

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

Date: March 26, 1998 Revised: 4/7/98 _____

Subject: Juvenile Justice Programs

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	<u>Dugger</u>	<u>Miller</u>	<u>CJ</u>	<u>Favorable/CS</u>
2.	<u>Martin</u>	<u>Smith</u>	<u>WM</u>	<u>Fav/1 amendment</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

The Committee Substitute for Senate Bill 334 amends ss. 985.401 and 985.404, F.S., which prescribe the statutory mandates relating to the outcome evaluation process and the cost-benefit model for juvenile justice commitment programs, in an effort to improve the overall effectiveness of juvenile justice programs.

Specifically, s. 985.401, F.S., is amended to require the Juvenile Justice Advisory Board (JJAB) to develop a standard methodology for interpreting its Outcome Evaluation Report, using, when appropriate, the approved performance-based program budgeting measures. The CS requires the JJAB to consult with the Department of Juvenile Justice (DJJ), the Division of Economic and Demographic Research of the Joint Legislative Management Committee (EDR), contract service providers, and other interested parties in developing this standard methodology. The JJAB is required to submit the Outcome Evaluation Report, which specifies this prescribed methodology, to the Legislature by February 15 of each year.

Section 985.404, F.S., is also amended to require that the standard methodology be integrated into the cost-effectiveness model which is applied to each commitment program and compares costs to client outcomes and program outputs. The department must consult with EDR, in addition to the JJAB and contract service providers, in developing and refining the cost-effectiveness model and in conducting a comprehensive evaluation of certain targeted commitment programs.

Under the CS, the department is authorized to terminate a program operated by a provider or by the department if the program fails to achieve a minimum threshold of program effectiveness, based on the outcome evaluation report findings and the cost-effectiveness rankings.

Finally, CS/SB 334 provides a \$100,000 appropriation from the General Revenue Fund to the department for the purpose of funding a study by nondepartmental experts in the field of using economic models to evaluate juvenile justice commitment programs. An additional appropriation of \$355,128 is also provided to the department for the purpose of funding the design and implementation of the comprehensive process-evaluation which will be used to implement program improvements and to terminate ineffective programs.

This CS substantially amends sections 985.401 and 985.404 of the Florida Statutes.

II. Present Situation:

Section 985.401, F.S., gives the JJAB the statutory responsibility to “establish and operate a comprehensive system to annually measure and report program outcomes and effectiveness for each program operated by the DJJ or operated by a provider under contract with the department.”

The first outcome evaluation report was produced and released in February, 1996. It was done under contract by Florida State University. In 1997, it was conducted internally by the JJAB and its staff. Before the DJJ was created in 1994, outcome evaluations were done by the Department of Children and Family Services (formerly the Department of Health and Rehabilitative Services).

Data collection and analyses for the *1997 Outcome Evaluation Report: A Report on Demographic Characteristics and Recidivism of Youth Released from Juvenile Justice Programs Between July 1, 1994 and June 30, 1995* [hereinafter *1997 Outcome Evaluation Report*] (on file with committee, Tallahassee, Florida) were done in conjunction with the department’s Bureau of Research and Data. Rates of recidivism in the report are based on data gathered not only from DJJ’s Client Information System (CIS), but also from the Department of Corrections, and the Florida Department of Law Enforcement.

According to the JJAB, there are inherent data limitations within the existing information system which adversely impact the production of client characteristics information and detailed client and program outcomes, including meaningful cost effectiveness information. The data limitations are caused in large part because the CIS was not designed to develop data for research studies; rather, it was built to directly support the work of management and direct services staff. Thus, the system contains only general demographic, criminal history, and program placement information, rather than specific and detailed client and cost data.

One example of this general data is the limited number of offense category codes within the current juvenile information system. There are only 49 total offense category codes, of which 20 are felonies and some of these felony category codes include both property crimes and violent crimes against persons. (For comparison purposes, more than 275 felonies were grouped into categories for adult sentencing guidelines.) According to the JJAB, this aggregation of offenses makes it difficult to produce reliable and meaningful analysis.

