Funding Problem-Solving Courts:

Developing a funding strategy and formula for Wyoming’s specialized courts

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Abstract

Problem-solving courts are locally driven programs that frequently rely on state and federal dollars to maintain operations. While most of the federal dollars allocated to problem-solving courts have been with the express purpose of program implementation and expansion, state dollars are increasingly being relied upon for long-term program maintenance. This seemingly slight difference in purpose creates a significant amount of difficulty for state program administrators as they develop funding strategies for these programs. The following article is designed to provide some insight into good accounting practices for problem-solving court programs and to make some suggestions for Wyoming’s state administrators and legislators as they are considering the best means to establish and maintain problem solving courts.
**Introduction**

Problem-solving courts and other problem solving courts have emerged as one of the fastest growing court initiatives in American history (Huddleston et al., 2005). The reasons for this unprecedented growth are the positive effects of these programs on a particularly difficult population of offenders. Substance abusing and addicted offenders account for a large proportion of those who consume the limited resources of law enforcement and court time as well as jail and prison space. The construct of “revolving-door justice” is well suited to the substance abusing offender population. Offenders with substance abuse problems tend to re-offend regardless of the amount of punishment meted out by the courts.

Frustrated with the lack of progress being made with many of these offenders, the court in Dade County, Florida, developed a model that brought substance abuse treatment to the center of the justice system process. Repeat offenders were assessed for substance abuse problems and given the option of treatment. But, beyond the traditional court ordered treatment scheme, the drug court model incorporated intensive supervision, frequent drug and alcohol testing, and regular contact with a judge who provided oversight and enforced a strict behavioral model designed to change the lifestyles of these offenders. And, not surprisingly to some, the model worked. While many argued that coerced treatment could not be effective, the court in Miami continued to proceed and produced very positive results. These results included drastically improved outcomes for a group of offenders that was clogging the system.

The results of this program gained national notoriety and many other jurisdictions started adopting the model. Through the Bureau of Justice Assistance (BJA) the federal
government began funding these programs in the mid 1990s. As is common with federal initiatives, this funding took the form of grants to localities designed to assist in the establishment of these programs. By 2004 there were over 1600 operational problem-solving courts in existence spread over all fifty states, Guam and Puerto Rico. In a relatively short time, problem-solving courts had developed from being a unique program to a “national phenomenon” (Huddleston et al., 2005).

The rapid development of problem-solving courts throughout the United States has created a problem for many state court administrators and executive branch program managers. This problem revolves around the development of responsible funding strategies for problem-solving court programs. Over thirty state legislatures have appropriated funds for the establishment and sustainability of problem-solving court programs. Often, these funds were given to executive or judicial branch agencies with little guidance as to how these funds were to be spent. Many state legislatures enacted legislation that defined these programs in loose terms without giving guidance for the management of these dollars. And, as such, many state program administrators were left with the difficult task of establishing funding strategies that provided accountability while maintaining the independence of local initiatives. Frequently, these state managers followed the federal model of providing a granting mechanism for problem-solving courts. In many cases, local programs were required to submit an annual or bi-annual grant application. This process, while cumbersome and counterproductive for many programs, served the needs of the states and local programs while in development stages.

However, many of the problem-solving court programs around the county have evolved past the implementation stage and have become well-established enterprises.
And, while the granting process has some strengths, including regularized documentation of program activities, there are some definite weaknesses. These weaknesses include a perceived lack of continuity, concern over sustainability, and, perhaps most importantly, some concerns about accountability. These weaknesses have also led to several challenges at both the state and federal level to the continuation of problem-solving court funding.

Additionally, three significant problems have emerged for state funding agencies. The first of these problems is the fair allocation of funds to competing problem-solving court programs. While costs vary dramatically by location, it is often the case that comparisons of allocations are made and these comparisons generally focus on the number of clients served. The second problem is the issue of fiscal oversight. While the granting process tends to allow for innovation at the local level, it also creates some trepidation among those who write the checks about where the money is actually going. Finally, the traditional granting process creates oversight nightmares for those who have to report on the spending of local programs. While flexibility is a boon to local program managers, it creates extreme difficulty for those collecting the data about program expenditures and outcomes. In other areas of government this problem has motivated a complete shift in governmental funding to a performance driven approach.

