

# **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?

- ✓ *Crime (1994, 1999, 2003, 2005, 2009),*
- ✓ *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 and 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?**

**Exhibit 4**  
**Reducing Crime With Evidence-Based Options: What Works, and Benefits & Costs**

Washington State Institute for Public Policy  
Estimates as of October, 2006

Effect on Crime Outcomes	Benefits and Costs				
	Percent change in crime outcomes, & the number of evidence-based studies on which the estimate is based (in parentheses)	Benefits to Crime Victims (of the reduction in crime)	Benefits to Taxpayers (of the reduction in crime)	Costs (marginal program costs, compared to the cost of alternative)	Benefits (total) Minus Costs (per participant)
(1)	(2)	(3)	(4)	(5)	
<b>Programs for People in the Adult Offender System</b>					
Vocational education in prison	-9.0% (4)	\$8,114	\$6,806	\$1,182	\$13,738
Intensive supervision: treatment-oriented programs	-16.7% (11)	\$9,318	\$9,369	\$7,124	\$11,563
General education in prison (basic education or post-secondary)	-7.0% (17)	\$6,325	\$5,306	\$962	\$10,669
Cognitive-behavioral therapy in prison or community	-6.3% (25)	\$5,658	\$4,746	\$105	\$10,299
Drug treatment in community	-6.3% (6)	\$5,133	\$5,495	\$574	\$10,054
Correctional industries in prison	-5.9% (4)	\$5,360	\$4,496	\$417	\$9,439
Drug treatment in prison (therapeutic communities or outpatient)	-5.7% (20)	\$5,133	\$4,306	\$1,604	\$7,835
Adult drug courts	-5.0% (57)	\$4,395	\$4,705	\$4,333	\$4,767
Employment and job training in the community	-4.3% (16)	\$2,373	\$2,386	\$400	\$4,359
Electronic monitoring to offset jail time	0% (9)	\$0	\$0	-\$970	\$970
Sex offender treatment in prison with aftercare	-7.0% (6)	\$6,442	\$2,895	\$12,265	-\$3,258
Intensive supervision: surveillance-oriented programs	0% (23)	\$0	\$0	\$3,747	-\$3,747
Washington's Dangerously Mentally Ill Offender program	-20.0% (1)	\$18,020	\$15,116	n/e	n/e
Drug treatment in jail	-4.5% (9)	\$2,481	\$2,456	n/e	n/e
Adult boot camps	0% (22)	\$0	\$0	n/e	n/e
Domestic violence education/cognitive-behavioral treatment	0% (8)	\$0	\$0	n/e	n/e
Jail diversion for mentally ill offenders	0% (11)	\$0	\$0	n/e	n/e
Life Skills education programs for adults	0% (4)	\$0	\$0	n/e	n/e
<b>Programs for Youth in the Juvenile Offender System</b>					
Multidimensional Treatment Foster Care (v. regular group care)	-22.0% (3)	\$51,828	\$32,915	\$6,945	\$77,798
Adolescent Diversion Project (for lower risk offenders)	-19.9% (6)	\$24,328	\$18,208	\$1,813	\$40,623
Family Integrated Transitions	-13.0% (1)	\$30,706	\$19,622	\$9,665	\$40,545
Functional Family Therapy on probation	-15.9% (7)	\$19,529	\$14,617	\$2,325	\$31,821
Multisystemic Therapy	-10.5% (10)	\$12,855	\$9,622	\$4,284	\$18,213
Aggression Replacement Training	-7.3% (4)	\$8,807	\$6,659	\$887	\$14,660
Teen courts	-11.1% (5)	\$5,907	\$4,238	\$936	\$9,208
Juvenile boot camp to offset institution time	0% (14)	\$0	\$0	-\$8,077	\$8,077
Sex offender cognitive-behavioral treatment	-10.2% (5)	\$32,151	\$8,377	\$33,064	\$7,329
Restorative justice for low-risk offenders	-8.7% (21)	\$4,628	\$3,320	\$880	\$7,067
Integrity coordination programs	-2.5% (15)	\$5,084	\$2,308	\$205	\$5,186
Juvenile drug courts	-3.5% (15)	\$4,232	\$3,167	\$2,777	\$4,622
Regular surveillance-oriented parole (v. no parole supervision)	0% (2)	\$0	\$0	\$1,201	-\$1,201
Juvenile intensive probation supervision programs	0% (3)	\$0	\$0	\$1,598	-\$1,598
