

JULY 2025 - JULY 2026

IMPACT REPORT

July 1, 2025 - July 31, 2026

1st Step Male Diversion Program, Inc.

Keeping young men from prison by helping them build better lives.

A period of growth, stronger measurement, expanded partnerships, and continued commitment to young men facing incarceration.

OUR MISSION IN ACTION

Impact at a Glance

From July 2025 through July 2026, 1st Step continued to grow while strengthening the systems needed to sustain that growth. During calendar year 2025, the organization served 29 young men, and its current service trajectory is approximately 30 to 35 men annually - the highest level in its history. Each participant enters 1st Step facing a substantial likelihood of incarceration and receives the structure, relationships, treatment, and practical support needed to build a different future.

29	~75%	~8%	100%
Young men served during calendar year 2025	Overall program retention benchmark	Estimated overall recidivism rate	Graduates obtaining living-wage employment

A Message from the Executive Director

1st Step was founded on a simple conviction: the answer is not hidden in the crime alone; it is found in the person who committed it. Many of the young men referred to us have spent years responding to instability, trauma, poverty, addiction, and failed systems through survival-oriented thinking. Our work is to help them develop the safety, trust, skills, hope, and relationships necessary to make meaningful choices.

This reporting period brought both significant progress and serious challenges. We served more men, expanded our clinical and research capacity, advanced toward behavioral-health certification, and improved how we measure participant development. At the same time, delayed state reimbursements and grant payments placed considerable pressure on our small organization. Through it all, our staff, board, partners, and supporters remained focused on the mission.

Our growth is not measured by enrollment alone. It is measured when a young man remains sober, earns a credential, secures a living-wage job, supports his child, repairs a relationship, or begins to imagine a future beyond the next day. Those changes are the real impact of 1st Step.

David C. Phillips III

Founder and Executive Director

A DEVELOPMENTAL ALTERNATIVE TO PRISON

How 1st Step Creates Change

1st Step is an 18- to 24-month residential diversion program serving young men generally between ages 18 and 30 who are facing prison and assessed at moderate to very high risk. The program does more than address a criminal charge. It helps participants build the capabilities required for stable adult life.

STABILITY	TREATMENT	DEVELOPMENT
Safe housing Transportation Food and basic needs Recovery monitoring	Individual therapy Substance-use treatment CBT and MRT Peer recovery support	Education and GED Living-wage employment Financial literacy Parenting and life skills

From Phases to Levels of Support

Outcome data showed that participants were most vulnerable when moving from the program's highly structured first stage into greater autonomy. In response, 1st Step is replacing rigid program phases with individualized levels of support.

Advancement will increasingly reflect demonstrated readiness rather than time in the program. Staff will consider completion of responsibilities, response to ordinary stressors, recovery stability, emotional regulation, and the participant's ability to seek help before reducing structure. This change places the emphasis where it belongs: on what support the individual still needs to succeed.

The Habilitative Pro-Social Milieu

The program environment itself is a central intervention. Safety, Trust, Incentives, and Kindness - the STIK principles - guide how staff build relationships and respond to behavior. Positive reinforcement, clear expectations, peer accountability, and consistent adult support help participants replace survival strategies with pro-social habits and future-oriented thinking.

RESEARCH AND LEARNING

Measuring Development, Not Just Completion

During the reporting period, 1st Step continued expanding its outcome measurement beyond traditional indicators such as graduation, employment, and recidivism. The organization is developing Choice-Enabled Habilitation (CEH), a framework examining how participants move from survival-oriented thinking toward the capacity to make stable, future-focused choices.

A More Complete View of Progress

DOMAIN	MEASUREMENT APPROACH
Risk and needs	Ohio Risk Assessment System (ORAS)
Criminal thinking	Texas Christian University Criminal Thinking Scales
Developmental history	Adverse Childhood Experiences and biopsychosocial assessment
Hope and agency	Adult Hope Scale
Independent living	Casey Life Skills Assessment
Development over time	Habilitation Progress Tracking
Shared understanding	Participant-staff congruency measures

Six Preliminary Participant Typologies

Using longitudinal assessments, case notes, staff observations, and completed participant outcomes, 1st Step has identified six preliminary typologies: two associated with successful outcomes and four associated with unsuccessful outcomes. These patterns help staff recognize differences in motivation, trust, hope, trauma, response to structure, and readiness for autonomy.