The purpose of this article is to provide suggestions regarding state management of problem-solving court funding. These suggestions are premised upon generally accepted principles of accounting and Governmental Accounting Office publications. The goal is to provide a secure financial platform upon which problem-solving courts can operate with the hopes that this platform will assist localities in sustaining their funding.
Fiscal accountability and transparency need to be the hallmarks of any program supported by state governments (Governmental Accounting Office, 2007). Best practices of public accounting must be incorporated into every fiscal transaction. This article describes the basic principles that should apply to line item budgeting and funding of local programs when the monies are allocated from a state budget. Additionally, there are issues of fairness and responsible spending that can be addressed by developing a funding formula for problem-solving court programs.

**Some Basic Principles**

Problem-solving court programs generally pride themselves in being locally driven initiatives. As such, no two problem-solving court programs are exactly alike. And while program staff will often point to the variability in their programs and claim superiority over their neighbors, it is more often true that the central tenets of these programs are all very similar. From the research it is safe to say that these programs are “principle driven.” The principles at work in drug courts are summarized well in the “Ten Key Components” (NADCP, 1997).

In the same way, there are principles of responsible fiscal management that fit all of these unique programs. These principles can be summarized under two headings: accountability and transparency. Accountability refers to the ability to document every dollar that is allocated to a particular program. Transparency refers to the concept of ensuring that records are complete, up-to-date, and available. The Governmental Auditing Standards book (commonly called the Yellow Book) provides a wealth of information about acceptable accounting practices that can apply to problem-solving
court programs. Above all else, the continued financial support of problem-solving court programs is dependent upon the application of these basic principles.

Beyond these basic standards there are some Generally Accepted Accounting Principles (GAAP) that can be applied to the funding of problem-solving court programs. GAAP are generally applied to for-profit businesses that prepare fiscal reports for shareholders or other interested parties (Pratt, 2000). Of the multiple GAAP principles there are five that seem relevant to problem-solving court program management (Pratt, 2000).

The first of these four is the Reliability Principle. This principle states that all information used by problem-solving courts should be accurate. Accountants are responsible to check and double-check their work and this should also be the case for both local program managers and state funding agencies.

The second relevant principle is called the Principle of Regularity or the Principle of Consistency. The Principle of Regularity suggests that entities should conform their accounting practices to enforced rules and laws. In the case of problem-solving courts the state managers have some responsibility to ensure that local program administrators have the knowledge to ensure that their accounting practices are following both federal accounting guidelines as well as state administrative rules.

The Cost Principle states that when accountants record transactions that involve assets and services, these transactions must be recorded going by actual costs or historical costs. For example, if the problem-solving court bought equipment that was worth $15,000, but it was purchased for $10,000; the record should reflect an expenditure of $10,000 since that is what was paid.
The *Principle of Sincerity* suggests that program accounting should reflect a good faith effort at accuracy and completeness. Problem-solving court programs should reveal their assets, including funding from secondary sources, when documenting program assets. Likewise, program liabilities should be clearly outlined in the overall fiscal plan.

Finally the *Principle of Permanence of Methods* requires that consistent reporting methods be used both at the local and state levels. And, while this principle is measured over time, it is clear that sound methodology for fiscal reporting should be established early in program development and these standards should be followed without exception over time.

**Principles specific to Problem-Solving Courts**

The following principles are derived from the above discussed principles of accounting as well as common problem-solving court practice. They are designed as guidelines for state program operation but can be applied at the local level as well. The purposes for adopting these principles include both accountability and transparency.

