after release. Placements are to be made in the offender's county of residence as a first priority.
 - ✓ When residential treatment beds are not available in the offender's county of residence the next best available placement is made. Residential treatment beds are primarily located in large urban areas.
- Not enough beds are available for all geographic areas. Some city zoning requirements have significantly limited contracting availability.
 - ✓ For example, there are 144 residential treatment beds in Austin for males but none for females. In San Antonio there are 16 beds for females and none for

Resource Allocation (cont.)

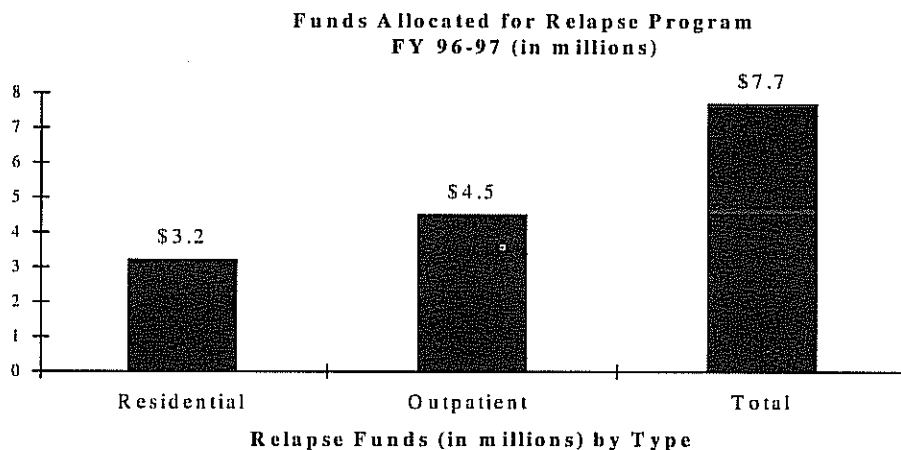
males. As a result, males from San Antonio are initially placed in Austin for 1 to 3 months while females from Austin are placed in San Antonio.

- ✓ Significant problems are associated with failure to place offenders in an appropriate residential treatment facility. Continuity of supervision and treatment, employment, and reintegration into the community are all compromised.
- ✓ In many instances, SAFP offenders are placed in residential treatment facilities in jurisdictions other than their probation officer's. In these cases, probation officers in the area where the facilities are located must volunteer their limited time for courtesy supervision or the offenders receive limited supervision until they return to their original jurisdiction.
- Special needs offenders, defined as those having a dual-diagnosis which includes substance abuse, have become a rapidly growing population in the SAFP program.
 - ✓ In the past year, TDCJ has substantially increased the number of SAFP beds available for special needs offenders. For example, in January 1995 there were only 10 special needs SAFP beds for women. In January 1996, special needs beds for women expanded to 48 beds and in October 1996, 190 special needs beds for women were operational.
 - ✓ For many judges the special needs SAFP represents the only treatment/sanction option available for dual-diagnosed clients. In some cases, offenders who should be placed in psychiatric facilities are placed in SAFP.
- While the number of special needs female offenders has increased, programming and staffing resources have not kept pace with the expansion.
 - ✓ Special needs offenders require staff trained in providing special services that other SAFP offenders do not require.
 - ✓ The rapid expansion of the women's special needs offender program has strained the infrastructure development necessary for program success.

Relapse Program

A relapse program is available to assist offenders who have difficulty or test positive for drugs after release. The relapse program for this initiative is currently being revised. The effectiveness of the relapse program is unknown.

- Offenders who test positive for drugs or appear to be having difficulty after release can be required to enter the relapse program.
 - ✓ In the past, the relapse program consisted of a return to the previous phase of treatment or a more intensive repeat of a phase of treatment.
 - ✓ Currently there are various phases in the relapse program. Offenders can be required to enter a more intensive outpatient relapse program or return to residential treatment, either in the community or in a SAFP facility.
- Approximately \$7.7 million dollars were allocated for relapse services for FY 96-97.

