



State of Arizona
Office
of the
Auditor General

PERFORMANCE AUDIT

**ARIZONA
DRUG AND GANG
POLICY COUNCIL**

Report to the Arizona Legislature
By Douglas R. Norton
Auditor General

April 1999
Report No. 99-7



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AUDITOR GENERAL

**STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL**

DEBRA K. DAVENPORT, CPA
DEPUTY AUDITOR GENERAL

April 20, 1999

Members of the Arizona Legislature

The Honorable Jane Dee Hull, Governor

Ms. Peggy Eggemeyer, Director
Governor's Office—Division of Drug Policy

Transmitted herewith is a report of the Auditor General, A Performance Audit of the Arizona Drug and Gang Policy Council. This report is in response to a May 27, 1997, resolution of the Joint Legislative Audit Committee. The performance audit was conducted as part of the Sunset review set forth in A.R.S. §§41-2951 through 41-2957.

The report addresses the progress the Council has made in meeting its mandates to coordinate and evaluate the State's publicly funded drug and gang prevention and treatment programs since the Council's 1996 Sunset review. The 1996 Auditor General Report (Report No. 96-11) found the Council to be ineffective in fulfilling these mandates due to poor member attendance and lack of program evaluations and monetary support. Since this report, the Council has made significant progress in improving its attendance. The Council has also developed statewide indicators that will allow it to generally assess the State's efforts in reducing substance abuse and gangs, and has identified best practices that it will require service providers to use in their prevention and treatment programs. However, the Council's continued progress is dependent on future funding and member agency commitments to redirect monies to effective programs. As such, the Council should pursue all possible funding options including seeking external grants, member agency contributions, and general fund appropriations; and seek formal commitments from member agencies to identify and redirect all permissible monies to effective programs.

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As outlined in its response, the Council agrees with all report findings, but a different method of dealing with the findings will be implemented. However, it is not clear that the Council's proposed method of dealing with the finding on redirecting resources to more effective programs will adequately address the finding.

My staff and I will be pleased to discuss or clarify items in the report.

This report will be released to the public on April 21, 1999.

Sincerely,

A handwritten signature in black ink, reading "Douglas R. Norton". The signature is written in a cursive style with a large, looping initial "D".

Douglas R. Norton
Auditor General

Enclosure

SUMMARY

The Office of the Auditor General has conducted a performance audit and Sunset review of the Arizona Drug and Gang Policy Council, pursuant to a May 27, 1997, resolution of the Joint Legislative Audit Committee. This audit was conducted as part of the Sunset review set forth in Arizona Revised Statutes (A.R.S.) §§41-2951 through 41-2957.

In 1990, the Legislature created the Arizona Drug and Gang Policy Council to address, in a coordinated manner, the State's education, prevention, and treatment activities dealing with substance abuse and gangs.¹ The Council is comprised of 16 members, including the Governor, Attorney General, State Superintendent of Public Instruction, Administrative Director of the Courts, state agency directors, and representatives from local government, community colleges and universities; and business and community groups who play an integral role in the fight against drugs and gangs by providing prevention, treatment, and law enforcement programs.

This audit focused on two of the Council's statutory duties:

- Recommending effective methods to coordinate all state programs and expenditures for prevention and treatment programs relating to substance abuse and gang participation.
- Evaluating the effectiveness of publicly supported treatment and prevention programs and making recommendations to the Governor and the Legislature for revising programs or redirecting expenditures to achieve better use of public resources.

A 1996 Sunset review (Auditor General Report No. 96-11) found that the Council was ineffective in coordinating and evaluating substance abuse and gang prevention and treatment programs. Specifically, the report found that poor attendance, lack of program evaluations, and lack of monetary support impeded the Council's ability to perform effectively.

Council Moves Forward in Coordinating and Evaluating Services, but Additional Measures Are Needed (See pages 5 through 11)

Since the 1996 report, the Council has moved forward in addressing its coordination and evaluation mandates. Using federal grant monies, the Council has developed three key

¹ When the Council was created in 1990, it was called the Drug Policy Council. Its name and scope were changed in 1991 to include gangs.

components of an accountability system to coordinate resources and measure the effectiveness of prevention and treatment activities across the State. The three components are:

- Indicators to measure the impact that programs have in reducing substance abuse and gang participation in the State;
- Identification of practices that yield the most successful results; and
- A standardized contracting framework requiring service providers to use best practices and perform program evaluations.

Despite the Council's progress, fulfillment of its evaluation mandate may be at risk. One reason is the Council's reliance on grants as a funding source. This reliance means that efforts are limited to those activities specifically within the grants' scope and purpose. For example, the three grants the Council currently receives are specific to preventing substance abuse. As such, these grants cannot be used to include the Council's other responsibilities related to gangs and substance abuse treatment. In addition, the grants all expire by 2001, leaving future funding uncertain.