Another example of data limitations cited in the *1997 Outcome Evaluation Report* is the current method of coding financial information in the State Automated Management Accounting System. The current method makes it hard to know the amount of funding for individual programs which are contracted by a sole provider because the system only shows the total amount funded for all programs operated by a contracted provider.

After pointing out many data limitations within the current juvenile justice information system, the JJAB made note of the fact that the Legislature has funded the development of the Juvenile Justice Information System, which should be capable around the year 2000 of providing reliable and detailed data on client characteristics, client and program outcomes, and financial costs.

This new information system, according to the JJAB, should be able to address the current data limitations and make it possible for the outcome evaluation process to produce not only traditional measures of program outputs and effectiveness (recidivism rates), but also to evaluate programs by the way they produce long-term positive changes in a committed youth's behavior and attitudes. The JJAB believes that it is important to evaluate commitment program effectiveness not only by recidivism rates, but also by other outcome measures such as educational achievement, job skills, readiness, and employability.

The *1997 Outcome Evaluation Report* describes all DJJ programs operating in FY 1994-1995, including prevention and intervention programs, commitment programs, and aftercare programs. Client population data, program outputs, and recidivism data are reported for each program, along with detailed charts depicting program information, program output information, client demographics, client referral history, client treatment history, and program recidivism rates for each commitment program.

In 1994, when the Legislature created the DJJ, it mandated the establishment of a quality assurance review for the juvenile justice system as a way to monitor programs. Section 985.404, F.S. Specifically, the statute requires the quality assurance report to contain at least the following for each specific program component:

- ▶ A comprehensive description of the population served by the program;
- ▶ A specific description of the services provided by the program;
- ▶ Cost;
- ▶ A comparison of expenditures to federal and state funding;
- ▶ Immediate and long-range concerns; and
- ▶ Recommendations to maintain, expand, improve, modify, or eliminate each program component so that changes in services lead to enhancement in program quality.

The DJJ has developed and continues to revise minimum standards for each program model and performs on-site program reviews using a peer review process. The *1996 Quality Assurance Report* (on file with committee, Tallahassee, Florida) contains reviews of about 490 programs and services, including intervention, prevention, detention, commitment, and aftercare, that were most recently examined by peer review teams. These teams look at such standards and key indicators as

program management, behavior management, admission and orientation, food services, habilitation planning, security, emergency procedures, education, health, and training and staff development, as well as many others. The results are then used to improve overall program quality.

The performance rating system used in the report includes categories of poor, below satisfactory, satisfactory/marginal, satisfactory, satisfactory/high, and superior. According to DJJ, a program receiving a superior rating means that it is exceptional.

Satisfactory ratings are considered by the department to indicate that the program has met all of the department's expectations and is operating at an acceptable performance level. A marginal satisfactory rating indicates to the department that the program has at least met the department's expectations for that program type; however, substantial improvements are expected to be made in the performance of that program. If a program receives a marginal rating, then performance improvement plans are developed and monitored by the department.

Programs receiving a poor or below satisfactory performance rating are seen as not being able to meet the mandated minimum standards of quality. These programs are reviewed again later in the year to see whether they have improved enough to meet the minimum thresholds. If they have not, the DJJ is required to cancel their contract, unless extenuating circumstances can be shown.

In addition to being responsible for the quality assurance review, the department is required to provide cost data to the Legislature and Governor on a program-by-program basis for every program operated or contracted by the department. Section 985.404, F.S. The department, in conjunction with the JJAB and providers, is also required to develop a cost-benefit model and apply it to each commitment program. An annual report ranking commitment programs based on cost-benefit is to be submitted to the Legislature by the department no later than December 31 of each year. The department has provided a report to the Legislature entitled *Program Accountability Measures of Juvenile Justice Commitment Programs* [hereinafter *PAM Report*] (on file with committee, Tallahassee, Florida), which contains a program accountability model used to assess effectiveness and costs of juvenile commitment programs operating in FY 1995-1996.