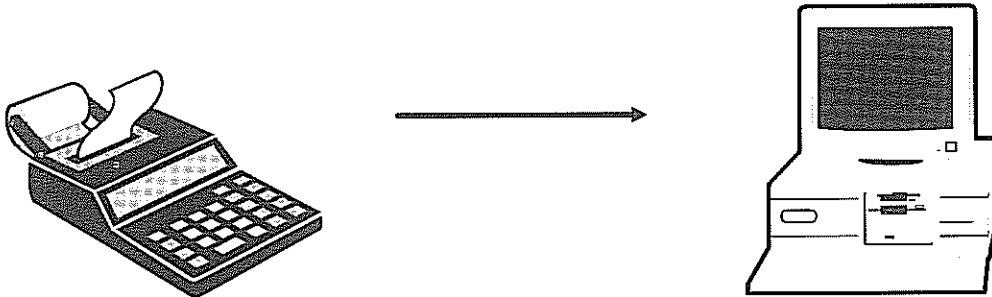


- Little is known about the outcomes of offenders who enter the relapse program or the effectiveness of this program. However, TDCJ has initiated efforts to improve the relapse program.
 - ✓ Revisions of the relapse program are focusing on developing a program designed to identify causes of relapse. Efforts are targeted to helping offenders identify the situations that lead to relapse.
- Program performance measures should be instituted to measure completion and success rates of relapse program participants, including the ability to track offenders through the relapse program.

Deficient Management Information System

The Substance Abuse Master Plan Information System (SAMPIMS), designed to serve as a management information system for the IPTC / SAFP programs, does not function as designed.

- SAMPIMS was designed to provide:
 - ✓ Operational, management, performance, and financial information for program staff; and
 - ✓ Assist in offender tracking, program placement, monitoring completion rates, billing, auditing, and provide comprehensive program performance information.



- SAMPIMS does not provide:
 - ✓ Computerized financial monitoring data;
 - ✓ Calculate program completion rates;
 - ✓ Track program performance measures.
- The problems with SAMPIMS have resulted in an inadequate management information system unable to fulfill the functions it was originally designed to accomplish.
 - ✓ TDCJ-Substance Abuse Treatment Program and TDCJ-Data Services are currently evaluating the system to address system deficiencies.



III. Outcome Evaluation

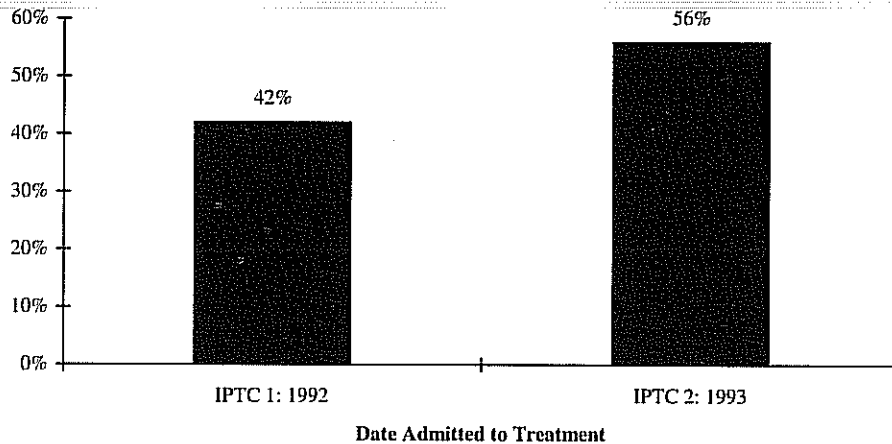
.....