A second reason is that once the accountability system is in place, there is no mechanism for ensuring that member agencies redirect funding from ineffective programs to those approaches that are shown to be most effective. For example, some agencies continue to fund the Drug Abuse Resistance Education (DARE) programs despite evidence that the programs are not effective.

To address these obstacles, the Council should seek additional funding sources, such as contributions from member agencies, a General Fund appropriation, or additional external grants to ensure continued implementation of the accountability system. The Council should also seek commitments from all member agencies to identify all permissible monies for redirection and work with member agencies and the Governor to redirect these resources to effective programs.

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INTRODUCTION AND BACKGROUND

The Office of the Auditor General has conducted a performance audit and Sunset review of the Arizona Drug and Gang Policy Council, pursuant to a May 27, 1997, resolution of the Joint Legislative Audit Committee. This audit was conducted as part of the Sunset review set forth in Arizona Revised Statutes (A.R.S.) §§41-2951 through 41-2957.

Council Established to Coordinate and Evaluate Substance Abuse and Gang Prevention/Treatment Programs

In 1990, the Legislature created the Drug Policy Council to address, in a coordinated manner, the State's education, prevention, and treatment activities dealing with substance abuse. In 1991, the Council's name and scope were changed to include gangs.

According to A.R.S. §41-617, the Council's primary mandates include:

- Recommending effective methods to coordinate all state programs and expenditures for prevention and treatment programs relating to substance abuse and participation in criminal street gangs;
- Conducting an annual inventory of publicly supported education, treatment, and prevention programs related to substance abuse and gang participation in this State;
- Evaluating the results achieved by publicly supported education, treatment, and prevention programs and making recommendations to the Governor and the Legislature for revising programs or redirecting expenditures to achieve better use of public resources; and
- Overseeing the operation of the Arizona Drug and Gang Prevention Resource Center (Center), which maintains the collection, storage, and distribution of information relating to substance abuse and gang education, prevention, and treatment programs.

Organization and Budget

The Council's membership consists of a cross section of state agency directors who play an integral role in the fight against drugs and gangs by providing education, prevention, and treatment and law enforcement programs. Table 1 (see page 2) illustrates the Council's vast representation:

Table 1

**Arizona Drug and Gang Policy Council¹
Membership Defined by Statute**

<div style="border: 1px solid black; padding: 5px; margin: 0 auto; width: fit-content;"> <p>Governor (serves as Chair)</p> </div>		
<p>Attorney General</p> <p>State Superintendent of Public Instruction</p> <p>Administrative Director of the Courts</p>	<p>Directors of the following agencies:</p> <p>Arizona Health Care Cost Containment System</p> <p>Departments of:</p> <p>Corrections</p> <p>Economic Security</p> <p>Health Services</p> <p>Juvenile Corrections</p> <p>Public Safety</p>	<p>A representative from each of the following:</p> <p>A local community or neighborhood group</p> <p>Arizona Board of Regents</p> <p>Arizona Criminal Justice Commission</p> <p>League of Cities and Towns</p> <p>State Board of Directors for Community Colleges</p> <p>The business community</p>

¹ A total of 16 members.

Source: Arizona Revised Statutes §41-617.

Although the Council includes representatives from a wide range of agencies, it has no dedicated budget or personnel. Historically, the Council has relied primarily on the Arizona Drug and Gang Prevention Resource Center and member agency staffing contributions to fulfill its statutory mandates. Specifically, the Center conducts the annual inventory of substance abuse and gang prevention and treatment programs and maintains a clearinghouse of information pertaining to these issues. In fiscal years 1998 and 1999, the Center was appropriated selected Superior Court fees of \$205,200¹ and \$207,400, respectively, to provide these services for the Council. In addition, the Council has established a working group comprised of 20 staff from member agencies to aid it in fulfilling its mandates. Finally, the Governor’s Division of Drug Policy assists the Council in fulfilling its mandates by supplying staff and support services to administer the Council’s and working group’s activities.

¹ Although appropriated \$205,200 in fiscal year 1998, the Center received only \$203,000 due to a reduction in fees collected during this year.

This includes coordinating the Council's quarterly meetings, taking meeting minutes, preparing meeting agendas, chairing the working group, and assisting with the development of the Council's comprehensive strategic plan, a plan that presents goals and strategic directions for reducing drug use and gang participation in the State.

In addition, because the Council has no dedicated funding, it has relied on federal grants received by member agencies to help finance its activities. Currently, the Council is relying on \$2.22 million from three grants for use between fiscal years 1998-2001:

- **The Data Collection Grant**—This grant, consisting of \$1.2 million over two years, is provided by the U.S. Department of Education and administered by the Arizona Drug and Gang Prevention Resource Center. Its purpose is to assist states in developing data collection mechanisms to judge the effectiveness of substance abuse prevention programs.
- **The State Incentive Program**—Funding for this program is provided by the U.S. Center for Substance Abuse Prevention and administered by the Governor's Division of Drug Policy and the Department of Health Services. These agencies have made available \$300,000 per year for the next three years to the Council to better coordinate substance abuse prevention resources, implement best practices, and measure the effectiveness of prevention programs.
- **The Needs Assessment Grant**—This funding is provided by the U.S. Center for Substance Abuse Prevention and administered by Arizona's Department of Health Services (DHS). DHS has made available \$125,000 over three years to the Council to identify specific substance abuse prevention programming needs in order to implement programs that are more appropriate and effective for identified problems.