The department's methodology for the *PAM Report* involved developing an accountability index which is based on measures related to input, process, outcome, and cost. Specifically, these variables include the following:

- ▶ Client difficulty as measured by the seriousness of youths' commitment offense;
- ▶ Client difficulty as measured by the number of youths' prior delinquency adjudications;
- ▶ The rate at which youths successfully complete a program;
- ▶ The non-recidivism rate for youths released from a program (defined as not receiving a subsequent juvenile adjudication or an adult conviction for an offense that occurred within 1 year of release); and
- ▶ The program cost per successful completion.

The index uses statistical calculations of z-scores for each of these five measures for individual programs in operation during FY 1995-1996. The department uses z-scores to standardize the values on each of the measures. A z-score for any given raw score is the ratio of the distance that the raw score is from the mean to the standard deviation. It expresses, therefore, the standing of a raw score relative to all the other raw scores. Using a z-score, the department places the average value for all commitment programs on each measure at zero and the standard deviation at 1.0.

Z-scores for each measure are added together to develop a program accountability index for each commitment program. If a program receives a positive z-score, it means the program ranks above the average for all commitment programs for that measure; a negative z-score, on the other hand, means that the program ranks below the overall average.

The *PAM Report* reflects program accountability scores by commitment Levels 2 through 10, with boot camps standing alone in their own section. Each section contains several tables showing individual program z-scores and their raw data, along with graphic displays of the z-scores. Programs are ranked in descending order, with higher index scores reflecting greater relative effectiveness and lower costs, according to the DJJ. The report contains a table which ranks, in descending order, 119 evaluated commitment programs operating in FY 95-96 by their z-scores for each of the five measures, as well as by their overall program accountability index.

To collect the requisite recidivism and successful program completion data, the department selected its sample from those programs operating long enough for youths to have completed the program and to have been released for at least one year. Since the DJJ has increased commitment capacity by almost 100 percent in the last 3 years, a large number of new programs were not included in this study. However, the department states that future sample sizes should be significantly larger than the one used in the 1997 report.

As part of the *1997 Interim Project Report on the Cost Effectiveness of Juvenile Justice Commitment Programs* [hereinafter *1997 Interim Report*] (on file with committee, Tallahassee, Florida) staff of the Criminal Justice Committee and the Ways and Means Subcommittee D reviewed the reports enumerated above. Based on the findings resulting from these reports and from the additional analyses of the relevant data, as well as from the input received from numerous professionals in the field, the *1997 Interim Report* concludes that a reliable evaluation of the cost effectiveness of juvenile justice commitment programs is still in the early stages of development. As is currently reflected by the intent language in s. 985.404, F.S., this is an evolving process, one that is extremely dependent on the development of a more reliable data system. Moreover, there is still no consensus on a clearly defined best measure of program success, and without a clear concept of overall program effectiveness, the question of cost effectiveness is premature.

In addition, although recidivism is the most commonly used method to define program effectiveness, all of the experts agree that it may not be, in and of itself, the best indicator in determining overall effectiveness. The consensus among the staff of the JJAB, the Office of

Program Policy Analysis and Government Accountability, the EDR, the DJJ, and program providers is that additional outcome measures need to be developed, separate and apart from recidivism.

While recognizing that the JJAB's *1997 Outcome Evaluation Report* is an excellent resource for advancing the study of program effectiveness, the *1997 Interim Report* concludes that it cannot be used to make definitive judgments about individual programs or even types of programs relative to cost effectiveness.

A similar conclusion is drawn concerning the department's *1996 Quality Assurance Report*. Although the quality assurance review is an important tool in measuring the processes of a commitment program, it does not seem to be a true indicator of a program's effectiveness.

The *1997 Interim Report* also recommends not using the *PAM Report* results in current form for making precise funding decisions or broad policy changes for individual programs because of the many concerns over the following issues: data limitations; the immaturity of the method; the fact that intangible factors such as charismatic staff, effective leadership, and effective program management techniques, considered critical by front-line program practitioners, cannot be quantified and yet they clearly influence the success or failure of a program; and the fact that system management issues that are beyond the control of the program provider, but clearly impact the program's effectiveness, cannot be accurately factored into the formula.

