Improve Outcomes & Save Money

Switching from Lower to Higher Return-on-Investment Programs and Policies:

— Washington State’s (Evolving) Approach —

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Washington State Institute for Public Policy

Nature of the Institute

✓ Non-partisan, created by 1983 Legislature
✓ General purpose legislative research unit
✓ Projects assigned by legislative bills
✓ Legislative & executive Board

Recent Specific Directions to WSIPP from the WA Legislature

What works?
What are the costs & benefits of policies to improve these outcomes?

✓ Education, Early Ed. (2003, 2006, 2009),
✓ Child Abuse & Neglect (2003, 2007, 2009),
✓ Substance Abuse (2003, 2005, 2009),
✓ Mental Health (2005, 2009),
✓ Developmental Disabilities (2008),
✓ Teen Births (1994),
✓ Employment (2009),
✓ Public Assistance (2009),
✓ Public Health (2009), and
✓ Housing (2009)
Washington legislature has asked WSIPP this question:

“Are There Evidence-Based Policy Options That Improve Public Outcomes, but at Less Cost?”

Our 3-Step Research Approach: **Three Tests**

1. What works (to improve outcomes); what doesn’t?
   We analyze **ALL, RIGOROUS** evaluations of **REAL WORLD** ways to improve the key public outcomes.

2. What are the economics?
   We compute benefits, costs, and risk (return on investment) to the people of Washington for each policy option.

3. How would a “portfolio” of options affect statewide outcomes? How much risk of failure?
## Effect on Crime Outcomes

### Crime Victimization

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Effect on Crime Victimization</th>
<th>(Net Present Value, 2006 Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crime Prevention</td>
<td>Decrease in crime victims</td>
<td></td>
</tr>
<tr>
<td>Crime Reduction</td>
<td>Decrease in crime victims</td>
<td></td>
</tr>
</tbody>
</table>

## Benefits and Costs

### Benefits

- Prevented Crime
- Crime Prevention
- Crime Reduction

### Costs

- Implementation Costs
- Maintenance Costs
- Administration Costs

## What Don’t We Know?

Findings are mixed for this broad grouping of programs.

## What Can Give Washington Taxpayers a Good Return on Their Money?

- Given the Current Level of Rigorous Research
- What Don’t We Know?
- Taxpayer's a Good Return on Investment
<table>
<thead>
<tr>
<th><strong>Adult Offenders</strong> (July 2011 Results)</th>
<th><strong>Change In Crime</strong> (# of EB Studies)</th>
<th><strong>Benefits Minus Costs,</strong> per-person, life cycle (Probability: you lose $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cog-Behavioral Treatment</td>
<td>-6% (36)</td>
<td>$10,524 (1%)</td>
</tr>
<tr>
<td>Adult Drug Courts</td>
<td>-13% (67)</td>
<td>$7,651 (&lt;1%)</td>
</tr>
<tr>
<td>Education Prgs., Prison</td>
<td>-12% (17)</td>
<td>$18,821 (&lt;1%)</td>
</tr>
<tr>
<td>Drug Tx in Prison (TC or out-patient)</td>
<td>-9% (21)</td>
<td>$10,456 (&lt;1%)</td>
</tr>
<tr>
<td>ISP: surveillance</td>
<td>+1% (23)</td>
<td>-$4,606 (90%)</td>
</tr>
<tr>
<td>ISP: treatment</td>
<td>-10% (11)</td>
<td>$9,809 (4%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Juvenile Offenders</strong></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Functional Family Thpy (wf)</td>
<td>-22% (7)</td>
<td>$34,549 (&lt;1%)</td>
</tr>
<tr>
<td>Multisystemic Therapy (wf)</td>
<td>-12% (10)</td>
<td>$22,096 (9%)</td>
</tr>
<tr>
<td>Aggression Repl. Trng (wf)</td>
<td>-20% (4)</td>
<td>$34,566 (7%)</td>
</tr>
<tr>
<td>Family Int. Transitions (wf)</td>
<td>-6% (1)</td>
<td>$16,052 (14%)</td>
</tr>
<tr>
<td>MDT Foster Care (wf)</td>
<td>-9% (3)</td>
<td>$33,047 (15%)</td>
</tr>
</tbody>
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<thead>
<tr>
<th><strong>Prevention</strong></th>
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</thead>
<tbody>
<tr>
<td>Pre-School* (low income)</td>
<td>-17% (8)</td>
<td>$19,060 (&lt;1%)</td>
</tr>
<tr>
<td>Nurse Family Partnership*</td>
<td>-12% (2)</td>
<td>$20,905 (11%)</td>
</tr>
</tbody>
</table>

* Programs have a number of other non-crime benefits; all benefits reported here.
Two Evidence-Based, High-ROI Investments that Can Improve Key Public Outcomes

—From WSIPP July 2011 Report: www.wsipp.wa.gov—

**Early Childhood Education for Low-Income 3/4 Year Olds**

- Evidence Base: 20+ studies
- Outcomes Improved: crime, high school graduation, test scores, child abuse, grade repetition, special ed, teen pregnancy.
- Benefits & Costs: $19,060 NPV; $3.60 b/c ratio; 7% ROI
- Risk: Less than 1% chance of a negative NPV.

**Nurse Family Partnership**

- Evidence Base: 3 studies
- Outcomes Improved: crime, high school graduation, test scores, child abuse, public assistance, substance abuse, employment.
- Benefits & Costs: $20,905 NPV; $3.23 b/c ratio; 7% ROI.
- Risk: An 11% chance of a negative NPV.
Some Major Washington Legislative Actions

✓ Began funding several evidence-based juvenile justice programs in late 1990s and early 2000s. *Less crime, save $.*

✓ 2002 Legislature cut prison sentences (for drug offenders) and diverted some of the fiscal savings to drug courts (from the WSIPP list). *Less crime, save $.*

✓ 2007 Legislature funded a portfolio of evidence-based criminal justice programs in adult and juvenile corrections, and prevention. *2000 bed, $250 Million, prison avoided.*

✓ Early childhood education passes the economic test and the legislature has taken steps to include it as part of Washington’s basic education program.

✓ 2011 Legislative Session.
Three Evidence-Based Implementation Issues
(Completed or Being Completed/Refined)
in Washington State

✓ Formal Assessment Process (Tools)
to align participants with the right programs,
and to focus resources on higher risk populations

✓ State-Funded Quality/Fidelity System
to assure better adherence to the funded:
— assessment system, and
— the intervention program models

✓ Funding Formulas with the Right Incentives
to encourage interest, adherence, and innovations in EB programs.
Tying Investments to State Budgets

Key Development → WA now ties, explicitly each year, the official state prison forecast to the expected effects of the funded portfolio.
To Improve Key Public Outcomes & Save Money, the “Smart” State or Local Government will Recognize that...

...It is increasingly possible to...

✓ Use rigorous evidence to identify what works and what does not.
✓ Calculate return on investment information routinely, and consistently.
✓ Establish an institutional framework to produce the ROI information.
✓ Have the information actually used in policy making.

...It is important to...

✓ Have a baseball hitter’s mentality.
Thank You!