*Principle # 1  Funds should be disbursed based upon a cost-reimbursement model*

It is common practice for state funding sources to allocate funds using one of two approaches. The first approach is the granting approach and the second is the cost-reimbursement approach. The granting approach is commonly used for new programs and those without long-term financial commitments. This approach involves annual granting requests with often cumbersome application processes stemming from Requests
for Proposals (RFP). Grants are then made to programs with basic conditions attached. These conditions often include requirements concerning budgeting categories as well as some fundamental program operations such as compliance with the “10 Key Components” (NADCP, 1997). Grants provide an excellent means of distributing available one-time pockets of funds those who apply.

However, grants also bring with them some concerns. These concerns generally fall into two categories. The first relates to the perception of stability of funds for the long term. Problem-solving court managers often bemoan the difficulty of maintaining quality staff when all contracts have to be limited to the term of the grant. In many locations, particularly those in rural jurisdictions, there are limited treatment and supervision resources available and often short-term contracts are not conducive to retaining personnel.

The second concern relates to the perception that grant funds are often given with limited controls over spending. This creates anxiety among legislators and state program administrators as actual expenditures are not tied to program payments. Thus, it is possible for programs to hoard dollars or redirect unspent money into other ventures. It is clear that few eventualities can more quickly destroy a program, even a good program, than misspent state or federal dollars.

What is termed here as the “cost-reimbursement” model provides a somewhat different means for administering state funds distributed to local programs. This model involves a shift in the means by which funds are transmitted to local programs. The cost-reimbursement approach is commonly used with ongoing programs that have relatively stable budget categories and that require functional oversight at the state level. Problem-
solving courts seem to fit best in this second category. While the reality is that all state funded programs that are not constitutionally created are in jeopardy of losing funding whenever their bills are considered, the model proposed here at least creates a perception of program stability. Further, with cost reimbursement there is better fiscal oversight afforded state administrators.

The cost-reimbursement model allows programs to operate as “ongoing concerns.” That is, there is an expectation that these programs will continue to operate and that funds will continue to be available. What makes this model more appealing at the state level is expectation that programs that are funded will continue to be funded. With federal implementation grants the expectation is that the federal dollars will only serve to get the program running and are not expected to last beyond the initial three year granting period.

Instead of a grant application process operational programs should be expected to submit only an annual budget request and documentation of any proposed programming changes in the upcoming fiscal cycle. This process eliminates most of the time-consuming grant writing process for local courts. And, as programs are awarded their funds for the upcoming cycle, they are held by the state until invoiced by the local programs.

The distinctions between these two models are somewhat blurred by common practice. While grants tend to provide the greatest latitude in spending, they also are time limited and thus create a sense of insecurity among program managers and employees. Cost/reimbursement models tend to provide greater program accountability and without
the requirement of annual grants the programs are better able to develop long-term fiscal plans and retain valuable staff.

Principle #2 Funds allocated based upon program population.

Funding should be based upon the number of clients served. This seems to be the fairest way to distribute funds. While it is clear that expenses vary from location to location, this model provides greater incentive to streamline expenses and increase overall productivity as there is an obvious economy of scale as courts with more clients tend to provide more services at a cheaper price. Further, as problem-solving courts are designed to use existing resources from collaborative partners, this model helps to ensure that programs get all of the necessary partners to the table. The development of a fair and reasonable funding formula will be discussed below.

Principle #3 Annual Accounting Reviews.

Funding for programs should be allocated only if there are guarantees or appropriate accounting oversight. Most commonly these guarantees take the form of a required letter from an accountant stating that the program is being operated in an appropriate manner. Further, it makes good sense that the state does periodic reviews of program records to ensure compliance with policies. The combination of a letter from an accountant and periodic program reviews should be sufficient to ensure accurate and dependable documentation and to catch any problems before they become intractable.
Principle #4  Zero-Balance Budgeting.

Each program’s balance sheet should be zeroed out at the end of the fiscal year. While operating capital should be given at the beginning of the year, program expenses should be documented and the state should receive an invoice for these expenses. Funds should be distributed to programs based upon actual expenses. These expenses should be reported to the funding entity in a monthly or, at most, quarterly invoice and all receipts and invoices maintained in program offices available for review. At the end of the fiscal year all accounts should be zeroed out. Any operating capital given to programs should be retracted. This can often best be done over a period of two or three months to ensure ongoing program operations.

