Evidence-Based Policymaking - The Shape of Things to Come?

Gary VanLandingham, Director, Results First
The challenge (and no, it’s not new)

• While governments talk about making strategic budget choices, they typically make across-the-board cuts.

• Why?
  • Politically, incremental choices are easier.
  • Policymakers lack key information needed to assess and triage spending
Long history of reform efforts

• Over the years, many policy/budget reforms have come and (mostly) gone:
  • PPBS
  • Zero-based budgeting
  • Strategic planning/budgeting
  • Performance budgeting
  • “Rightsizing” and logic mapping
  • Statewide performance reviews

• None have been game changers
This time it’s different?

- Our governments face incredible fiscal pressures
  - Trillion-dollar federal deficits
  - States have faced over $500 billion in shortfalls since Great Recession
  - Local governments face ongoing property value reductions

- There is a general recognition that we need better ways to triage spending
The opportunity – we’re broke

• The ongoing fiscal crisis has re-energized interest in evidence-based policymaking
  • There have been major advances in policy and budget analysis
    • Better methodologies and technology enable approaches such as data mining
    • Great work is being done to meta-analyze research findings
Results First builds on these advances

1. Aggregates best research on program effectiveness

2. Use meta-analysis to estimate program outcomes based on states’ unique characteristics

3. Monetize outcomes and compare costs and benefits for each program

Generates predicted state-specific return on investment for each program
### Example: Functional Family Therapy  
*(Washington State 2010 dollars)*

<table>
<thead>
<tr>
<th>Benefits Per Family</th>
<th>Main Source of Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced crime</td>
<td>$31,745 Lower state &amp; victim costs</td>
</tr>
<tr>
<td>Increased high school graduation</td>
<td>$5,686 Increased earnings</td>
</tr>
<tr>
<td>Reduced health care costs</td>
<td>$307 Lower public costs</td>
</tr>
</tbody>
</table>

**Total Benefits Per Family**  
$37,739

**Cost Per Family**  
$3,190

**Net Present Value**  
$34,549

**Benefits Per Dollar of Cost**  
$11.86

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**Addendum (distribution of benefits)**
- $3,599 = Benefits to participant
- $8,336 = Benefits to taxpayers
- $21,636 = Benefits to others (crime victims)
- $4,167 = Other benefits

Source: Washington State Institute for Public Policy
Rank programs in “Consumer Reports” lists

<table>
<thead>
<tr>
<th>Policy/Program</th>
<th>Cost</th>
<th>Net Long-term Benefits</th>
<th>Cost/Benefit Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative drug sentencing</td>
<td>$1,511</td>
<td>$26,502</td>
<td>$18.57</td>
</tr>
<tr>
<td>Correctional education in prison</td>
<td>$1,102</td>
<td>$18,821</td>
<td>$18.11</td>
</tr>
<tr>
<td>Vocational education in prison</td>
<td>$1,537</td>
<td>$17,547</td>
<td>$12.43</td>
</tr>
<tr>
<td>Community drug treatment</td>
<td>$2,102</td>
<td>$13,317</td>
<td>$7.35</td>
</tr>
<tr>
<td>Mental health court</td>
<td>$2,878</td>
<td>$11,352</td>
<td>$4.95</td>
</tr>
<tr>
<td>Cognitive behavioral therapy</td>
<td>$217</td>
<td>$10,524</td>
<td>$49.55</td>
</tr>
<tr>
<td>Work release</td>
<td>$649</td>
<td>$5,817</td>
<td>$9.97</td>
</tr>
<tr>
<td><strong>JUVENILE PROGRAMS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aggression replacement training</td>
<td>$1,473</td>
<td>$66,481</td>
<td>$45.50</td>
</tr>
<tr>
<td>Drug court</td>
<td>$3,024</td>
<td>$9,713</td>
<td>$4.22</td>
</tr>
<tr>
<td>Coordination of services</td>
<td>$386</td>
<td>$4,884</td>
<td>$13.63</td>
</tr>
<tr>
<td>Scared Straight</td>
<td>$63</td>
<td>-$6,095</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Washington State Institute for Public Policy
Results First in states

- Working in 12 states to implement this approach
- Building state capacity to operate and customize model
- Linking results to policy/budget process
- Building learning community of states
- Expanding to new programs and policy areas
- Provide all services free to participating states
Four quotes in closing

• “Who am I? Why am I here?” – Admiral Stockdale
• “If not us, who, if not now, when?” – President Reagan
• “The work goes on, the cause endures, the hope still lives, and the dream will never die” – Senator Kennedy
• “This is the real thing. This is what you’ve been trained for. You are America’s best – make us proud” – Top Gun
For more information

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Fact sheets and case studies available at
www.pewstates.org/projects/results-first-328069