The practical purpose is better service. Typologies help define what an individual participant may need to become successful. Staff can identify emerging risks earlier and adjust pacing, clinical intervention, case management, and level of support before a participant disengages. The typologies remain developmental and will be tested and refined as additional data become available.

1st Step has also prepared scholarly papers describing CEH, its developmental account of criminal behavior, and the emerging typologies. This work is intended to strengthen both the program's research foundation and its daily practice.

ORGANIZATIONAL DEVELOPMENT

Building Capacity for Greater Impact

Clinical and Research Capacity

- 1st Step devoted substantial clinical and administrative effort to meeting Oklahoma Department of Mental Health and Substance Abuse Services requirements and preparing for behavioral-health certification.
- Leslie Smith, LADC-MH, joined as clinical advisor, adding expertise in substance-use and mental-health treatment.
- Phillip D. Lewis, Ph.D., CRC, LADC-C, Associate Professor at Langston University, joined as research consultant to strengthen methodology, outcome measurement, and validation of CEH and the participant typologies.
- The organization is developing the clinical documentation, billing, and quality systems needed for Medicaid reimbursement and long-term sustainability.

A Network of Community Support

No single organization can provide everything a participant needs. 1st Step coordinates with an extensive network of community partners across treatment, education, employment, finance, recovery, health, and justice-system services.

TREATMENT & RECOVERY	EDUCATION & EMPLOYMENT	JUSTICE & COMMUNITY
TLC Therapeutic Life Choices Family & Children's Services Tulsa Drug Screening House of Hope and Harbor House OSU treatment services Tulsa Psychological Assessments	CEO ProsperOK Goodwill Financial Empowerment Green Country Workforce Community Care College Clary Sage College Tulsa City-County Library	Cherokee Nation Tulsa County courts Public Defender's Office District Attorney's Office Juvenile Justice John 3:16 Mission YMCA

The William Kellough Residential Treatment Center

The William Kellough Center provides a stable residential campus where treatment, accountability, peer support, and daily life can operate as one integrated system. The campus enables 1st Step to move beyond fragmented services and create the consistent pro-social environment required for long-term developmental change.

FINANCIAL HEALTH AND THE ROAD AHEAD

Sustaining the Mission

The reporting period highlighted both the strength of 1st Step's mission and the vulnerability of a growing nonprofit during a transition in public funding. Delays in state reimbursements and committed grant payments created a serious short-term cash-flow challenge. As a current update following the reporting period, the State of Oklahoma owes the organization approximately \$90,000, and a previously awarded \$30,000 grant payment remains pending.

Following the close of the reporting period, 1st Step received its temporary operating permit; however, the organization cannot yet bill Medicaid. A \$150,000 line of credit secured by organizational property is being pursued to bridge payment delays, while foundation requests and pending decisions totaling more than \$225,000 are also underway.

A More Sustainable Revenue Model

- Medicaid reimbursement following full behavioral-health certification
- Government and court-related service contracts
- Tribal partnerships, including the active Cherokee Nation MOU
- Foundation and corporate grant support
- Individual, faith-community, and civic giving

Priorities for the Next Funding Period

1	Complete full behavioral-health certification and activate Medicaid billing.
2	Maintain program quality while serving a record 30 to 35 young men.
3	Add case-management and clinical capacity as enrollment grows.
4	Implement individualized levels of support.
5	Continue validating CEH, participant typologies, and longitudinal outcome measures.
6	Diversify revenue and strengthen cash reserves against reimbursement delays.

Every investment in 1st Step supports more than an alternative to incarceration. It supports sobriety, employment, fatherhood, responsibility, and the development of a life worth protecting.

1st Step Male Diversion Program, Inc.
William Kellough Residential Treatment Center
Northeast Oklahoma