



# RESULTS FIRST

Evidence-Based Options To Improve Outcomes

Report Issued: July 2013

**FY11 Release - Estimated  
Prison Costs (15 Years)  
=\$360 million**

Cohort Total  
Trips=7074

Average Stay  
Per Trip=548  
days

Average Daily  
Cost=\$92.89

FY11  
Release  
Cohort  
Projected  
Cost=  
**\$360  
million**

Source: LFC Projections based on NMCD data

***Rigorous research has demonstrated that some programs and strategies can improve public safety and reduce recidivism. In many cases the benefits to taxpayers and society outweigh the costs to implement.***

## ***Evidence-Based Programs to Reduce Recidivism and Improve Public Safety in Adult Corrections.***

**Background.** Costs of offenders who recidivate are substantial and result in general expenses to taxpayers and specific expenses to victims. Ninety-five percent of incarcerated offenders will be released back into the community. About 50 percent of offenders will return to prison within five years. The average offender will have three trips to a New Mexico Corrections Department (NMCD) facility, while others many more. Therefore the citizens of New Mexico pay costs of arresting, prosecuting, housing, rehabilitating and supervising offenders many times over. A 2012 Legislative Finance Committee program evaluation estimated that if current trends hold, offenders released in FY11 will cost taxpayers an estimated \$360 million in corrections costs alone over the next 15 years.

Reducing recidivism, even by just 10 percent, can save millions. Rigorous research has demonstrated that some programs and strategies can improve public safety and reduce recidivism. In many cases the benefits to taxpayers and society outweigh the costs to implement. Strategic investments in these programs, along with careful attention to implementation and monitoring performance, could help the state achieve reductions in recidivism and improve public safety. The use of cost-benefit analysis can assist policymakers on what investments will yield the best and most cost-effective results and support the state's performance-based budgeting process.

**New Mexico Results First Approach.** This report summarizes the findings of a cost-benefit analysis of New Mexico's adult criminal justice system based on a model developed and supported by The Pew-MacArthur Results First Initiative (Results First).<sup>1</sup> This cutting-edge approach provides policymakers with new information that estimates the long-term costs and benefits of investments in public programs; this report compares options and identifies those that most effectively achieve outcomes at the lowest cost to taxpayers. New Mexico is one of a growing number of states that are each customizing this approach and using the results to inform policy and budget decisions. LFC staff will provide additional analysis in the areas of juvenile justice, Pre K-12 education, child welfare, mental health, and substance abuse programs.

Results First uses a highly sophisticated econometric model that analyzes the costs and benefits of potential investments in evidence-based programs. The model uses the best available research based on rigorous evidence of what works to predict the outcomes of each program in New Mexico, based on the state's unique population characteristics. It calculates the cost to produce these outcomes and their discounted long-term dollar value; this includes separate projections for benefits that would accrue to program participants, nonparticipants, and taxpayers, combined to produce a total state bottom line. Staffs of the Sentencing

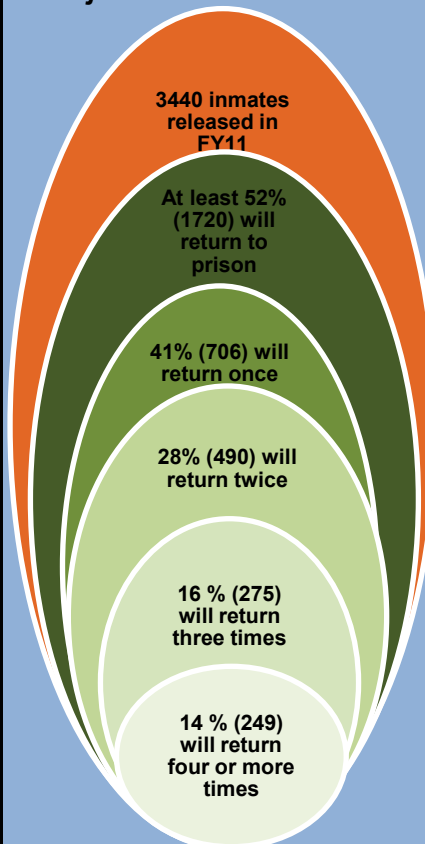
<sup>1</sup> The Pew-MacArthur Results First Initiative, a project of The Pew Charitable Trusts and the John D. and Catherine T. MacArthur Foundation, works with states to implement an innovative cost-benefit analysis tool that helps them invest in policies and programs.



