

LEGISLATIVE AUDIT DIVISION

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MEMORANDUM

TO: Legislative Audit Committee Members
FROM: Angie Grove, Deputy Legislative Auditor
CC: Mike Ferriter, Director, Department of Corrections
Karla Gray, Chief Justice, Montana Supreme Court, Judicial Branch
Mike Otto, Chair, Cost Containment Review Panel
DATE: September 2008
RE: Performance Audit Follow-up 08SP-35: Juvenile Delinquency Intervention Program,
Department of Corrections (orig. 04P-13)
ATTACHMENT: Original Performance Audit Summary

INTRODUCTION

In December 2005, we presented our performance audit of the Juvenile Delinquency Intervention Program (JDIP). The audit made three recommendations to the Department of Corrections (DOC), two recommendations to the Cost Containment Review Panel (CCRP), and one recommendation to DOC and the Judicial Branch. In May of 2008, we began gathering information from DOC, the CCRP, and the Judicial Branch on their progress implementing the recommendations. This memo summarizes the results of our follow-up work in addition to presenting background information on the program.

BACKGROUND

The 1997 Legislature enacted JDIP as a pilot program, and in 2001 fully enacted JDIP to fund youth court placements and services in the state's judicial districts. The purpose of JDIP is to provide a method of funding placements and services that increases government's ability to respond to juvenile delinquency through community-based early intervention and placement alternatives and enhance the ability to control placement costs.

Overview

Audit recommendations focused on improving the effectiveness of the Juvenile Delinquency Intervention Program. The Department of Corrections, Cost Containment Review Panel, and the Judicial Branch have implemented all six recommendations.

At the request of DOC and the Judicial Branch, the 2007 Legislature revised JDIP statutes and transferred some oversight, monitoring, and fiscal management responsibilities from DOC to the Judicial Branch. Additionally, the agencies requested and the legislature passed legislation updating the youth court act to reflect the current structure of, and funding for, Montana's youth courts.

FOLLOW-UP AUDIT FINDINGS

The performance audit report contained six recommendations, three to DOC, two to the CCRP, and one to DOC and the Judicial Branch. All six recommendations have been implemented. The following summarizes information relating to follow-up audit work and the implementation status of recommendations.

Recommendation #1

We recommend the [agency], in consultation with the Cost Containment Review Panel, modify administrative rules to clarify allowable expenditures and establish program standards in accordance with state law and legislative intent.

Implementation Status – Implemented

This recommendation was implemented by DOC and the Judicial Branch through legislation (SB 146) during the 2007 Legislature. The new state law specifically outlines what are allowable expenditures. Allowable expenditures are restricted to direct services for youth. Salaries, benefits, training, and other nondirect expenditures are not allowable. Administrative rules were not modified because the Judicial Branch is exempt from the Montana Administrative Procedures Act.

Recommendation #2

We recommend the Department of Corrections implement procedures to ensure calculations for distributing Juvenile Delinquency Intervention Program annual allocation funds are mathematically correct.

Implementation Status – Implemented

DOC had its chief statistician review the calculation methodology to ensure allocation funds are mathematically correct. We verified the calculation methodology was mathematically correct.

Recommendation #3

We recommend the Cost Containment Review Panel:

- A. Seek technical assistance to analyze juvenile justice data to identify factors that are better predictors of youth court resource needs, and**
- B. Use the analysis to develop an allocation formula to distribute Juvenile Delinquency Intervention Program funds to youth courts based on resource needs.**

Implementation Status – Implemented

The CCRP modified the allocation methodology and uses two factors to allocate program funding to judicial districts, which are the unduplicated count of juveniles in youth courts and the number of youth intakes. According to the CCRP, there has been minimal use of cost containment pool funds, which has resulted in having more funds available for prevention programs in judicial districts. Youth courts may request additional funding from the cost containment pool if the youth court needs additional funds to pay for youth services. The CCRP must approve all requests for cost containment pool funds.

Recommendation #4

We recommend the [agency], in consultation with the Cost Containment Review Panel:

- A. Establish and implement performance measures for youth court programs and services funded with Juvenile Delinquency Intervention Program funds.**

B. Initiate collection of baseline data for effective comparison and monitoring of ongoing Juvenile Delinquency Intervention Program activities.

Implementation Status – Implemented

The Judicial Branch developed policy requiring judicial districts to develop performance measures that will be used for measuring performance or effectiveness of the service(s) provided. The policy also requires judicial districts to submit results of outcome measures annually. Fiscal year 2008 is the first complete year for collecting program data, which will become the baseline for future decisions about programs.

In addition to establishing performance measures, the Judicial Branch receives \$25,000 each fiscal year to evaluate out-of-home placements, programs, and services. The fiscal year 2007 evaluation focuses on residential psychiatric treatment facilities both within and outside the state.

Recommendation #5

We recommend the Cost Containment Review Panel, in consultation with the [agency], implement formal decision-making criteria for evaluating and approving youth court requests for contingency fund money and proposals for using prevention funds.

Implementation Status – Implemented

The CCRP included decision-making criteria in its operating procedures documentation after the performance audit. Operating procedures generally address decision-making criteria, specifically for youth with mental health issues, and youth that turn eighteen while under youth court supervision.

Recommendation #6

We recommend the Department of Corrections and the Judicial Branch cooperatively seek legislation to update the Youth Court Act as outlined in the report, including the Juvenile Delinquency Intervention Program, to reflect the current structure of and funding for Montana's youth courts.

Implementation Status – Implemented

The Judicial Branch and DOC requested legislation (SB 146) during the 2007 legislative session, which was passed into law. SB 146 restructured JDIP and gave the Office of the Court Administrator within the Judicial Branch sole authority to administer program funding.