Outcome Evaluation

- The current CJPC outcome evaluation examines:
 - ✓ The percent of offenders entering the program who complete the program;
 - ✓ The recidivism rate, as measured by the percent of offenders returned to prison during the tracking period, for offenders completing the program, offenders not completing the program, and a comparison group of similar offenders not participating in the program; and,
 - ✓ The cost-effectiveness of these programs as determined by examining the cost of treatment in comparison to estimated savings from reduced reincarceration costs.
- Four groups of offenders were tracked:
 - ✓ Offenders entering the IPTC program in 1992 (IPTC 1), who were released in 1993, were followed for two years;
 - ✓ Offenders entering the IPTC program in 1993 (IPTC 2), who were released in 1994, were followed for one year;
 - ✓ Offenders entering the SAFP program between 9/93-2/94 (SAFP 1), who were released in 1994, were followed for one year; and
 - ✓ Offenders entering the SAFP program between 5/94-8/94 (SAFP 2), who were released in 1995, were followed for one year.
- Research indicates that retention and completion of treatment is a key indicator of successful program outcomes. The CJPC tracked program completion rates of the IPTC / SAFP groups.
 - ✓ Completion of the IPTC / SAFP program was defined as completing 4 months of post-release treatment in the residential and / or outpatient programs.
- The CJPC cost-effectiveness analysis examines the state's investment in treatment versus savings resulting from reduced recidivism costs.
 - ✓ The cost of recidivism is calculated based on the cost per day for incarceration (\$39.51 in FY 96) times the average length of stay in prison of 3.0 years. The cost of recidivism, therefore, is approximately \$43,300 per offender.

Program Completion Rates Have Improved Over Time

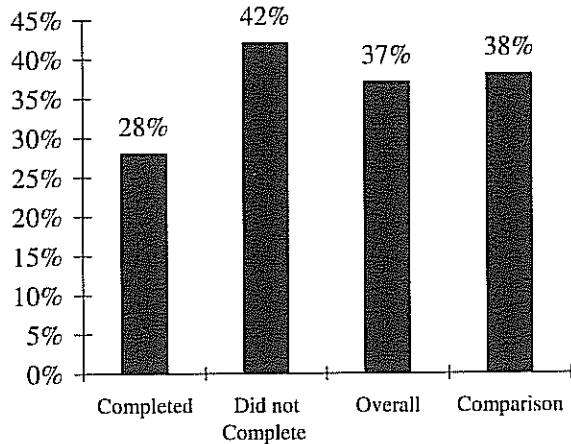
**IPTC Program Completion Rates
Percent Completing Treatment**



- Approximately 42% of the IPTC 1 group who entered treatment in 1992 completed the treatment program.
 - ✓ The completion rate for the IPTC 2 group was 56%.
- Completion rates for the in-prison phase of the SAFP program range from 90% to 95% compared to 80% to 85% for IPTC offenders. The overall program completion rate for the 1993-94 SAFP 1 group was 62%. SAFP completion rates are higher than IPTC rates because most SAFP probationers have never been to prison and the prison sanction associated with dropping-out represents a more serious sanction for SAFP offenders than for IPTC offenders who have already been to prison.
- Improvements in program completion rates are probably associated with:
 - ✓ Experience in selecting offenders appropriate for the program.
 - ✓ Development of continuity between the in-prison program and the post-release program and overall program development.

IPTC Dropouts Affect Overall Recidivism Rates

IPTC 1: Percent Return to Prison within 2 Years of Release

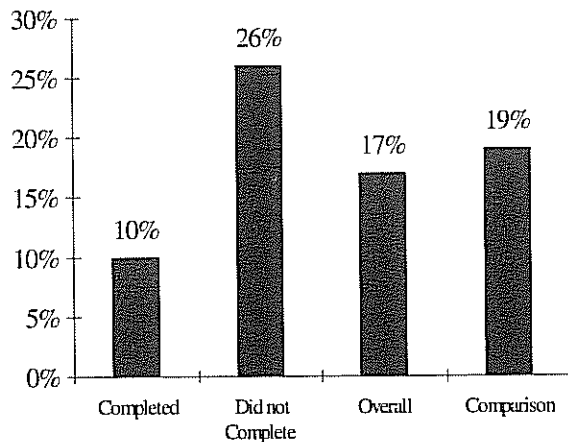


- Offenders admitted to the IPTC program in 1992 (IPTC 1) were followed for two years after their 1993 release from prison.