Principle #5  Training.

Court programs should be adequately trained on maintaining accurate accounting ledgers including receipts and invoices which should be made available for review. It is clearly unfair to create expectations for program managers without ensuring that they have the knowledge needed to implement the policies. Fiscal accountability is definitely an area in which clarity is needed and it is the responsibility of the state administrator to make a good faith effort to ensure that new rules and policies are carefully explained.

The Suggested Model

State funding for problem-solving courts is generally allocated as part of the judicial or executive branch budgets. Often, as in the case of Wyoming, the funds are
allocated to an executive branch agency that is responsible for the oversight and licensing of substance abuse and/or mental health treatment facilities and providers. Other states, such as Louisiana, include the problem-solving court designated funds in the judicial branch budget. In either case, the process of allocating funds to local programs has typically taken the form of annual or bi-annual grants. When the allocation is received state administrators generally create an RFP of sorts and notify local program managers of available funds. Local programs then scurry to meet grant application requirements and then wait and hope that they are funded. Once funding is received, programs typically spend their allocations and report back to the state their spending.

The model proposed in this paper looks somewhat different. First, a regularized process of budget submission must be established for state administrative review. Programs that have been operational for a while could simply make a short budget request to the state administrative office and the review of these requests would focus on the performance of the program, including services offered and participant outcomes, and fund the programs at a level that is appropriate to their activities.

In many cases it is very useful to develop a funding formula. A funding formula is designed to fairly distribute allocations based upon the actual activities of a program. For example, a program that is serving 20 people ought not to receive the same level of funding as one serving 150 people. And, while this appears to be a simple calculation, it is often very difficult to create an equitable calculation of expenses. There are issues of economy of scale and available resources that must be considered. Economy of scale refers to the fact that services and products can be purchased for lower prices as program populations grow. Thus, the cost of an individual participant in a program that serves
150 is generally much less than a program that serves 20. Local resources also must be considered when developing a funding formula. In some locations the cost of treatment services is much higher than others. This is often due to a lack of adequate resources in a particular area.

Calculating a funding formula is a difficult task. It is suggested that those who are assigned this chore collect as much data as is currently available and chart historical program expenditures. It is often wise to consider a per client cost when calculating this formula. For example, a particular court may maintain an average of 40 clients and an average expenditure of $200,000. Given these numbers this court spends an average of $5,000 a year per client. (This numbers are given for example only and do not reflect in any way the expected program costs for drug courts.) If these data are available and multiple courts are being considered then it is possible to establish the average annual expenditure of each court and combine these numbers into a relatively simple graph. Once this graph is developed it will be easy to identify the broad range of program costs from the jurisdictions in question. It is often the case that this chart will appear curvilinear. That is, the number of clients that a program carries will be correlated with the expense per client but the chart will likely reflect a point at which the economy of scale becomes apparent as programs with more clients tend to be more cost effective. For the purposes of this analysis the point identified as the number of clients at which the best bargains start to appear will be called the “break point.” The break point provides state administrators with a good idea about the optimum minimal number of clients needed to ensure maximum cost efficiency. And, with this number established it makes
good fiscal sense to encourage program managers of programs operating with fewer clients to strive for this number.

After this chart has been developed state administrators can identify an average cost per client and in some cases this might serve well as the final per client cost. However, there are several additional issues that must be considered. The first of these considerations is that *outliers* may have a disproportionate effect on the sample. Outliers are cases, or in this scenario courts, that influence the model to a greater degree than is appropriate. If a particular court is serving 1000 clients and doing so at a very low cost the effect of this unique court will create imbalance in the scale. Likewise, a court that is serving only one client at a very high cost can have the same impact on the overall model. In many research situations outliers are simply eliminated to avoid the skewing of the scale. In the situation of problem solving court spending this elimination makes sense only if the relative impact of inclusion creates vastly different outcomes. Some subjective analysis is warranted in this situation.

