YELLOWSTONE COUNTY
PUBLIC SAFETY FUNDING REQUEST

Innovative Probation Program

Expansion to Deferred Prosecution

Submitted by:
Alternatives, Inc.
In Collaboration with:
Yellowstone County Attorney's Office | Yellowstone County Justice Court

Submitted to:
Yellowstone County Board of Commissioners

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Executive Summary

Alternatives, Inc. respectfully requests public safety funding from Yellowstone County to support the expansion of the Innovative Probation (IP) program. This collaborative initiative, developed in partnership with the Yellowstone County Attorney's Office and Yellowstone County Justice Court, has demonstrated compelling results since its inception and is now positioned to grow into a full deferred prosecution model under the guidance of Judge Carter and County Attorney Twito.

Yellowstone County Jail is overcrowded, with approximately 99% of its population held on felony charges. Within that population is a group that does not need to be there: individuals awaiting sentencing on felony drug possession charges who pose no violent threat, whose underlying driver is substance use, and who are consuming expensive jail beds at $110 per day while waiting months for a court date with no treatment and no intervention. IP intercepts this population before that cycle begins.

It is important to be clear about what this program does and does not do. IP does not reduce the overall jail headcount. The jail is so overcrowded that as one person is diverted, another who needs to be there takes that space. What IP does is ensure that each bed is used appropriately, by someone who poses a genuine public safety risk, not by a drug possession defendant waiting months for a court date. That is a more responsible use of a scarce and expensive public resource.

Over six fiscal years (FY 2019–20 through FY 2025–26), the program has served 251 individuals. Of the 225 cases closed to date, 162 (77%) resulted in successful completions. In our most recently completed fiscal year (FY 2024–25), the success rate reached 82%, and in the current year to date (FY 2025–26) it stands at 90%. Of the 84 active participants currently enrolled, only 2 have received violations, a violation rate of less than 2.4%, matching the PIVOT program in Gallatin County exactly.

> **The ask: $100,000 per year for a 2–3 year term. The estimated return: $1,927,200 in annual jail bed costs avoided, reduced court caseload, more individuals employed and in treatment, and fewer felony records in Yellowstone County.**

The Problem: Jail Overcrowding and the Sentencing Pipeline

Yellowstone County Jail is overcrowded. Approximately 99% of the current jail population is held on felony charges. Within that population is a group that does not need to be there, individuals awaiting sentencing on felony drug possession charges who have not been convicted, pose no violent threat to the community, and whose underlying issue is substance use, not danger. They sit in expensive jail beds for months simply because the system has not yet had the opportunity to act on their case.

During that waiting period, each individual costs the County approximately $110 per day. They receive little to no treatment. They lose employment, strain family relationships, and often accumulate additional charges, making their eventual case more complex and expensive for the court. The Innovative Probation Deferred Prosecution expansion intercepts this population before that cycle starts.

IP does not reduce the overall jail headcount. The jail is so overcrowded that as one person is diverted, another who needs to be there fills that space. What IP does is ensure that each bed is used appropriately, by someone who poses a genuine public safety risk, not by a drug possession defendant waiting months for a court date. That is a better, more responsible use of a scarce and expensive public resource.

> **Every participant diverted to the IP program frees a bed for an individual who actually needs to be incarcerated, while avoiding $110/day in direct costs for that participant.**

This is not Drug Court. The key differences:

- Drug Court requires a guilty plea and formal adjudication, IP Deferred Prosecution operates pre-sentencing, intercepting individuals before the full weight of the felony process
- Drug Court serves individuals already deeper in the system, IP targets those newly charged and awaiting disposition, diverting them before the court caseload accumulates further
- IP participants are supervised by Alternatives' credentialed misdemeanor probation officers, already funded and operational, this expansion requires minimal new infrastructure
- Alternatives is already funded by the County to provide supervision services, this request expands that existing investment to reach a higher-need population at the earliest point of intervention

The result: jail beds used more appropriately, court caseloads reduced, and individuals connected to treatment that addresses the root cause of their behavior, before a felony record makes rehabilitation harder.