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## FY11 Release Cohort and Projected Returns to Prison



Source: LFC Projections based on NMCD data

**Since being released in 2008, 1,649 inmates, or 44.6 percent, have returned to prison within three years.**

Commission, NMCD and other agencies have assisted greatly in providing data necessary to get the model operational.

**Costs of Recidivism.** Reducing recidivism by 10 percent could save \$8.3 million in prison costs alone and reduce victimization costs by an estimated \$40 million. Since being released in 2008, 1,649 inmates, or 44.6 percent, returned to prison within three years. On average, these inmates return within 328 days of release. If the recidivism rate could be reduced by 10 percent (165 inmates), the state of New Mexico could save \$8.3 million given the FY10 cost per day and the 18-month average stay of NMCD inmates. Using estimates from national research and New Mexico conviction rates, estimated savings to victims are estimated at \$40 million.

The NMCD released 3,440 inmates from prison into the community in FY11. More than 95 percent of prisoners will return to communities and the equivalent of half of the NMCD average population was released back into the community in FY11 alone. Within three years from being released 46 percent of inmates return to prison and within five years from being released 53 percent of New Mexico inmates return to prison. A key measure of successful transition to the community is recidivism, defined here as return to prison within 36 months, unless noted otherwise.

**Investments in Correctional Programming.** Investments in programs for reducing recidivism and promoting rehabilitation and treatment, in addition to security, are vital in improving public safety and reducing costs. The state continues to make significant investments in such programs. The 2012 LFC program evaluation found NMCD provides more than 40 programs within facilities and more than 30 providers conduct programs outside of NMCD facilities designed to facilitate reentry and reduce recidivism.

According to the Pew Center on the States' Public Safety Performance Project, states that strategically improve release preparation and community supervision will see falling recidivism rates. Instead of falling, New Mexico's recidivism is on the rise. Significant opportunities exist to improve the incarceration and supervision of offenders in New Mexico. The NMCD has recognized this and has started working on improving reentry and use of evidence based programs.

**Cost-Benefit Analysis of Evidence-Based Programs.** The results of cost-benefit analysis indicate that New Mexico can obtain favorable outcomes such as reduced recidivism if it successfully implements several evidence-based programs. These estimates are constructed conservatively to reflect the difficulty that can be encountered when implementing programs at scale. Some of these programs are currently implemented by NMCD and the results of this study present the outcomes these programs should be producing based on rigorous research. However, as previous program evaluations have found, poor implementation has resulted in poor outcomes – a problem NMCD has worked to address.