However, the *1997 Interim Report* did conclude that the *PAM Report* is a promising starting point for conducting further research into the question of overall effectiveness of juvenile justice commitment programs, including the issue of their cost effectiveness. The consensus of the professionals involved with the project is that there is sufficient validity in the *PAM Report* results to use them to target programs ranking on the high and low ends of the program accountability index for in-depth study to determine what makes them successful or unsuccessful. The *1997 Interim Report* also concludes, however, that only completion of comprehensive process evaluations by a team of program evaluation experts can determine whether a program is truly effective overall.

III. Effect of Proposed Changes:

The Committee Substitute for Senate Bill 334 amends ss. 985.401 and 985.404, F.S., which prescribe the statutory mandates relating to the outcome evaluation process and the cost-benefit model for juvenile justice commitment programs, in an effort to improve the overall effectiveness of juvenile justice programs.

Specifically, s. 985.401, F.S., is amended to require the JJAB to develop a standard methodology for interpreting its Outcome Evaluation Report, using, when appropriate, the approved performance-based program budgeting measures. The methodology must also include the following: common terminology and operational definitions for measuring the performance of program administration, program outputs, and client outcomes; program-outputs for each level of

juvenile justice programs and specific program-outputs for each program; specification of desired client outcomes, including a method by which to measure client outcomes for each program; and recommended annual minimum thresholds of satisfactory performance for client outcomes and program outputs. The CS also adds a definition of “program.”

The CS requires the JJAB to consult with the department, the EDR, contract service providers, and other interested parties in developing this standard methodology. Legislative intent is provided that this effort result in consensus recommendations and when possible, integration of the goals and measures of performance-based program budgeting, the quality assurance program, and the cost-effectiveness model. The JJAB is required to provide the Outcome Evaluation Report, which specifies this prescribed methodology, to the Legislature by February 15 of each year.

Section 985.404, F.S., is also amended to require that the standard methodology be integrated into the currently required cost-effectiveness model which is applied to each commitment program and compares costs to client outcomes and program outputs. (The CS renames the “cost-benefit” model the “cost-effectiveness” model.) The department must consult with EDR, in addition to the JJAB and contract service providers, in developing and refining the cost-effectiveness model and in conducting a comprehensive evaluation of certain targeted commitment programs. The targeted commitment programs include ones that have achieved consistently high, low, or disparate ratings in the reports on cost-effectiveness, quality assurance, and outcome evaluation.

Under the CS, the department is authorized to terminate a program operated by a provider or by the department if the program fails to achieve a minimum threshold of program effectiveness, based on the outcome evaluation report findings and the cost-effectiveness rankings. It further provides that this new language does not prevent the department from terminating a contract under the quality assurance statute, nor does it affect the department’s authority to enter into or terminate contracts.

Finally, CS/SB 334 provides a \$100,000 appropriation from the General Revenue Fund to the department for the purpose of funding a study by nondepartmental experts in the field of using economic models to evaluate juvenile justice commitment programs. An additional appropriation of \$355,128 is also provided from the General Revenue Fund to the department for the purpose of funding the design and implementation of the comprehensive process-evaluation which will be used to implement program improvements and to terminate ineffective programs.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

According to the Department of Juvenile Justice, implementation of the process-evaluation program will require the following budget:

Expenditures:	FY 1998-1999	FY 1999-2000	FY 2000-2001
Non-Recurring: (capital expenditures, data processing)	\$115,830	\$ 0	\$ 0
Recurring:			
5 FTEs	\$239,568	\$239,568	\$239,568
Expenses	\$79,730	\$79,730	\$79,730
OPS	\$20,000	\$20,000	\$20,000
TOTAL	\$455,128	\$339,298	\$339,298

In addition, the department and the JJAB estimate that an appropriation of \$100,000 is needed to fund the study to be conducted by nondepartmental experts in the field of using economic models to evaluate juvenile justice commitment programs.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The Committee Substitute for Senate Bill 334 is the recommended legislation resulting from the *1997 Interim Project Report on the Cost Effectiveness of Juvenile Justice Commitment Programs*.

VIII. Amendments:

#1 by Ways and Means:

Strikes references to the Joint Legislative Management Committee since that committee no longer exists.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