Projected Value: Jail Bed Costs Avoided

Based on program capacity of 120 clients and a conservative 40% success rate at keeping participants out of jail during the program period, the projected annual jail bed costs avoided are:

Assumption	Value
Program capacity (clients)	120
Average length of stay in program	216 days
Daily jail bed cost (Yellowstone County)	$110/day
Conservative diversion success rate	40%
Estimated annual jail bed days avoided	~10,368 days
Estimated annual jail bed cost avoided	**$1,927,200**

> **The County's $100,000 investment avoids an estimated $1,927,200 in annual jail bed costs, approximately $19 in value for every $1 requested, while freeing those beds for individuals who pose genuine public safety risks.**

Program Background

What Is Innovative Probation?

Innovative Probation (IP) is a structured misdemeanor probation program administered by Alternatives, Inc. through its Beta Jail Alternatives division. At the time of sentencing, specific incentives are built into the probation terms to motivate compliance and positive life change. The program works with individuals with misdemeanor convictions to develop financial, professional, and personal growth.

Key features of the incentive structure include:

- Credit against fines for maintaining compliance with program requirements and receiving no violations
- Reduced incarceration time for meeting program conditions or achieving significant personal or professional goals
- Employment credits for securing and maintaining employment and staying current with programming fees
- Phase advancement that reduces supervision intensity and fees as participants demonstrate sustained compliance

Each Misdemeanor Probation Officer carries a caseload of 100–120 clients and will make referrals for wraparound services including Substance Use Disorder (SUD) assessments, Mental Health assessments, referrals to treatment, Vocational Services, and housing application assistance.

The Deferred Prosecution Expansion

The proposed expansion, developed collaboratively with Judge Carter and County Attorney Twito, retains the core IP model while extending eligibility to individuals facing both misdemeanor and certain felony charges. The program will specifically target individuals charged with Criminal Possession of Drugs (CPDD) or Drug Paraphernalia, and Criminal Endangerment where CPDD is the underlying cause.

The following individuals are NOT eligible for the deferred prosecution track:

- Any felony offense involving a victim
- Firearm-related felony offenses
- Violent offenses (felony or misdemeanor)
- Individuals eligible for Treatment Courts
- Felony DUI

Under the deferred prosecution model, eligible participants will admit to the misdemeanor charges and agree to enter the program, which includes:

- Monitoring and supervision for 9–12 months
- Completion of a Substance Use Disorder (SUD) assessment
- Completion of any recommended treatment
- Compliance with all program fees and requirements

Upon successful completion, the felony charges may be dismissed, and fees paid toward the program will be credited at the court toward associated fines. This model specifically addresses the pipeline problem of individuals waiting months for sentencing while continuing to use substances and potentially accumulating additional charges.

This population is specifically targeted because their primary driver is substance use disorder, not violence, not danger to others. For them, community supervision and treatment is both appropriate and effective. Incarceration while awaiting sentencing serves no public safety purpose and actively works against rehabilitation by severing employment and family ties.

What the County Is Buying: Budget Breakdown

The $100,000 annual funding request supports the operation of the Innovative Probation / Deferred Prosecution program for 120 clients. The program is designed to be substantially self-sustaining through participant-paid fees, with County funding covering the personnel and supply infrastructure that makes the program possible.

Annual Budget , $100,000 County Ask

Budget Item	Annual Cost	Notes
Full-Time Supervision / Case Management Staff	$64,400	*$56K base + 15% benefits*
Drug Patch / UA Supplies and Testing	$3,585	*Startup/supply costs*
Client Fee Subsidy Reserve (indigent / hardship cases)	$32,015	*~12% of client fees*
TOTAL COUNTY REQUEST	**$100,000**	*Annual, per year*

Sources of Income: How the Program Funds Itself

The Innovative Probation model is designed so that participant fees offset operational costs. County funding provides the foundation, participants fund the ongoing operations. At full capacity of 120 clients, participant fees are projected to generate $264,000 annually:

Revenue Source	Annual Amount
Participant supervision fees ($2,200/client/year × 120 clients)	$264,000
Yellowstone County Public Safety Funding (requested)	$100,000
TOTAL PROGRAM REVENUE	**$364,000**

The $32,015 fee subsidy reserve accounts for the realistic expectation that some clients will be indigent or will miss payments. This cushion ensures program integrity is not compromised by ability-to-pay issues.