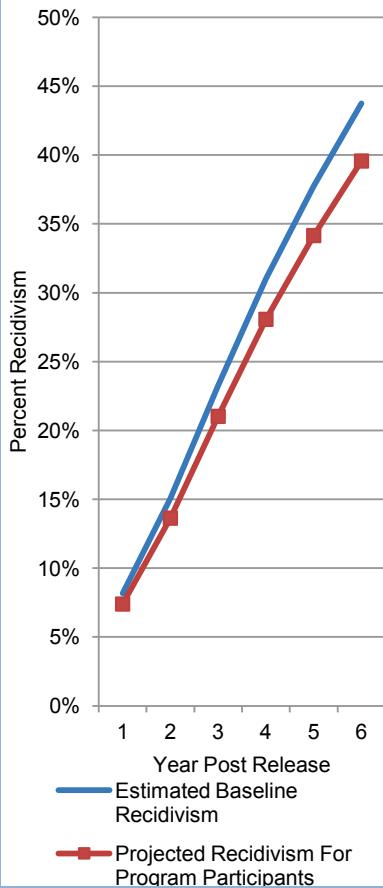
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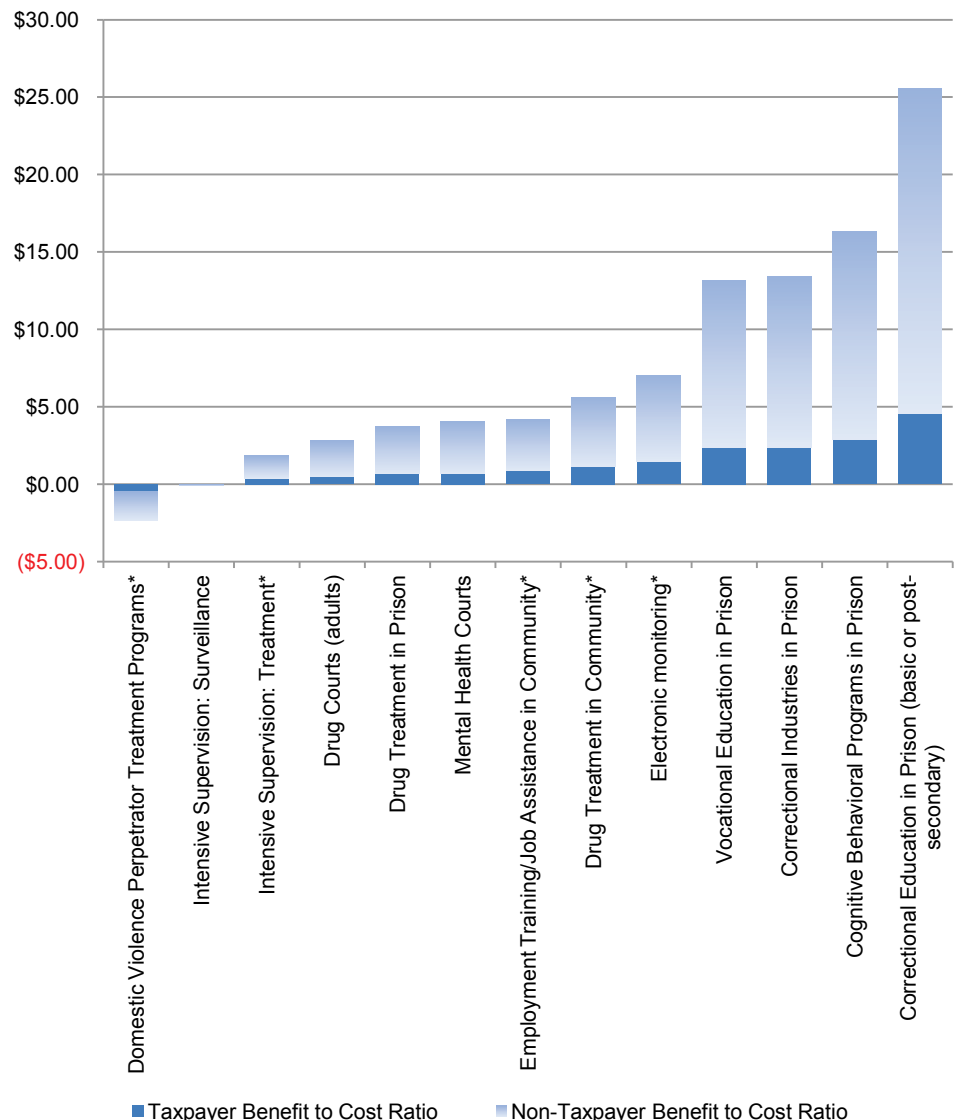
**Effectively implemented corrections industries programs reduce recidivism by about 9.5%.**

NMCD funds eight evidence-based programs with an estimated service level of about 6,700 and cost of over \$9 million. LFC staff also estimated the impact of three other programs that are not currently in use or data is not available. The graph below shows some programs benefits far outweigh their cost. Appendix A provides more detail. The predicted costs, benefits, and return on investment ratios for each program are calculated as accurately as possible but are, like all projections, subject to some level of uncertainty. Accordingly, it is more important to focus on the relative ranking of programs than small differences between them; some programs are predicted to produce large net benefits and may represent 'best buys' for the state while others are predicted to generate small or even negative net benefits and may represent neutral or poor investment opportunities.