Audit Scope and Methodology

This audit focuses primarily on the Council's ability to meet its mandates dealing with coordination and evaluation. To determine the extent to which the Council fulfills this requirement, two Council meetings and three working group meetings were observed, and minutes of previous Council and working group meetings were reviewed from February 1995 to September 1998 and January 1995 to February 1999, respectively. In addition, current Council and working group members were interviewed to determine the progress made in evaluating programs and the obstacles encountered while attempting to fulfill this mandate. Auditors' work also included a review and analysis of:

- The Council's Annual Substance Abuse and Gang Prevention Program Inventory of publicly supported substance abuse and gang education, prevention, and treatment programs;

- The Comprehensive Strategic Plan, which contains goals and strategic directions to be implemented over the next five years to reduce substance abuse and gang participation;
- The statewide indicators that will be used to measure the impact of the State's efforts in reducing substance abuse and gang participation;
- The grant funding used to finance the Council's recent activities in developing an evaluation system; and
- Literature regarding best practices and program evaluations of substance abuse and gang programs.

Finally, other states were contacted to determine how they coordinate and evaluate substance abuse prevention activities that are funded by numerous state agencies.¹

This report presents a finding and recommendations regarding the Council's need to take additional measures to ensure that a statewide coordination and evaluation process is fully implemented.

This audit was conducted in accordance with government auditing standards.

The Auditor General and staff express appreciation to all the council and working group members, the Director of the Governor's Division of Drug Policy and staff, and the Director of the Arizona Drug and Gang Prevention Resource Center and staff for their cooperation and assistance throughout this audit.

¹ Alaska, Colorado, Connecticut, Delaware, Iowa, New Mexico, New York, Oregon, and Washington were contacted. These states were identified as being active in evaluating their substance abuse programs and/or were implementing evaluation systems similar to Arizona's.

FINDING I

COUNCIL MOVES FORWARD IN COORDINATING AND EVALUATING SERVICES, BUT ADDITIONAL MEASURES ARE NEEDED

The Council has made progress in developing a statewide accountability system to address its coordination and evaluation mandates, but there are two reasons why continued implementation of the system may be at risk.

- **First**, the current effort is being sustained with grant funding—an uncertain funding source that can be applied to only some aspects of the Council’s responsibilities.
- **Second**, the Council has no assurance that agencies will agree to apply funding to those programs and approaches that have the greatest opportunity for success.

As such, the Council should seek additional funding sources to ensure continued implementation of the accountability system. In addition, the Council should seek commitments from all participating agencies to identify all permissible monies for redirection and work with member agencies and the Governor to redirect these resources to effective programs.

Background and Follow-Up

Legislative mandate requires the Council to coordinate and evaluate publicly supported treatment and prevention programs for substance abuse and gang participation. It is also required to make recommendations to the Governor and the Legislature for revising these programs or redirecting expenditures to achieve better use of public resources. Arizona funded over \$87 million for 824 substance abuse and gang prevention and treatment programs in fiscal year 1998. By fulfilling its mandate, the Council can ensure that these resources are being spent effectively to reduce Arizona’s substance abuse and gang problems.

A 1996 Sunset review (Auditor General Report No. 96-11) found that the Council was ineffective in coordinating and evaluating substance abuse and gang prevention and treatment programs. Specific problems included poor attendance at council meetings, lack of program evaluations, and lack of monetary support. To enhance effectiveness, the report recommended that the Council improve its attendance and pursue all possible funding options to implement a statewide accountability system. These funding options included dividing the cost among member agencies, and/or seeking external grants.

The Council's attendance has since improved sufficiently to obtain a quorum at meetings. In fact, Council attendance has almost doubled with an average of 10 out of 16 members currently attending, including the Governor, Attorney General, Maricopa County Attorney, and several state agency directors or their designees. (For more information on the Council's improved attendance, see Sunset factor 2, pages 13 through 14.)

Council Takes Steps to Meet Coordination and Evaluation Mandates

Since the 1996 report, the Council has moved forward in addressing its coordination and evaluation mandates. The Council has identified three key components of an accountability system to coordinate resources and measure the effectiveness of prevention and treatment activities across the State and is working to develop each component. The three components include:

- The development of indicators that will measure the impact programs have in reducing substance abuse and gang participation in the State;
- Identification of practices that yield the most successful results; and
- Development of a standardized contract requiring service providers that contract with member agencies to use best practices and perform program evaluations.