Funding Term: 2–3 Year Commitment

Alternatives requests a 2–3 year funding term at the fixed annual amount of $100,000. A term commitment is important for three reasons:

- It allows the program to grow into the 120-client capacity without disruption from annual funding uncertainty, current staff can absorb initial enrollment, with capacity to add personnel as the program expands
- It provides a sufficient data collection window to demonstrate outcomes and support renewal, one year is not enough to show the full arc of a 9–12 month program
- A term allows the program to prove its worth and build a data-supported case for expansion, a smaller initial ask with a clear proof-of-concept timeline is a lower-risk investment for the County

At the end of the term, Alternatives will provide a comprehensive outcome report to the Commissioners demonstrating performance against all agreed metrics, with a data-supported request for renewal or expansion.

Outcome Measures: How We Define and Prove Success

Alternatives commits to tracking and reporting the following outcomes on a quarterly basis. These metrics directly address the core questions: Is this keeping people out of jail? Is it reducing court caseload? Is it treating substance use? Is it producing lasting change?

Outcome Category	What We Will Measure and Report
Jail Diversion	Number of participants kept out of jail; estimated bed days avoided; estimated cost savings to the County at $110/day
Employment / Earnings	Number of participants employed; jobs secured during program; total estimated earnings generated; income taxes contributed
Treatment Dosage	SUD assessments completed; referrals made; treatment hours completed; participants completing all recommended treatment
Desistance / Sobriety	Negative UA/patch test rates; participants achieving 90, 180, and 365 days sobriety; violations and their resolution
Court Caseload Reduction	Felony cases diverted pre-sentencing; charges dismissed upon successful completion; estimated reduction in court hearing burden
Rearrest / Recidivism	Rearrest rates during program; rearrest rates at 6 and 12 months post-completion; comparison to general population recidivism rates
Successful Completion Rate	Overall completion rate by phase; average time to completion; breakdown of successful vs. unsuccessful exits by reason

Program Performance Data

The Innovative Probation program has been operating in Yellowstone County since FY 2019–20. The expansion to deferred prosecution builds on a foundation of demonstrated results across 251 individuals and six fiscal years.

Enrollment Trends (FY 2019–20 through FY 2025–26)

The following table reflects annual referrals to the Innovative Probation program from Yellowstone County Justice Court:

Fiscal Year	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Referrals	9	32	48	64	42	29	27

Total referrals to date: 251 individuals. FY 25-26 is a partial year through April 30, 2026.

Completion Outcomes by Fiscal Year

The program tracks three outcome categories: Successful completions, Unsuccessful terminations, and No Shows (referred but never enrolled). The table below reports on closed cases only:

Fiscal Year	Successful	Unsuccessful	No Show	Total Closed	Success Rate*
FY 2020–21	8	1	0	9	89%
FY 2021–22	36	7	3	46	84%
FY 2022–23	43	14	7	64	75%
FY 2023–24	34	14	5	53	71%
FY 2024–25	23	5	3	31	82%
FY 2025–26 (partial)	18	2	2	22	90%
TOTAL	**162**	**43**	**20**	**225**	**77%**

** Success Rate = Successful / (Successful + Unsuccessful), excluding No Shows.*

Current Year Highlights (FY 2025–26, as of April 30, 2026)

Of the 84 total active and recently-enrolled participants in the current program year:

- Only 2 participants have received violations , a violation rate of less than 2.4%
- 18 cases have been successfully closed
- The current success rate among closed cases stands at 90%
- Average length of stay for active participants: approximately 122 days

These outcomes align favorably with comparative statewide data from Gallatin County's PIVOT program (see Comparative Program Data below).