**Estimated Impact of Corrections Industries**



**Total Benefit to Cost Ratio By Program**



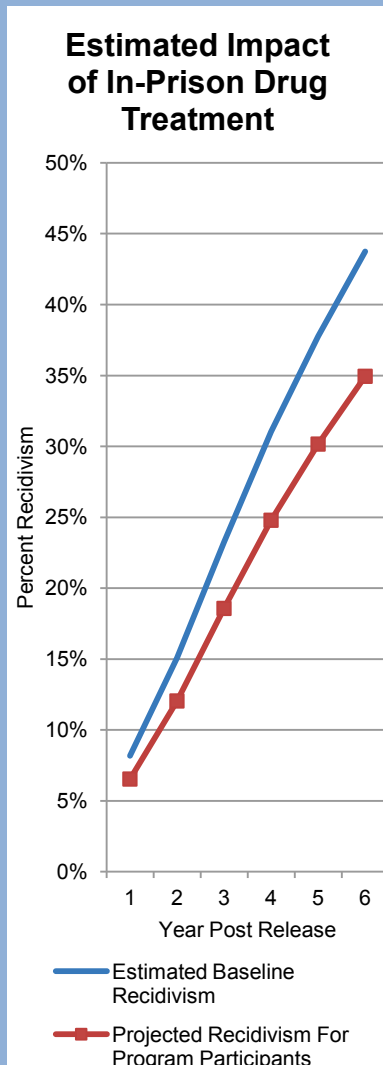




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**Effectively implemented In-prison drug treatment programs reduce recidivism by about 20%.**



**Research shows virtually no impact on recidivism using Intensive Supervision Programs. But combined with treatment, ISP can reduce recidivism by almost 25%.**

**Corrections Industries.** The purpose of Corrections Industries is to provide training and work experience opportunities for inmates, to instill a quality work ethic, to prepare them to perform effectively in employment, and to reduce idle time of inmates while in prison. Research indicates corrections industries is a low-risk program that reduces recidivism and can deliver monetary along with public safety benefits. Participation in this program has continued to drop, and struggles to operate as an enterprise program. The 2013 Legislature made an appropriation of \$150 thousand from the general fund that could be used to shore up the program as the NMCD implements a new business plan. Even with this additional subsidy, if run properly, corrections industries could reduce recidivism by about nine percent with a benefit cost ratio of \$13. Most of the benefits would accrue to society over time (\$4,000 per participant), but taxpayer would benefit as well (\$1,000 per participant). As this program is revitalized, NMCD and LFC should track performance over time to ensure the program's outcomes, such as recidivism reduction, are in-line with expected results.

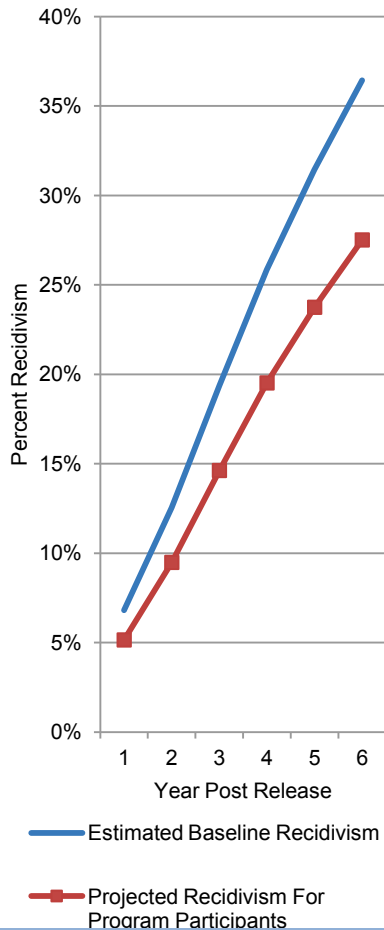
Although institutional support jobs such as those offered at the NMCD have been recognized as valuable, programs that offer private sector experience, fair wages, and include vocational training have been proven to be effective more often. Further research is needed on the availability of community employment services for offenders. If implemented in New Mexico, research and LFC's Results First cost-benefit analysis indicate that for every dollar invested would generate benefits of \$4 to taxpayers and society.

**In-Prison Drug Treatment.** According to the NMCD, 75 percent of inmates entering the prison system have a history of drug addiction and 68 percent have drug-related crimes on their records. Historically, the NMCD operated an evidence-based program called Therapeutic Communities. However, poor implementation resulted in low completion rates and high recidivism rates. Evidence-based programs must be implemented correctly in order to produce results supported by the research. NMCD has disbanded this program and is implementing another evidence-based in-prison drug treatment program that is estimated to reduce recidivism by about 20 percent, and if implemented properly, is likely to produce a positive return on investment of \$4.