Juvenile wilderness challenge	0% (9)	\$0	\$0	\$3,085	-\$3,085
Juvenile intensive parole supervision	0% (10)	\$0	\$0	\$6,460	-\$6,460
Scared Straight	+8.8% (10)	-\$8,355	-\$6,253	\$58	-\$14,667
Counseling/psychotherapy for juvenile offenders	-18.9% (6)	\$23,126	\$17,309	n/e	n/e
Juvenile education programs	-17.5% (3)	\$41,151	\$26,153	n/e	n/e
Other family-based therapy programs	-12.2% (12)	\$15,006	\$11,231	n/e	n/e
Team Child	-10.9% (2)	\$5,759	\$4,131	n/e	n/e
Juvenile behavior modification	-8.2% (4)	\$19,271	\$12,238	n/e	n/e
Life skills education programs for juvenile offenders	-2.7% (3)	\$6,441	\$4,091	n/e	n/e
Diversion progs. with services (v. regular juvenile court)	-2.7% (20)	\$1,441	\$1,034	n/e	n/e
Juvenile cognitive-behavioral treatment	-2.5% (8)	\$3,123	\$2,537	n/e	n/e
Court supervision vs. simple release without services	0% (8)	\$0	\$0	n/e	n/e
Diversion programs with services (v. simple release)	0% (7)	\$0	\$0	n/e	n/e
Juvenile intensive probation (as alternative to incarceration)	0% (5)	\$0	\$0	n/e	n/e
Guided Group Interaction	0% (4)	\$0	\$0	n/e	n/e
<b>Prevention Programs (crime reduction effects only)</b>					
Nurse Family Partnership-Mothers	-56.2% (1)	\$11,531	\$8,161	\$5,409	\$14,283
Nurse Family Partnership-Children	-16.4% (1)	\$8,632	\$4,922	\$733	\$12,822
Pre-K education for low income 3 & 4 year olds	-14.2% (8)	\$8,145	\$4,644	\$993	\$12,196
Seattle Social Development Project	-16.6% (1)	\$1,605	\$0	n/e	n/e
High school graduation	-10.4% (1)	\$1,738	\$2,851	n/e	n/e
Guiding Good Choices	-9.1% (1)	\$570	\$2,692	n/e	n/e
Parent-Child Interaction Therapy	-8.7% (1)	\$268	\$784	n/e	n/e
<b>Program types in need of additional research &amp; development before we can conclude they do or do not reduce crime outcomes:</b>					
<b>Programs needing more research for people in the adult offender system</b>					
Case management in the community for drug offenders	0% (13)				Comment
CCSA (Faith-based supervision of sex offenders)	-22.3% (1)				Findings are mixed for this broad grouping of programs.
Day fines (compared to standard probation)	0% (1)				Too few evaluations to date.
Domestic violence courts	0% (2)				Too few evaluations to date.
Faith-based programs	0% (5)				Too few evaluations to date.
Intensive supervision of sex offenders in the community	0% (4)				Findings are mixed for this broad grouping of programs.
Medical treatment of sex offenders	-21.4% (1)				Too few evaluations to date.
Mixed treatment of sex offenders in the community	0% (2)				Too few evaluations to date.
Regular parole supervision vs. no parole supervision	0% (1)				Too few evaluations to date.
Restorative justice programs for lower risk adult offenders	0% (6)				Findings are mixed for this broad grouping of programs.
Therapeutic community programs for mentally ill offenders	-20.8% (2)				Too few evaluations to date.
Work release programs (from prison)	-4.3% (4)				Too few recent evaluations.
<b>Programs needing more research for youth in the juvenile offender system</b>					
Dialectical Behavior Therapy	0% (1)				Too few evaluations to date.
Increased drug testing (on parole) vs. minimal drug testing	0% (1)				Too few evaluations to date.
Juvenile curfews	0% (1)				Too few evaluations to date.
Juvenile day reporting	0% (2)				Too few evaluations to date.
Juvenile jobs programs	0% (3)				Too few recent evaluations.
Juvenile therapeutic communities	0% (1)				Too few evaluations to date.
Mentoring in juvenile justice	0% (1)				Too few evaluations to date.