A second and perhaps more difficult problem with this design is the lack of context provided by this simple model. Most states have both rural and urban jurisdictions with vastly different resources. And, while there is no empirical method for determining the relative values of these resources, there are often some guidelines that can be considered. In problem solving court cost analysis one of the biggest, if not the biggest, expenditure categories is substance abuse treatment. To help determine appropriate cost levels between courts for this service it is often helpful to consider the rates at which other state and federal agencies contract for services with these entities.
After a standardized cost per client is established for the state, the program administrator should develop a system whereby these funds are equitably distributed. The proposed model suggests that the best means for distributing these funds is through an allocation based upon the expected number of clients to be served by the program. For several states with this model already in place these expected numbers are referred to as *program slots*. A *program slot* is simply the allocation given for one client. Thus, a program that has been approved to work with 60 clients will be given 60 *program slots*. And, one of the performance measures for this program in the next fiscal cycle will be the extent to which this program served the sixty participants paid for with state dollars. State administrators should gather information about jurisdictions and target populations before making *program slot* allocations.

When the number of program slots has been established for a particular jurisdiction, the overall budget for that jurisdiction has also been established. That budget can then be given to the local program in the form of an award letter. This letter should detail some of the methods used to establish the going rate for a program slot and the expectations of the program in terms of the numbers of participants served. A signed copy of the letter should be returned to the state administrator’s office and kept on file.

At the beginning of a fiscal cycle it is important to give some operating capital to the programs. Standard practice seems to be that courts need about 10 to 15 percent of their overall allocation to ensure that bills are being paid timely. This operating capital should then be recovered to create a zero balance at the end of the fiscal cycle. While this seems somewhat difficult to do it will ensure that funds are not carried over from one
cycle to the next. Most state agencies already operate in this manner. It makes bookkeeping easier and helps to maintain the fiscal integrity of the state program.

During the remainder of the fiscal cycle funds should only be distributed based upon signed invoices from local programs. As local programs spend money they can request reimbursement from the state for these expenditures. The state should develop a simple form for monthly submission to the funding agency that lists *actual* expenditures in agreed upon categories. The state should maintain a database of program expenditures that lists up-to-date invoices and remaining balances in each budgeting category. In this manner the state will also be able to ensure that programs do not find themselves in a situation in which they get over-extended before the end of the fiscal cycle. This cost reimbursement model requires a strong commitment from state administrators to make sure that invoices are paid timely. Failure to make payments on time could result in suspended services which would negatively impact participants.

At the local program level records must be kept of all invoices received, payments made, and receipts when appropriate. This can be done very simply by creating a fiscal filing system. In keeping with the principle of simplicity, it is recommended that a file be kept for each month and that file should contain a copy of the invoice sent to the state as well as all documentation of expenditures paid during that particular month. The file can be divided into the budget areas defined by the state. Whatever model is chosen for this record keeping it is the responsibility of the local program manager to ensure that these records are current and accessible in keeping with the principles of regularity and transparency.
These local records should be routinely checked by state administrative personnel. This process will help to ensure that there are no gaps in record keeping and allow state program administrators some assurance of appropriate spending. While there have been very few cases of problem solving courts misspending funds, it is still critically important that these records are maintained and checked for accuracy. Additionally, the state administrator should be responsible to train local program managers in these fiscal management expectations. Seemingly small mistakes in this aspect of program funding can lead to devastating results when made public.

Finally, if programs are determined to be lacking in their local fiscal management, a policy should be established to allow for corrections. Often a finding of fiscal problems leads to a program developing a *corrective action plan*. This plan should be monitored and any issues resolved as quickly as possible. Failure to comply with state mandated fiscal management policies should result in suspensions of payments until such time as the problematic issues can be resolved.