Indicators will help measure impact of the State's efforts—The Council has approved and begun collecting data on ten indicators that measure the impact of the State's efforts in reducing substance abuse and gang participation. These indicators were established using national indicator models and chosen based on such factors as availability of data, relevance to Arizona's substance abuse and gang problems, and the importance of the data for state planning purposes. As indicated in the Appendix (see pages a-i through a-iv) these indicators range from the number of gang members as reported by the Department of Public Safety to the rate of alcohol, tobacco, and other drug use by youth as reported by the Arizona Criminal Justice Commission.

While these indicators will not speak to the effectiveness of individual programs, the Council plans to annually collect indicator data at both the state and community levels to gauge the impact that programs have had in a particular geographical area. More specifically, this information will provide a broad overview of how successful overall efforts have been in reducing substance abuse and/or gangs in that region. For example, a reduction in the indicators may generally indicate that current efforts are effective in addressing substance abuse

and gang problems for that particular area and should continue to receive funding. However, an increase in the indicators may require further action, such as further evaluation of programs to confirm their effectiveness in a geographical area, revision of existing programs, or redirection of funding to other programs.

Identification of successful practices will ensure more effective use of resources—In addition to approving the ten indicators, the Council is developing a guide, “*Promoting Good Practice*,” to ensure service providers use practices that have demonstrable effectiveness in reducing substance abuse and gang problems. The guide:

- Highlights research findings that demonstrate which programs are successful and the reasons for their success;
- Shares the ingredients of success underlying such programs; and
- Provides a tool for policymakers who must decide where and how to invest scarce resources.

Service providers can use the guide to implement more effective programs. For example, research indicates that peer mentoring through programs such as Big Brothers/Big Sisters effectively reduces the onset of drug abuse for children between the ages of 10 to 14.¹ The draft guide includes this type of information and the practices that make this program successful. The Council plans to review and discuss the draft guide during its May 1999 meeting.

Model contract will require specific outcomes, use of best practices, and program evaluations—The Council is also in the process of developing a model request for proposal (RFP) for substance abuse and gang prevention and treatment programs. This model RFP will require contractors providing prevention and treatment services to specify program outcomes, use best practices, and perform evaluations of their programs. Specifically, the model RFP will, among other things, require contractors to specify the outcomes they will seek to achieve with state funds. These outcomes should be one of the ten indicators currently approved by the Council to ensure that prevention and treatment services relate to those indicators that will be measured at the State and community levels. In addition, contractors will be required to specify the “best practices” that their methodology will encompass and correlate these “best practices” to those identified in the “*Promoting Good Practices*” guide.

The model RFP will also require that all providers evaluate their programs. However, the type of evaluation required may vary based on such factors as program funding and whether the program has already been evaluated. For example, for programs already proven effective, an evaluation would ensure only that the program is being implemented according to originally evaluated methods. For larger programs not already evaluated but

¹ Western Center for the Application of Prevention Technology, “*Best Practices Summary Table*.”

using best practices, a more rigorous evaluation that demonstrates effectiveness would be required. The Council is considering varying the evaluation requirement so as to not burden small programs or programs already proven effective with costly evaluations. The Council expects to complete a draft RFP model by April 1999.

Council's Progress Dependent on Future Funding and Agency Commitments

While the Council has made significant progress in developing the statewide accountability system, fulfillment of the Council's evaluation mandate may be at risk for two reasons.

- First, because the Council relies on grants as its primary funding source, its efforts are limited to those activities specifically within the grants' scope and purpose and are also subject to a lack of funding when the grant ends.
- Second, there is no mechanism for ensuring that member agencies follow best practices and redirect funding to those approaches that are shown to be most effective.

Reliance on grants limits Council's efforts—The Council's reliance on grants may impact its progress in developing and implementing the statewide accountability system. Without dedicated funding, the Council has had to rely on three grants totaling \$2.22 million to finance its evaluation activities, including the development of the best practices guide and the statewide indicators.¹ While grants have allowed the Council to progress, reliance on them as a funding source creates some difficulties. Specifically:

- **The Council's activities are limited to the grants' scope and purpose**—The three grants the Council currently receives are specific to preventing substance abuse. As a result, they cannot be applied to programs aimed at treating substance abuse or to programs aimed at preventing or treating gang-related problems. While the concepts identified, such as the best practices guide, could apply to all programs, the Council has money to apply them only to substance abuse prevention programs. Without additional funding, gang and treatment programs may not be included in the accountability system. According to the federal Center for Substance Abuse Prevention (CSAP), the agency that provides many of these grants, in the future, grants will continue to be specialized, addressing certain populations or geographical areas.
- **Unstable grant monies make it difficult to plan future activities**—Reliance on grant monies as a source of funding makes planning for future activities difficult. CSAP con-

¹ Although the Center receives some funding from court fees, these monies produce the *Annual Substance Abuse Program Inventory* and support the clearinghouse of substance abuse and gang information.

firmed that not only are federal grant opportunities limited and competitive, their sporadic nature cannot provide a consistent source of funding. For example, CSAP initially offered the State Incentive Grant to only five states. Although Arizona applied, its application was not sufficient to receive the award. Once the federal government's fiscal year 1998 budget was approved, CSAP funded an additional 14 states, including Arizona. However, when the three grants discussed above expire in the year 2001, it is unclear how the Council's activities will be funded.