# Our "Consumer Reports"

## Lists:

What Works?

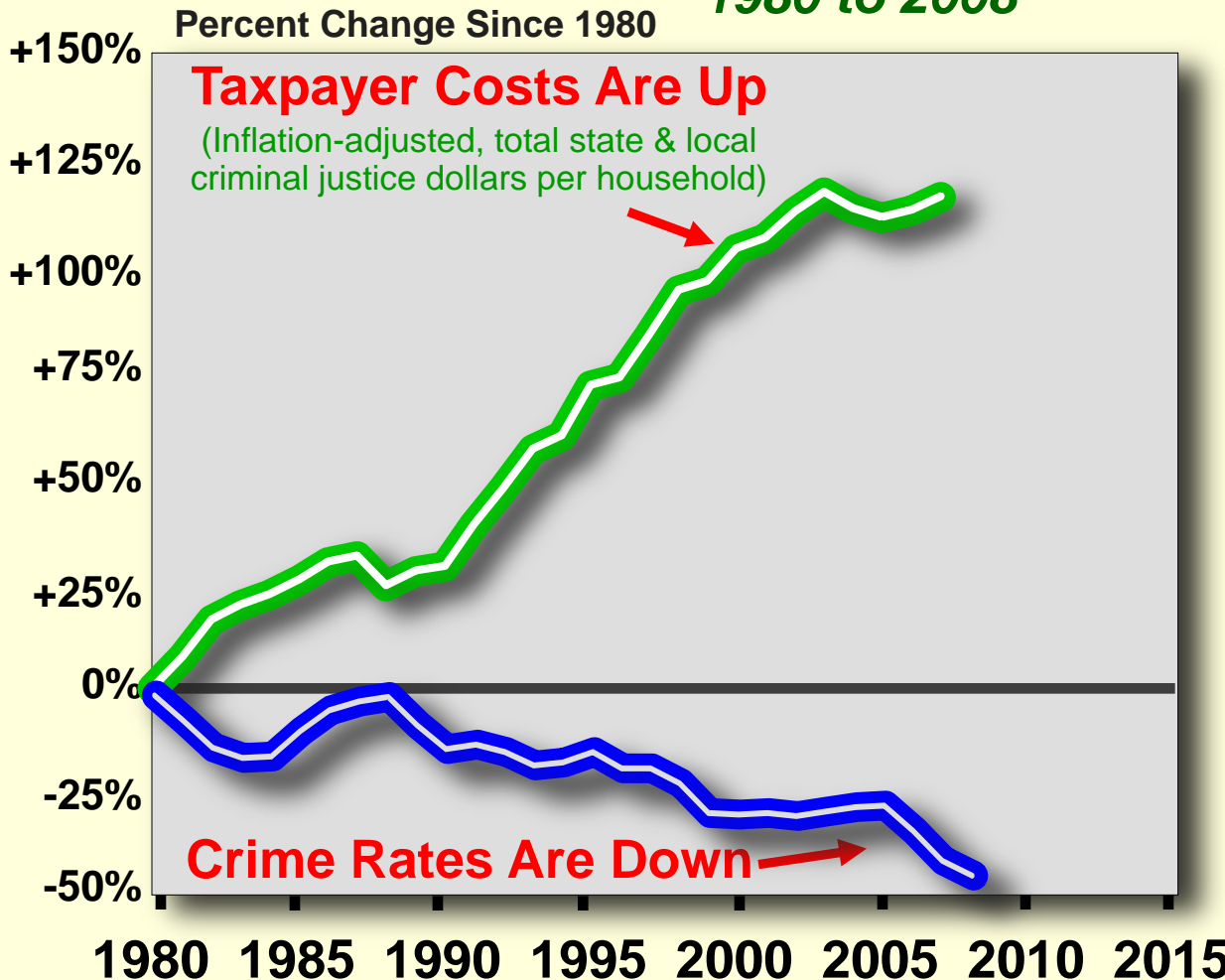
What Doesn't?

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

Given the Current Level of Rigorous Research, What Don't We Know?

# Crime: The Big Picture:

## Keeping Track of Crime Rates & Taxpayer Costs in Washington: 1980 to 2008



In 1980, taxpayers spent \$575 per household on the criminal justice system in WA.

Today they spend \$1,250 per year.

A 117% increase.

In 2008, crime rates were 42% lower than they were in 1980.

Source: Washington State Institute for Public Policy. Data are for Washington State. Monetary values in 2008 dollars. Crime rates cover major felony crimes as reported to police.

## What Works to Reduce Crime?

### Adult Offenders (Draft 2010 Results)

	Change In Crime (# of EB Studies)	Benefits Minus Costs, per-person, life cycle (Probability: you lose \$)
Cog-Behavioral Treatment	-7% (27)	\$6,500 (<1%)
Adult Drug Courts	-9% (67)	\$1,500 (<12%)
Education Prgs., Prison	-8% (17)	\$7,200 (<1%)
Drug Tx in Prison (TC or out-patient)	-6% (21)	\$4,600 (<1%)
ISP: surveillance	-2% (23)	-\$2,900 (≈53%)
ISP: treatment	-18% (11)	\$6,200 (≈13%)

### Juvenile Offenders

Functional Family Thpy (wf)	-18% (7)	\$27,000 (<1%)
Multisystemic Therapy (wf)	-13% (10)	\$9,100 (<7%)
Aggression Repl. Trng (wf)	-9% (4)	\$11,200 (<1%)
Family Int. Transitions (wf)	-10% (1)	\$6,900 (≈22%)
MDT Foster Care (wf)	-18% (3)	\$25,200 (<1%)

### Prevention\*

		Crime Benefits Shown*
Pre-School* (low income)	-17% (8)	\$+++* (n/a)
Nurse Family Partnership*	-16% (2)	\$+++* (n/a)

\* Programs have a number of other non-crime benefits; only crime-reduction reported here.