**Wyoming’s Funding Formula**

Based upon a review of Wyoming’s problem-solving court expenditures and requests for three years, the estimated annual per client cost is $9,007.46 for adults and $11,149.55 for juvenile and family courts. These numbers include all costs associated with problem-solving court operations. As mentioned above, the following calculations were made using historical data regarding expenses. These data were gathered from the Wyoming Department of Health Substance Abuse Division and represent the best available data from fiscal years 2005 through 2007.
Table 1. Expenditures by Court

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Average Annual Expenditures</th>
<th>Average Number of Clients</th>
<th>Average Per Client Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adult Drug Court Programs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Albany County Adult Court</td>
<td>$162,836.64</td>
<td>14</td>
<td>$11,631.24</td>
</tr>
<tr>
<td>Campbell County Adult Court</td>
<td>$235,835.00</td>
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<td>$8,734.68</td>
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<td>Freemont County Adult Court</td>
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<td>$4,404.72</td>
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<td>Laramie County Adult Court</td>
<td>$244,287.00</td>
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<td>$13,571.50</td>
</tr>
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<td>Natrona County Adult Court</td>
<td>$348,288.93</td>
<td>48</td>
<td>$7,256.01</td>
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<td>Park County Adult Court</td>
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<td>Sheridan County Adult Court</td>
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</tr>
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<td>Teton County Adult Court</td>
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<td>$5,649.04</td>
</tr>
<tr>
<td>Tribal Adult Court</td>
<td>$60,170.22</td>
<td>11</td>
<td>$5,470.02</td>
</tr>
<tr>
<td>Uinta County Adult Court</td>
<td>$194,600.15</td>
<td>47</td>
<td>$4,140.43</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>$2,054,768.57</td>
<td>288</td>
<td>$7,134.67</td>
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<tr>
<td><strong>Juvenile Drug Court Programs</strong></td>
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<td></td>
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<tr>
<td>Big Horn County Family Court</td>
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<td>$20,169.64</td>
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<td>Campbell County Juvenile Court</td>
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<td>Evanston Juvenile Court</td>
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<tr>
<td><strong>Totals</strong></td>
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<td>$10,824.81</td>
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</table>
Table one represents a calculation of the average annual expenditures of each court program as well as the average numbers of clients served. The average cost per client was calculated by dividing the annual program expenditures by the average number of participants in the program at any given time. It should be noted that the client numbers tend to fluctuate and as such the required quarterly reports were relied upon as a measure. Unfortunately, a few of these reports were unavailable which made a precise calculation impossible.

The variability in these numbers created a significant problem and required further research. In the case of the adult programs the *economy of scale* was clear. The two largest programs significantly skewed the data downward. Further analysis of the other programs revealed that due to a lack of treatment and mental health resources in these locations the optimum value was not attainable. Further, the *break point* seemed to be between 20 and 30 clients. That is, at about 26 clients or more programs seemed to gain the largest financial benefit for the dollar invested. Unfortunately, due to the restrictions placed on intensive supervision probation officers it is difficult for many of these programs to go beyond 20 or 22 clients. Thus, an adjustment was made in the calculation by eliminating the outliers and recalculating the total. Also, since much of this data was a bit dated, a second small adjustment was made to add a three percent cost of doing business increase.

The juvenile and family courts were even more difficult to figure. One of the problems associated with developing a cost model for these courts is that for most of these courts the treatment and drug testing services tend to go beyond the initial “client.” It is difficult to actually gauge how many people are being served by these programs.
After considering the national data which suggests that in juvenile and family courts there tends to be at least two “participants” for every one who enters the program it was decided that the average cost developed by dividing the total expenditure by the number of clients served.

Additionally, all of the problem-solving courts in Wyoming receive funding outside of the Wyoming Department of Health allocation. When consulting with several program managers the calculations seemed to fit current practice. On average, most programs receive between 15 and 25 percent of their funds from sources other than the state. Therefore, the allocation given by the state should be multiplied by a factor of 1.15 to determine the actual expected budget. So, for adult programs that receive 20 program slots the actual total budget will likely be $9,007.46 times 20, or $180,149.20, plus 15 percent (27,022.38) for a total of $207,171.58.