Drug treatment services are offered in the community but insufficient information exists at this time on participation levels and cost. Many appear to meet evidence-based requirements. Using national cost estimates for these services and the Results First cost-benefit model suggest that implementation of these services should result in a positive return of \$6 with a high probability of success. Again, these estimates assume effective implementation by community-based providers funded through OptumHealth, the state's behavioral health managed care company.

**Intensive Supervision Programs (ISP).** ISP is a highly structured, concentrated form of probation and parole supervision with stringent reporting requirements and an increased emphasis on offender monitoring, including after-hours field/home visits by probation and parole officers. Research shows virtually no

### Estimated Impact of Intensive Supervision - With Treatment



**Recent legislation authorizes NMCD to double ISP caseloads, but does not require treatment as a condition of the program.**

impact on recidivism using ISP alone. But combined with treatment programming, ISP can reduce recidivism by almost 25 percent.

ISP alone is one of the few evidence-based programs that does not produce a positive return on investment. Combined with treatment, we estimate a positive return of \$2 if the cost of delivery is similar to those nationally. This approach of ISP with treatment does not appear to be widely used in New Mexico.

Historically, state law has limited the caseloads for probation/parole officers carrying an ISP caseload to 20. Laws 2013, Chapter 48 (SB 143) allows the NMCD to now double the ISP caseload per PPO to 40. The LFC program evaluation on NMCD in 2012 found that caseloads could be safely raised, but recommended that treatment be included as a condition of ISP. The legislation did not include this requirement so it will be important to monitor how NMCD implements larger caseloads and any administrative requirements to include treatment as a condition of ISP.

Reducing recidivism through strategic budget development can save millions and improve public safety. Other states have implemented programs and policies that resulted in reductions in incarceration rates, closing of prisons, and hundreds of millions in savings. Through the proper delivery of proven programming, New Mexico could have similar results.

**Implementing Programs Well.** We cannot stress enough that program fidelity – how well programs are implemented – is critically important to achieving the predicted outcomes. The New Mexico Results First model assesses evidence-based programs that are designed to follow specific treatment models, and failure to operate these programs as prescribed can dramatically reduce their outcomes. Thus, safeguarding the state’s investment in evidence-based programs requires ongoing efforts to assess program delivery and, when necessary, taking corrective actions to hold program managers and providers accountable for program outcomes. For example, Washington experience with Functional Family Therapy for juvenile offenders found that program outcomes closely matched those predicted by state’s the model when the program was appropriately implemented, but recidivism among juvenile offenders actually rose when the program was not implemented competently.

The NMCD has reorganized staffing to create a research and accountability unit to ensure effective program implementation. The department has also created a 32 step action plan to improve reentry and programming to reduce recidivism.

**Other States Evidence-based Corrections Policy and Programming.** Other states have successfully implemented evidence-based programs resulting in significant cost-savings. States such as Oregon, Michigan, Texas and Washington have reduced recidivism and gained significant cost-savings through implementation of evidence-based programs. Prison replacement costs have been avoided and a number of facilities throughout these states, including a 1,100 bed



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**Texas has averted the need to build new prisons and recently closed a 1,100 bed prison.**

**Washington now has an incarceration rate lower than the national average and an estimated savings of \$1.3 billion per two-year budget cycle and has closed an adult prison and juvenile detention facility.**

prison in Texas have been closed. Through the use of validated risk and needs assessment tools, along with requirements that correctional program funding be contingent on evidence-based design and delivery, these states have seen reductions in incarceration rates, closing of prisons, and hundreds of millions in savings

**Oregon.** Oregon is a national leader in reducing recidivism. From 1999 to 2004, the state saw recidivism rates drop almost 32 percent. For offenders released in 2004, Oregon has the lowest overall recidivism rate among 41 reporting states of 22.8 percent. This success rate is the result of a comprehensive reform both in prison and in community corrections. In prison, inmates receive risk and needs assessment at intake, targeted case management and focused transition planning. Upon release to the community, treatment programs for offenders are based on research and are subject to program outcome evaluation. The growth of evidence-based programs stems from the passage in 2003 of SB 267, which required that any correctional program receiving state funding be evidence-based – both in design and in delivery.