- **Redirection of funding dependent on agency commitment**—In addition to unstable funding, the Council's progress in implementing an accountability system is at risk unless agencies agree to redirect resources to programs that are proven to be effective. A.R.S. §41-617 requires the Council not only to evaluate the effectiveness of programs, but to make recommendations to the Legislature and Governor to redirect resources and achieve better use of these resources. However, state agencies that fund these programs are under no obligation to shift resources to effective programs based on evaluation results. For example, despite substantial evidence indicating that Drug Abuse Resistance Education (DARE) programs are not effective in reducing substance abuse among youth, some member agencies spent about \$461,000 in fiscal year 1998 to fund DARE programs because of their popularity.¹ This spending occurs in spite of the Council's own Annual Inventory discussing the program's shortcomings. Unless Council members redirect resources within their own agencies based on evaluation results, an accountability system will lose its value.

Council Should Take Additional Measures to Ensure Accountability System Is Implemented

To fulfill its coordination and evaluation mandates, the Council needs to take additional measures. First, the Council should seek additional funding sources to ensure continued operation of the accountability system and expansion of the system to include all programs. Second, the Council should seek formal agreements from all participating agencies to ensure their commitment in redirecting resources once evaluation results are available.

The Council needs to pursue funding to fully implement accountability system—To continue its progress in meeting its evaluation mandate, the Council needs to seek ways to finance continued implementation of the accountability system and expand it to include all programs. The Council has estimated an initial cost of approximately \$447,000 to implement an expanded system and an annual figure of about \$476,000 to sustain the system once it is fully operational. The annual figure includes support for approximately 7 FTE to compile and report on the statewide and community indicators, update the best practices guide, and

¹ Office of Justice Programs, "Preventing Crime: What Works, What Doesn't and What's Promising," 1997.5-35. Arizona Drug and Gang Prevention Resource Center, "1988 Arizona Drug and Gang Prevention and Treatment Program Inventory," 1999.1.15.

conduct a biennial needs assessment to determine which programs are needed for various communities. In addition, staff would review and verify individual program evaluations based on indicator results and conduct additional evaluations, if necessary. The estimate also includes enhancing and verifying the annual *Substance Abuse and Gang Prevention Program Inventory*. According to the Arizona Drug and Gang Prevention Resource Center, the Inventory is currently produced using self-reported information. The Center indicated it would use the additional monies to verify agency data through a sampling method. As indicated earlier, the Center already receives approximately \$200,000 per year from selected Superior Court fees and has historically used these monies, in part, to produce the Inventory.

Because existing grant funding for implementing the accountability system will expire by 2001 and will not include any gang or treatment programs, the Council should pursue all possible funding options including:

- Continuing to seek additional external grants to support the system.
- Seeking a legislative change that would require member agencies to support the accountability system through their existing budgets. Doing so would require revision of A.R.S. §41-617. This section of the law already requires member agencies to supply staff and support services for the Council. Funding for evaluation services could be sought as another required contribution.
- Seeking a General Fund appropriation to finance the system. Council members previously agreed to pursue this option in response to the 1996 Sunset report. However, to date, no action has been taken.

The Council should identify and redirect resources through agency agreements—In addition to securing future funding, the Council should seek commitments from member agencies to identify all permissible monies for redirection. Once identified, the Council should work with member agencies and the Governor to redirect these resources to effective programs. For example, member agencies that use the model RFP are implicitly agreeing to redirect monies because the structure of the RFP will require that only programs whose effectiveness has been documented will be funded. However, the state of Connecticut has addressed redirection of resources differently by signing an inter-agency agreement among the various agencies that fund prevention programs. Specifically, at the Governor's request, state agencies estimated the amount of all federal and state resources that would be legally permissible to re-direct toward more effective uses. Of the total \$58 million in prevention funding in Connecticut, agencies estimated about \$13 million of this could be re-directed. Included in the monies to be redirected were the federal Safe and Drug Free Schools and Communities monies provided by the U.S. Department of Education. Additionally, officials in Oregon and Delaware agree that interagency agreements can ensure agency support to redirect resources.

While some of Arizona's funding may be tied to specific requirements, which preclude it from being redirected, other funding could be reallocated. For example, in fiscal year 1997, the Council's working group identified a total of approximately \$13 million that could potentially be redirected. This figure includes monies from the Department of Health Services, the Department of Education, the Supreme Court, and others. Obtaining commitments from agencies to identify and redirect all permissible monies based on evaluation results may increase the likelihood of directing funding to effective programs.