✓ While offenders who completed treatment had significantly lower recidivism rates than those who did not complete, the overall recidivism rate of offenders admitted to treatment was not significantly different than the comparison group.

✓ These results were impacted by the high dropout rate and consequently, the high recidivism rate of the dropout group.

IPTC 2: Percent Return to Prison within One Year of Release



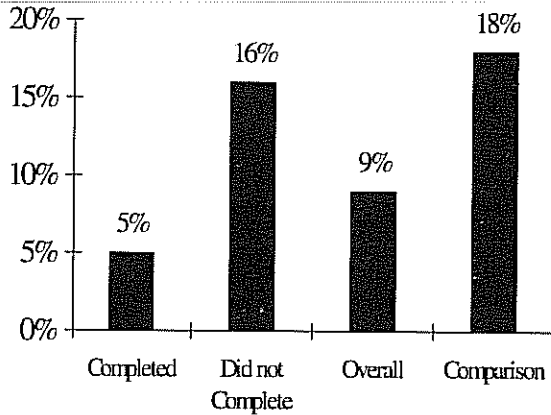
- Offenders admitted to treatment in 1993 (IPTC 2) had higher completion rates, however, the high recidivism rate of offenders not completing the program negatively impacted overall program success.

✓ High recidivism rates of offenders not completing the program may be associated with more intensive supervision requirements of IPTC program participants.

✓ IPTC dropouts appear to have higher revocation rates for technical violations than comparison group cases.

SAFP Offenders Have Lower Recidivism Rates Than Comparison Group

SAFP 1: Percent Return to Prison within One Year of Release



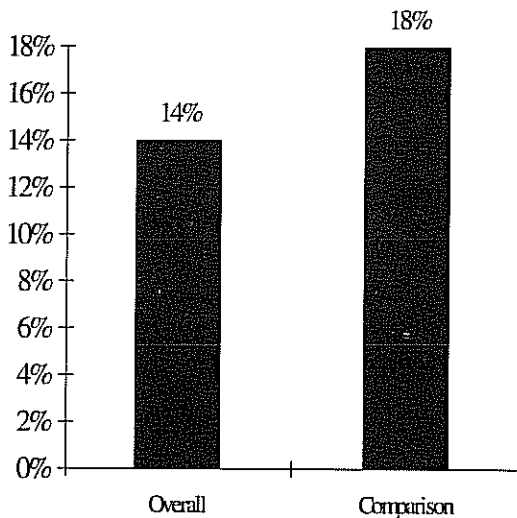
- Offenders admitted to SAFP from 9/93 to 2/94 (SAFP 1) had lower overall recidivism rates than a comparison group of similar probationers who did not enter the SAFP program.

- A number of factors may be associated with the better performance of SAFP offenders versus IPTC offenders:

- ✓ The prison sanction for failure in treatment may have more impact for offenders that have never been incarcerated (SAFP) than those who have been incarcerated (IPTC).

- ✓ More sanctions, other than prison, are available for probationers who relapse, whereas fewer sanctions are available for parolees who relapse.

SAFP 2: Percent Return to Prison within 1 Year of Release



- The SAFP 2 analysis of offenders admitted to SAFP from 5/94 to 8/94 does not distinguish between offenders who completed the program and dropouts because post-release treatment was not available for all offenders in this group.

- ✓ When the SAFP 2 offenders were released in 1995, the program was in transition from TCADA to TDCJ and funds had been depleted.

- ✓ The poorer overall outcome of this group compared to the SAFP 1 group may be associated with the lack of post-release treatment.