**—A Criminal Justice Example—**

**Thinking About Crime Policy Like an Investor:  
Re-Tooling the Policy Portfolio with Two Evidence-Based Policies**

**Legislative  
Policy/Budget Choice**

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- A. Reduce, selectively,  
prison population**
- B. Invest, selectively,  
in “evidence-based”  
treatment**
- 
- 
- C. Do a reasonable  
combination of A  
and B.**

**For the 2011 WA Legislative  
session, we’ve identified  
options for the Governor and  
Legislature that can...**

- ✓ ...reduce prison length of stay for lower and moderate risk prisoners,
- ✓ ...use 30% of the fiscal savings to pay for higher ROI evidence-based treatment, use 70% for deficit reduction...
- ✓ ...and leave Washington with a lower crime rate.



## ***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.***
- ✓ Evidence-based sentencing review now underway.
- ✓ Early childhood education passes the economic test and the legislature has taken steps to include it as part of Washington's basic education program.



***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.*

## ***Keeping Track of the Investments & Tying Them 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.**
- ✓ 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.**

## EVIDENCE-BASED PUBLIC POLICY OPTIONS TO REDUCE FUTURE PRISON CONSTRUCTION, CRIMINAL JUSTICE COSTS, AND CRIME RATES<sup>‡</sup>

Current long-term forecasts indicate that Washington will need two new prisons by 2020 and possibly another prison by 2030. Since a typical new prison costs about \$250 million to build and \$45 million a year to operate, the Washington State Legislature expressed an interest in identifying alternative "evidence-based" options that can: a) reduce the future need for prison beds, b) save money for state and local taxpayers, and c) contribute to lower crime rates.

The 2005 Legislature directed the Washington State Institute for Public Policy (Institute) to report, by October 2006, whether evidence-based and cost-beneficial policy options exist.

If economically sound options are available, then the Legislature also directed the Institute to project the total impact of alternative implementation scenarios.<sup>1</sup>

This report describes our results to date. We begin by providing background information on historic and projected incarceration rates in Washington, as well as a history of crime rates and fiscal costs of the criminal justice system. We then describe the process we use to determine if evidence-based and economically sound options exist and we present our findings. This is followed by our projections of the impact of alternative implementation scenarios. We conclude by discussing some implications of the findings and next steps. For technical readers, appendices begin on page 18 and describe our research methods and results in greater detail.

<sup>‡</sup>Suggested citation: Steve Aos, Maria Miller, and Elizabeth Drake. (2006). *Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs, and Crime Rates*. Olympia: Washington State Institute for Public Policy.

### Summary

Under current long-term forecasts, Washington State faces the need to construct several new prisons in the next two decades. Since new prisons are costly, the 2005 Washington Legislature directed the Washington State Institute for Public Policy to project whether there are "evidence-based" options that can:

- reduce the future need for prison beds,
- save money for state and local taxpayers,
- contribute to lower crime rates.

We conducted a systematic review of all research evidence we could locate to identify what works, if anything, to reduce crime. We found and analyzed 529 rigorous comparison-group evaluations of adult corrections, juvenile corrections, and prevention programs, most of which were conducted in the United States. We then estimated the costs and benefits of many of these evidence-based options. Finally, we projected the degree to which alternative "portfolios" of these programs could affect future prison construction needs, criminal justice costs, and crime rates in Washington.

We find that some evidence-based programs can reduce crime, but others cannot. Per dollar of spending, several of the successful programs produce favorable returns on investment. Public policies incorporating these options can yield positive outcomes for Washington.

We project the long-run effects of three example portfolios of evidence-based options: a "current level" option as well as "moderate" and "aggressive" implementation portfolios.

We find that if Washington successfully implements a moderate-to-aggressive portfolio of evidence-based options, a significant level of future prison construction can be avoided, taxpayers can save money, and crime rates can be reduced.

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Reports Are  
Available on:

- ✓ *Criminal Justice*
- ✓ *Juvenile Justice*
- ✓ *Child Welfare*
- ✓ *Education*
- ✓ *Mental Health*
- ✓ *Substance Abuse*
- ✓ *Prevention*
- ✓ *...More on the way*

**Thank You!**