Recommendations

1. The Legislature should consider revising A.R.S. §41-617 to require member agencies to support the accountability system with existing resources.
2. The Council should pursue funding options for funding the development and sustainability of the accountability system, such as:
 - a) Continuing to seek additional external grants to support the system.
 - b) Seeking a General Fund appropriation to finance the system. Council members previously agreed to pursue this option in response to the 1996 Sunset report (Auditor General Report No. 96-11). However, to date, no action has been taken.
3. The Council should seek commitments from member agencies to identify all permissible monies for redirection. Once identified, the Council should work with member agencies and the Governor to redirect these resources to effective programs.

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SUNSET FACTORS

In accordance with A.R.S. §41-2954, the Legislature should consider the following 12 factors in determining whether the Drug and Gang Policy Council should be continued or terminated.

1. The objective and purpose in establishing the agency.

The Drug and Gang Policy Council was created in 1990 to coordinate and evaluate all state programs relating to substance abuse and gangs and to make recommendations to the Governor and Legislature for revising and/or redirecting expenditures to achieve better use of public resources.¹

2. The effectiveness with which the agency has met its objectives and purposes and the efficiency with which the agency has operated.

The Council's effectiveness has improved since the last Auditor General report in 1996, with particular progress toward developing an evaluation system. Specifically, the Council has developed key components of an evaluation system, such as successful practices to reduce substance abuse and gangs, statewide indicators to measure the impact of the State's efforts, and a model contract that would require service providers to use best practices and perform program evaluations. However, its ability to implement this system is at risk due to its reliance on grant funding and a lack of formalized agency agreements (see Finding I, pages 5 through 11).

In addition, the Council's attendance at meetings has also improved. The 1996 report noted that the Council's effectiveness was hindered by an inability to obtain a quorum at meetings. Between February 1994 and June 1996, an average of only 5 out of 17 members attended meetings. However, between January 1998 and March 1999, attendance had almost doubled with an average of 10 out of 16 members in attendance during this time.² Despite this improvement, certain members are still consistently absent from meetings. Specifically, the Arizona Criminal Justice Commission representative has attended only two meetings since February 1995. Furthermore, between January 1997 and January 1999, positions from the business community and the League of Cities and Towns were vacant, bringing the number of routine ab-

¹ When the Council was created in 1990, it was called the Drug Policy Council. Its name and scope were changed in 1991 to include gangs.

² In 1997, the Legislature terminated the Drug Enforcement Task Force, thus eliminating the task force member on the Council and reducing its membership to 16.

sences to at least 3 for most meetings. While a representative from the business community was appointed in January 1999, the League of Cities and Towns' position was still vacant as of March 1999. These absences/vacancies make it more difficult for the Council to obtain a quorum, potentially jeopardizing its effectiveness.

3. The extent to which the agency has operated within the public interest.

The Council generally operates in the public interest by bringing together state agency representatives and community leaders who are dedicated to reducing the incidences of substance abuse and gang participation in Arizona. Through its comprehensive membership, the Council can make recommendations to the Legislature regarding expenditures for substance abuse and gang prevention and treatment programs.

4. The extent to which rules and regulations promulgated by the agency are consistent with the legislative mandate.

The Council has no authority to promulgate rules and regulations.

5. The extent to which the agency has encouraged input from the public before promulgating its rules and regulations and the extent to which it has informed the public as to its actions and their expected impact on the public.

Although the Council has no authority to promulgate rules and regulations, all council meetings are open to the public. Our review found that the Council follows Open Meeting Law requirements.

6. The extent to which the agency has been able to investigate and resolve complaints that are within its jurisdiction.

The Council has no authority to investigate complaints.

7. The extent to which the Attorney General or any other applicable agency of state government has the authority to prosecute actions under enabling legislation.

This factor does not apply to the Council.

- 8. The extent to which the agency has addressed deficiencies in the enabling statutes which prevent it from fulfilling its statutory mandate.**

The Council has not proposed any legislative changes since our last Sunset review in 1996.

- 9. The extent to which changes are necessary in the laws of the agency to adequately comply with the factors listed in the subsection.**

The Legislature should consider revising A.R.S. §41-617 to require member agencies to provide funding to support the accountability system. This statute already requires member agencies to supply staff and support services for the Council at the Governor's direction. Funding for evaluation services could be added as another required contribution.

- 10. The extent to which the termination of the agency would significantly harm the public health, safety, or welfare.**

Although termination of the Council would not significantly harm the public health, safety, or welfare, its membership provides the potential for broad interagency and community collaboration on drug and gang prevention and treatment issues. Moreover, as there is no other entity that allows for such substantial cooperation, the Council has a unique opportunity to make a positive impact on the State's drug and gang problems. In particular, its recent progress in developing an evaluation system can assist in ensuring that the \$87 million spent on substance abuse and gang prevention and treatment programs is used in the most effective manner.