**Michigan.** Through the use of a validated risk and needs assessment tool (COMPAS), along with policy changes which reduced supervision revocations and increased compassionate medical release, the state of Michigan reduced its prison population by eight percent. Additionally the prison system expanded evidence-based programming and services. The return to prison rate among offenders who received re-entry services in Michigan declined by 32 percent. Between FY2002 and FY2009 the state of Michigan closed numerous correctional facilities resulting in a total bed reduction of 12,187 and an estimated cost-savings of \$339 million.

**Texas.** The state of Texas, through its Justice Reinvestment Initiative, is successfully re-directing funding to expand the capacity of treatment programs and residential facilities to address community corrections needs at a net savings to the state. As a result, Texas has averted the need to build new prisons and recently closed a 1,100 bed prison. The success of this approach is influencing policy makers in other states.

**Washington.** In 2005, the state of Washington predicted the need for two new prisons by 2020. In response, the Washington Legislature initiated a study of evidence-based programs to reduce crime, while saving taxpayers money. The study concluded that some programs—such as intensive supervision treatment, cognitive-behavioral therapy, community-based drug treatment and adult drug courts—can reduce crime rates while also reducing the cost of corrections. As a result of this study, the 2007 Legislature invested in the expansion of evidence-based programs, and the prison forecast was adjusted downward. Washington now has an incarceration rate lower than the national average and an estimated savings of \$1.3 billion per two-year budget cycle and has closed an adult prison and juvenile detention facility.





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## Appendix A: Cost & Benefits of Evidence-Based Programs for Adult Offenders - July 2013

Topic Area/Program Name	Program Available In New Mexico	Current Investments			Monetary Benefits			Summary Statistics		
		Program Participation	Current Program Expenditure	Cost Per Participant	Total Benefits	Taxpayer	Non-Taxpayer	Benefits Minus Costs	Benefit to Cost Ratio	Measured Risk
								(Net Present Value)		(Odds of Positive Net Present Value)
<b>Adult Programs</b>										
Correctional Education in Prison	Yes	3,257	\$2,064,938	(\$634)	\$16,210	\$2,902	\$13,307	\$15,576	\$26	99%
Cognitive Behavioral Programs in Prison	Yes	1,039	\$568,333	(\$547)	\$8,936	\$1,582	\$7,354	\$8,389	\$16	99%
Correctional Industries in Prison	Yes	345	\$150,000	(\$435)	\$5,844	\$1,040	\$4,804	\$5,409	\$13	99%
Vocational Education in Prison	Yes	627	\$745,503	(\$1,189)	\$15,677	\$2,801	\$12,876	\$14,488	\$13	99%
Electronic monitoring*	Yes	N/A	N/A	(\$1,731)	\$12,220	\$2,563	\$9,657	\$10,489	\$7	99%
Drug Treatment in Community*	Yes	N/A	N/A	(\$2,002)	\$11,235	\$2,355	\$8,879	\$9,233	\$6	99%
Mental Health Courts	Yes	187	\$696,201	(\$3,723)	\$15,200	\$2,716	\$12,484	\$11,477	\$4	99%
Drug Treatment in Prison	Yes	702	\$2,273,076	(\$3,238)	\$12,162	\$2,171	\$9,990	\$8,924	\$4	99%
Drug Courts (adults)	Yes	257	\$1,538,402	(\$5,986)	\$16,984	\$3,024	\$13,960	\$10,998	\$3	99%
Intensive Supervision: Surveillance	Yes	308	\$1,327,788	(\$4,311)	(\$309)	(\$62)	(\$247)	(\$4,620)	\$0	9%
Employment Training/Job Assistance in Community*	Unknown	N/A	N/A	(\$888)	\$3,795	\$790	\$3,005	\$2,907	\$4	96%
Intensive Supervision: Treatment*	Unknown	N/A	N/A	(\$5,260)	\$9,769	\$2,039	\$7,730	\$4,509	\$2	89%
Domestic Violence Perpetrator Treatment Programs*	Unknown	N/A	N/A	(\$1,753)	(\$4,053)	(\$842)	(\$3,211)	(\$5,806)	(\$2)	18%

\*Indicates NM cost unavailable and cost estimates determined from a multi-state average