Average Length of Stay

Participants have averaged approximately 216 days (roughly 7 months) enrolled in the program across all fiscal years, consistent with the program's 9–12 month design:

Fiscal Year	Avg. Length of Stay (Days)
FY 2020–21	266 days
FY 2021–22	249 days
FY 2022–23	223 days
FY 2023–24	201 days
FY 2024–25	210 days
FY 2025–26 (partial, closed cases)	248 days
Current Active Participants (in-progress)	122 days
Overall Average	**216 days**

Comparative Program Data: PIVOT (Gallatin County)

The PIVOT program in Gallatin County operates under the same foundational model as Innovative Probation and provides a relevant statewide benchmark. Gallatin County implemented PIVOT to address the same problem: drug possession defendants consuming jail beds while awaiting sentencing. Their results mirror ours.

Current PIVOT data shows the following distribution among its 84 participants:

PIVOT Status	Count
Supervised (active)	31
Pending	18
Disqualified	17
Screened, Not Enrolled	7
Completion	4
Not Screened	5
Violation	2
TOTAL	**84**

> **Of 84 PIVOT participants in Gallatin County, only 2 have violated, matching our own current-year figures exactly. Two independent programs, different Montana counties, identical violation rates. The model is validated.**

Both programs demonstrate that structured, incentive-based supervision with wraparound services achieves violation rates under 2.5%, a fraction of typical supervision outcomes for similar populations. This parallel outcome is not coincidence; it reflects the inherent effectiveness of the incentive-based model when properly administered.

Program Structure: Phases and Supervision Levels

The Innovative Probation program uses a phase-based system to reward compliance and progress. Participants advance through phases based on employment status, treatment compliance, testing results, and fee adherence. Phase advancement reduces supervision intensity and fees, creating tangible incentives for positive behavior.

Phase	Key Criteria	Supervision Fee	Check-in Frequency
Phase 0	Non-compliance, positive testing, new charges, failure to pay fees, or non-compliance with treatment	$100/month	Up to daily check-ins
Phase 1	Loss/part-time employment, scheduled evaluations in progress, compliant with treatment, no testing violations	$75/month	Weekly reporting
Phase 2	Confirmed full-time employment, compliant with treatment, no violations, adhering to fee agreement, in program 30–90 days	$75/month	Twice monthly
Phase 3	Full-time employment maintained, treatment completed, no violations, adhering to fees, in program 90–180 days	$50/month	Monthly reporting
Phase 4	All Phase 3 criteria met, in program 180+ days, monitoring reduction/removal eligible	$50/month	Monthly check-ins

Phase 0 triggers heightened oversight and immediate court notification (AOV/NTA). Advancement from Phase 0 requires sustained compliance. Monitoring fees are reduced or eliminated as participants move into Phases 3 and 4, creating financial as well as supervisory incentives.

Proposed Fee Schedule

The following fee structure is designed to be graduated, rewarding compliance with reduced financial burden while ensuring the program remains self-sustaining. All supervision fees are charged to participants. County funding covers staff and infrastructure, not ongoing monitoring costs, which participants pay themselves.

Phase 0 Fees

Service	Unit Cost	Monthly Estimate
Supervision Fees	$100/month	$100
Urinalysis (UA) – 2 per week	$21 per UA	$168
Standard Drug Patch (2/month)	$70 per patch	$140
Drug Patch with Fentanyl (2/month)	$80 per patch	$160
Total (UA Option)		**$268/month**
Total (Standard Patch Option)		**$240/month**
Total (Fentanyl Patch Option)		**$260/month**

Phases 1 & 2 Fees

Service	Unit Cost	Monthly Estimate
Standard Monthly Supervision	$75/month	$75
Urinalysis (UA) – 2 per week	$21 per UA	$168
Standard Drug Patch (2/month)	$70 per patch	$140
Drug Patch with Fentanyl (2/month)	$80 per patch	$160
Total (UA Option)		**$243/month**
Total (Standard Patch Option)		**$215/month**
Total (Fentanyl Patch Option)		**$235/month**

Phases 3 & 4 Fees

Phase 3 and 4 participants benefit from reduced supervision fees (down to $50/month) and potential elimination of monitoring requirements as an additional incentive for sustained compliance.