- 11. The extent to which the level of regulation exercised by the agency is appropriate and whether less or more stringent levels of regulation would be appropriate.**

The Council has no regulatory authority.

- 12. The extent to which the agency has used private contractors in the performance of its duties and how effective use of private contractors could be accomplished.**

The Council has recently used private consultants to facilitate working group meetings to ensure time spent at these meetings is used effectively. In addition, the Council intends to use private consultants when operating the evaluation system.

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Agency Response

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April 20, 1999

Mr. Douglas R. Norton
Auditor General
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Suite 410
Phoenix, AZ 85018

Dear Mr. Norton:

Thank you for the opportunity to respond to the Auditor General's performance audit of the Arizona Drug and Gang Policy Council. We are pleased that you have recognized the Council's progress over the past two years and find your recommendations fair and thoughtful.

The report cites a variety of positive accomplishments and directions. We would like to take this opportunity to elaborate on areas that were not included in the report.

We would like to recognize the Council members for their dedication to improving Arizona's response to drug and gang problems. As mentioned in the report, participation in the quarterly Council meetings has risen dramatically and major steps have been taken including adoption of *The Comprehensive Strategic Plan for Substance Abuse and Gang Prevention, Education, and Treatment* and the *Statewide Scorecard Indicators*. The Governor has provided significant support and has made it a priority to ensure that her and her executive staff are available for Council activities.

The members of the Working Group have been exemplary in their commitment and dedication to the Council's mission. They have been instrumental in developing *The Comprehensive Strategic Plan for Substance Abuse and Gang Prevention, Education, and Treatment*, the *Statewide Scorecard Indicators*, the *Promoting Good Practice* guide and the model request for proposals format. Their participation and leadership in monthly Working Group meetings and various subcommittees has greatly improved Arizona's efforts to decrease substance abuse and gang violence.

The Arizona Drug and Gang Prevention Resource Center and its staff have been a driving force in securing grant funding for and creating the *Statewide Scorecard Indicators* and the *Promoting Good Practices* guide, identifying

additional sources of revenue to support the Council's mission, and conceptualizing and assisting with the implementation of Council activities. Their expertise and vision have been instrumental in realizing the Council's achievements over the past two years.

Our responses to the recommendations follow:

Recommendation 1: The Legislature should consider revising A.R.S. §41-617 to require member agencies to support the accountability system with existing resources.

The finding of the Auditor General is agreed to and a different method of dealing with the finding will be implemented. We agree that the work of the Council should be supported by a consistent source of funds. However, we are not certain of the best way to achieve this end nor do we presume to know if the Legislature would consider such a request. We would like to have available to us a range of opportunities for future funding of the Council, including those that are recommended.

Recommendation 2: The Council should pursue funding options for funding the development and sustainability of the accountability system such as:

- a) Continuing to seek additional external grants to support the system.*
- b) Seeking a General Fund appropriation to finance the system.*

The finding of the Auditor General is agreed to and a different method of dealing with the finding will be implemented. Again, we agree with securing additional resources but do not want to limit our options to those recommended. A General Fund appropriation is also contingent on legislative approval, something of which we are not in complete control. While we agree with the potential for funds from the Auditor General and the General Fund, we are unable at this time to determine if it would be more advantageous to consider both sources, just one source, or completely different sources for future funding.

Recommendation 3: The Council should seek commitments from member agencies to identify all permissible monies for redirection. Once identified, the Council should work with member agencies and the Governor to redirect these resources to effective programs.

The finding of the Auditor General is agreed to and a different method of dealing with the finding will be implemented. Redirection can still occur if an explicit commitment is not provided. By approving the RFP format, Council members are implicitly agreeing to redirect funds because the structure of the RFP will require that only programs whose effectiveness has been documented will be funded. Similarly, approval of the indicators would suggest an implicit agreement to target programs to ensure the indicators are impacted. It should also be pointed out that categorical or restricted program funding can still use best practices. It is our intention to ensure that these more restricted resources are also used in an effective manner.

We have appreciated this opportunity to work with the Office of the Auditor General and its staff. While such a review can be time consuming, it affords a chance to examine the Council's work in an objective and critical way and identify areas for improvement.

Thank you again for this opportunity to respond.