Given the above numbers and calculating assuming that the overall number of clients would remain constant, the annual allocation for problem solving courts would be $3,575,308.88. This number seems to fit well with the established legislative appropriation in Wyoming. And, as additional funds become available, programs should be encouraged to grow their numbers rather than grow their expenses. It is clear that increasing numbers will provide additional resources that will allow programs some latitude in determining what is best for their clients.

One final caveat should be mentioned. While it is important to ensure that the problem-solving court programs are operating efficiently, there is room for some variation. Should the panel or the administrators at the Mental Health and substance Abuse Division decide that a program warrants funding at a level that is inconsistent with
the number of clients being served, the panel can increase or decrease program slots based upon need. The panel should not feel completely tied to the funding formula for programs. This issue is of particular concern for family treatment courts and those courts that are innovating. Sometimes additional funds are warranted for a particular project or innovation. With this model, the latitude to make such adjustments still exists.

**Conclusion**

The recent National Association of Drug Court Professionals conference carried the banner of “Going To Scale.” This laudable goal for problem-solving courts requires some careful planning and strategic thinking on the part of program administrators. This planning should be done with the local program managers and judges involved to ensure a smooth transition and to promote local buy-in.

The problem-solving court model can only be successful if it is supported over time. Substance abuse treatment takes time to be effective. Going to scale requires long-term thinking both in the areas of practice and management. The principles mentioned above are designed to provide both accountability and transparency to local programs that operate with state dollars with the goal of building a long-term funding plan that will allow for the development of problem-solving courts in all jurisdictions.
Bibliography


Addendum

After presenting this article to the Legislative Steering Committee on Drug Courts, the administration at the Department of Health, Mental Health and Substance Abuse Division, and representatives of the drug court programs throughout Wyoming, Two concerns seemed to arise from the process and the report. The first concern was that the numbers were artificially low. It was argued that they were limited by the State’s mandate that programs receive a maximum of $200,000 a year. Additionally, a few courts had federal grants that supplemented the state grants which made the state expenditures appear to be lower than the actual program costs. To address this concern it was decided that the numbers presented in the previous article should be updated prior to the establishment of the funding formula for local programs.

The process above was repeated with additional numbers from a fourth year as well as information regarding federal implementation grants and their impending completion, rising costs for treatment, and additional services, particularly those related to mental health issues. The numbers were recalculated using a similar formula. This formula basically consists of an estimate of costs per client by program and by year. Outliers were reconsidered with information regarding federal dollars and program growth. The new numbers reflected a slight increase. The calculations completed in this process resulted in a finding that the annual cost per client should be $9,395.09 for adults and $11,401.80 for juvenile and family court programs. Family court programs were measured using a total number of individuals receiving services rather than just the actual client count.
The second concern was related to the implementation of the funding formula. It is quite clear from looking at the reports submitted by drug court programs that their numbers fluctuate from month to month. Thus, it is difficult to rely only on the average number of clients served as the benchmark for program funding. The solution to this problem is to ask programs to submit budgets annually for the number that they expect to serve. Funding should then be allocated based upon those expectations and this allocation should serve as the maximum allowable expenditures for the year. The ebb and flow of drug court populations should then be reflected in the actual expenditure reports submitted to the funding agency. In this way, the fixed costs associated with running a program (i.e. rent, salaries, etc.) can be met while the adjustable costs (i.e. drug testing, SCRAM use, etc.) can fluctuate based upon actual need. Should programs not meet their expected numbers on a regular basis, the funding agency can initiate contact with the program, offer technical assistance, or take corrective action on a case by case basis.

The overall goals of this suggested model include providing security for local programs related to their annual funding, to improve the ability of the funding agency to seek reasonable legislative support for these programs, and to provide a system of accountability at all levels. Local programs will definitely benefit from such an approach as it will help to clarify and solidify program costs and expected income. The funding agency will benefit by increasing accountability both at the program level and at the state level.