Service	Unit Cost	Monthly Estimate
Monthly Supervision Fees	$50/month	$50
Urinalysis (UA) – Phase 3: 1/week	$21 per UA	$84 (Phase 3)
Standard Drug Patch (2/month)	$70 per patch	$140
Drug Patch with Fentanyl (2/month)	$80 per patch	$160
Total Phase 3 (UA Option)		**$134/month**
Total Phase 3 (Standard Patch)		**$190/month**
Total Phase 3 (Fentanyl Patch)		**$210/month**
Phase 4: Supervision Only (no monitoring)	**$50/month**	**$50/month**

Cost-Benefit Analysis: Community Supervision vs. Incarceration

Community-based supervision programs deliver substantial fiscal savings compared to incarceration. The following comparison illustrates the cost and outcome advantage of the Innovative Probation model for the specific population it serves, drug possession defendants awaiting sentencing:

Cost Category	Incarceration	Innovative Probation
Daily cost per individual	~$110/day (county jail bed)	$0–$9/day (participant-funded)
Employment impact	None – individual loses income	Maintained – individual contributes taxes
Family stability	Disrupted, dependents lose income	Preserved, participant supports family
Treatment access	Limited or none	Integrated, SUD/MH required
Additional charges	High risk, idle time, exposure to others	Low risk, active monitoring, GPS, curfew
Court burden	Ongoing, case grows with new charges	Reduced, successful completion dismisses felony
Recidivism reduction	Low, no intervention, felony record	High, incentive-based, no felony on success
Public safety outcome	Delayed	Active monitoring, GPS, UA/patch testing

Alternatives' programs, including Beta Jail Alternatives, have provided nearly 100,000 hours of community service to Yellowstone County since inception. The organization also provided over $36,242 in services to indigent offenders in the County last year. The IP program's participant-funded fee model means that supervision costs are offset by client fees, reducing the direct cost to taxpayers while maintaining robust accountability standards.

Partnership and Collaboration

The Innovative Probation expansion is a true multi-agency collaboration, not a new program starting from scratch, but an expansion of an existing, proven partnership that is operational today:

- **Yellowstone County Justice Court (Judge Carter): Identifies eligible participants, incorporates program conditions into sentencing, and oversees deferred prosecution agreements. Judge Carter's court has been instrumental in designing the eligibility criteria and the felony dismissal pathway.**

- **Yellowstone County Attorney's Office (County Attorney Twito): Reviews and approves candidates for the deferred prosecution track; agrees to dismiss felony charges upon successful program completion; credits paid program fees toward associated court fines.**

- **Alternatives, Inc.: Provides all supervision, monitoring, case management, and wraparound service coordination through its Beta Jail Alternatives and Compass programs. Alternatives is a certified Substance Use Disorder and Mental Health Treatment Provider, accepts Medicaid and has operated community corrections in Billings for 45 years.**

This partnership leverages existing infrastructure at Alternatives, including licensed supervision staff, GPS and alcohol monitoring capabilities, SUD treatment through Compass, and a 45-year track record of community corrections in Billings, to deliver a high-impact program at minimal incremental cost to the County. The infrastructure exists. The relationships exist. The track record exists. Funding allows this to reach more people.

Outcomes

The data speaks clearly: Innovative Probation works. With a 77% overall success rate across all closed cases, a 90% success rate in the most recently completed period, and a current-year violation rate of less than 2.4%, the program is delivering meaningful public safety outcomes at a fraction of the cost of incarceration.

The proposed expansion to deferred prosecution addresses a documented gap in the system, individuals sitting in legal limbo for months, often continuing to use substances and accumulate charges, without any structured intervention. Judge Carter's model offers a compassionate, accountable pathway: admit to the misdemeanor, engage in treatment and supervision, and earn a second chance. The community benefits from reduced re-offending; the individual benefits from avoiding a felony record; and the County benefits from jail beds used more appropriately and a reduced court burden.

> **The ask: $100,000 per year for a 2–3 year term. The return: an estimated $1,927,200 in annual jail bed costs avoided, reduced court caseload, more people employed and in treatment, and fewer felony records in Yellowstone County.**

Alternatives, Inc. is proud to bring this partnership forward and is committed to making Innovative Probation a model for justice reform in Yellowstone County. We commit to full transparency, quarterly outcome reports on every metric the Commissioners care about, and a comprehensive end-of-term review with a data-supported case for renewal. We respectfully ask for the Commissioners' support to make this expansion a reality.