Sincerely,

Peggy Eggemeyer
Director

cc: Alan Brown, Director, Research, Planning, and Special Projects, Arizona
Prevention Resource Center
Gail Chadwick, Director, Arizona Drug and Gang Prevention Resource Center
Elizabeth Reich, Executive Director, Governor's Community Policy Office
George Weisz, Executive Assistant for Criminal Justice

Appendix

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Appendix

Drug and Gang Policy Council Ten Indicators that Measure Impact of Statewide Efforts to Reduce Substance Abuse and Gang Participation Adopted by the Council in September 1998

Indicators (Problems to be Measured)	Definition (Reported Method of Measurement)	Source of Data
Prenatal alcohol and tobacco used by pregnant females	<ul style="list-style-type: none"> ■ Rate of prenatal alcohol used per 1,000 live births ■ Rate of prenatal tobacco used per 1,000 live births ■ Rate of prenatal alcohol and tobacco used per 1,000 live births 	<ul style="list-style-type: none"> ■ Arizona Department of Health Services ■ Arizona Department of Health Services ■ Arizona Department of Health Services
Households in community below poverty level ¹	<ul style="list-style-type: none"> ■ Rate of households living in poverty per 100 households ■ Ratio of students receiving free/reduced-priced lunch and/or breakfast to the general school population 	<ul style="list-style-type: none"> ■ Arizona Department of Economic Security ■ Arizona Department of Education
Early first use of substances	<ul style="list-style-type: none"> ■ Age group of those indicating first use per students surveyed 	<ul style="list-style-type: none"> ■ Arizona Criminal Justice Commission

(continued)

¹ Indicator to be used for needs assessment only.

Appendix (Cont'd)

Drug and Gang Policy Council Ten Indicators that Measure Impact of Statewide Efforts to Reduce Substance Abuse and Gang Participation Adopted by the Council in September 1998

Indicators (Problems to be Measured)	Definition (Reported Method of Measurement)	Source of Data
Substance use rates for youth, family, elders, and community for alcohol, tobacco, and other drugs	<ul style="list-style-type: none"> ■ Rate of alcohol, tobacco, and other drug use by youth as indicated in survey ■ Rate of alcohol/drug used by adults as indicated in survey ■ Number of licensed retail alcohol outlets <p>Percentage of successful youth (16 to 17 years of age) buys per attempts</p>	<ul style="list-style-type: none"> ■ Arizona Criminal Justice Commission ■ Arizona Department of Health Services ■ Arizona Department of Liquor Licenses and Control; Arizona Department of Revenue ■ Arizona Department of Health Services
Gang membership identification and association	<ul style="list-style-type: none"> ■ Number of gang members and associates 	<ul style="list-style-type: none"> ■ Arizona Department of Public Safety
Domestic violence and abuse	<ul style="list-style-type: none"> ■ Type and frequency of domestic violence offenses ■ Number of child abuse reports/investigations ■ Number of elder abuse reports/investigations 	<ul style="list-style-type: none"> ■ Arizona Department of Public Safety and Governor's Division for Domestic Violence Prevention ■ Arizona Department of Economic Security ■ Arizona Department of Economic Security

(continued)

Appendix (Cont'd)

Drug and Gang Policy Council Ten Indicators that Measure Impact of Statewide Efforts to Reduce Substance Abuse and Gang Participation Adopted by the Council in September 1998

Indicators (Problems to be Measured)	Definition (Reported Method of Measurement)	Source of Data
School-based youth violence and discipline incidents	<ul style="list-style-type: none"> ■ Rate of discipline and violence incidents per 1,000 population: violence, weapons, and substance abuse 	<ul style="list-style-type: none"> ■ Arizona Department of Education
Positive drug testing results	<ul style="list-style-type: none"> ■ Number and rate of inmate positive drug tests per total number of inmates tested ■ Rate of positive drug tests per total number administered for probation and parole system ■ Rate of positive drug tests per total administered for workplaces 	<ul style="list-style-type: none"> ■ Arizona Department of Corrections ■ Treatment Assessment Screening Center ■ Treatment Assessment Screening Center
Alcohol/drug-related arrests	<ul style="list-style-type: none"> ■ Number of juvenile alcohol/drug-related arrests ■ Number of adult alcohol/drug-related arrests ■ Number of juvenile and adult DUI 	<ul style="list-style-type: none"> ■ Arizona Department of Public Safety ■ Arizona Department of Public Safety ■ Arizona Department of Public Safety

(continued)

Appendix (Concl'd)

**Drug and Gang Policy Council
Ten Indicators that Measure Impact of Statewide Efforts
to Reduce Substance Abuse and Gang Participation
Adopted by the Council in September 1998**

Indicators (Problems to be Measured)	Definition (Reported Method of Measurement)	Source of Data
Alcohol, tobacco, and other drug-related deaths and injuries	<ul style="list-style-type: none"> ■ Number of persons, by age groups, killed and/or injured in alcohol-related crashes ■ Calculated economic loss due to alcohol-related crashes ■ Number of drug-related deaths ■ Number of alcohol, tobacco, and other drug-related deaths and injuries by age group 	<ul style="list-style-type: none"> ■ Arizona Department of Public Safety ■ Arizona Department of Public Safety ■ Arizona Department of Public Safety ■ Arizona Department of Health Services

Source: Arizona Drug and Gang Prevention Resource Center.