Most SAFP Offenders Are Diversions From Prison

- The table below indicates that SAFP offenders' criminal records are more like offenders sentenced to prison than offenders who remain in the community, therefore, SAFP offenders appear to be diversions from prison.
 - ✓ The CJPC estimated that approximately 70% of SAFP offenders could be considered diversions from prison. This estimate was based on an analysis of differences noted in the criminal histories of offenders sentenced to prison and offenders placed in SAFP.

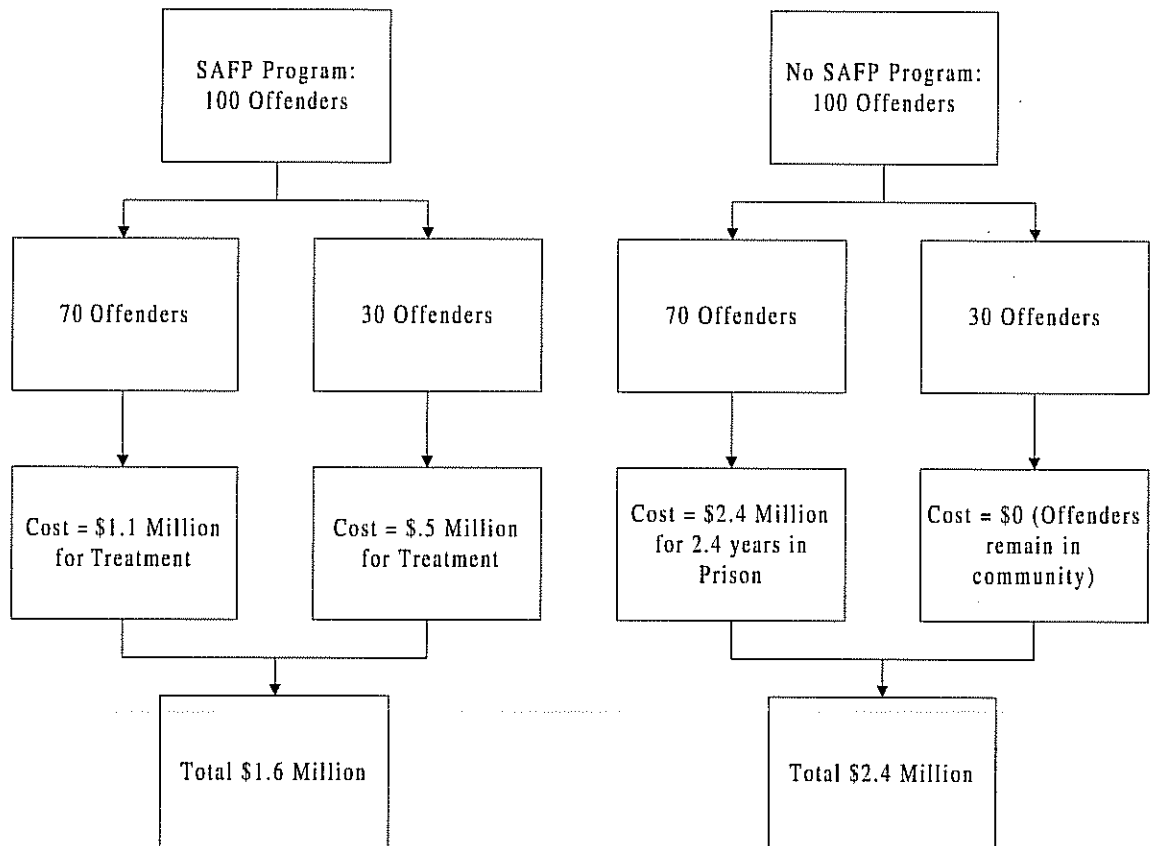
Offender Criminal History	Prison	Probation	SAFP 1	SAFP 2
1+ Prior Arrests	95%	64%	97%	94%
1+ Prior Convictions	77%	37%	81%	76%
1+ Prior Incarcerations	48%	5%	23%	23%

- SAFP offenders average approximately nine months in the SAFP facility. Similar offenders sentenced to prison average approximately 2.4 years in prison before release.
 - ✓ Even including treatment costs, the SAFP program is less expensive than incarceration due to the differences in time the inmates serve in prison. Savings associated with reduced recidivism of SAFP participants makes the program even more cost-effective.

The SAFP Program Appears to Be Cost-Effective as a Diversion Program

- The 70% of SAFP offenders considered diversions from prison makes the SAFP program cost-effective as a diversion program, regardless of any positive treatment effects.
- As indicated on the chart below, for every dollar invested in SAFP as a diversion program \$1.50 is returned in reduced incarceration costs. (Total cost without SAFP program - \$2.4 million, divided by total costs with SAFP program - \$1.6 million).
- The calculations of costs assume that:
 - ✓ Seventy (70) out of every 100 SAFP offenders would have gone to prison for an average of 2.4 years at a cost of \$34,600 for incarceration. The cost of the SAFP program (including prison and treatment) averages \$16,000 per offender.

Flow Chart Based on 100 Offenders Eligible for Drug Treatment



SAFP Treatment Program Cost-Effective While 1992-1993 IPTC Groups Not Cost-Effective

- Based on the recidivism outcomes reported earlier, the CJPC cost-effectiveness analysis examines the relationship between the amount invested in treatment and the projected return in reduced reincarceration costs associated with a reduction in recidivism.
 - ✓ Since most recidivism occurs in the first three years of release, initial outcome results were projected over a three year period.
- The reduction in recidivism for the SAFP group is cost-effective while the IPTC groups do not achieve a cost-effective reduction in recidivism.

Cost-Effectiveness Analysis

	IPTC 1	IPTC 2	SAFP 1
Sample Size	672	482	723
Recidivism Savings (millions)	\$.433	\$1.25	\$6.3
Cost of Treatment (millions)	\$2.6	\$2.2	\$3.4
Return to State for Every Dollar Spent on Treatment	-.83	-.43	+\$1.85

- Return to the state is calculated by dividing the investment in treatment by the projected savings associated with incarceration costs avoided by reduced recidivism and examining that return in relation to each dollar spent on treatment.
 - ✓ For example, \$2.6 million was spent on treatment for the IPTC 1 group and an estimated \$.433 million was returned by reduced recidivism. By dividing \$2.6 by \$.433, the state got back 17 cents for every dollar it put in treatment, thus losing 83 cents for every dollar spent.
- Changes in outcomes over longer follow-up periods can affect the cost-effectiveness analyses presented here.

Options for the Legislature to Consider

- **Option 1: Keep IPTC and SAFP programs at current size.**
 - ✓ Allow two more years for legislative and administrative changes to improve cost-effectiveness of the IPTC program.
 - ✓ The IPTC groups used for these analyses were selected from a period when developmental problems may have negatively impacted outcomes. Efforts to address these issues and subsequent program development may result in improved outcomes for groups entering the IPTC program.
 - ✓ Sunset IPTC program in 1999 if the program is still not producing cost-effective outcomes.
 - ✓ Maintain present capacity of SAFP program.
- **Option 2: Discontinue or reduce the IPTC program and expand the SAFP program by 500 beds.**
 - ✓ Presently there is a backlog in county jails of approximately 650 offenders awaiting space in SAFP programs.
 - ✓ The conversion of IPTC capacity into SAFP capacity will result in a comparable loss of prison capacity.
- **Option 3: Discontinue the IPTC program.**
 - ✓ Eliminate IPTC program.
 - ✓ Maintain present capacity of SAFP program.
- **Option 4: Maintain current treatment capacity and discontinue distinction between SAFP and IPTC program capacities.**
 - ✓ Allocation of beds to be based on need by program.