

Results First

Helping states assess the costs and benefits of policy options and use that data to make decisions based on results

The choices states make today about how to invest their limited resources will dramatically shape our nation's future.

In the current fiscal environment, most states face tough budget choices and lack the resources to support traditional levels of public services. Increasingly, policy makers seek programs and policies that yield the greatest benefits in the most cost-effective way. After conducting a thorough validation by a national panel of experts, the Results First team is bringing Washington State's highly successful cost-benefit model to other states and providing technical assistance to help them use the model to compile and analyze data, interpret results, and present findings to policy makers.

Results for your state

Results First is working with states to implement cutting-edge cost-benefit analysis tools to help identify options that provide the best outcomes for citizens while improving states' fiscal health. These partnership efforts include:

- Providing intensive assistance to states to help them adopt and apply the Washington State Institute for Public Policy (WSIPP) cost-benefit analysis model to their own policies and programs.
- Creating opportunities for states participating in Results First to share information and lessons learned.
- Releasing a 50-state review of current efforts to make policy decisions based on comparisons of costs and benefits.

Washington State's Model Gets Results

- ★ **Greater improvement in crime and juvenile-arrest rates** than national average
- ★ **Incarceration rate lower** than national average
- ★ **Biennial savings** of \$1.3 billion

- Working with WSIPP to support its continuing development of cutting-edge tools for state government. The current cost-benefit model assesses states' programs in the areas of criminal justice, education, child welfare, substance abuse, mental health, health care, public assistance, housing, and teen-birth prevention.
- Identifying other areas that could benefit from the Results First approach to state policy making.

Tools from Washington State

Results First is helping states adapt tools with a track record in Washington State, which has used the approach to achieve better results with less cost.

For example, using cost-benefit tools, the state's policy makers have made decisions to invest in crime-prevention and treatment programs that have contributed to:

- A greater improvement in crime rates and juvenile-arrest rates, compared with the national average.
- An incarceration rate lower than the national average.
- Savings of \$1.3 billion per two-year budget cycle, eliminating the need to build new prisons and making it possible to close an adult prison and a juvenile detention facility.

The federal government and most states have used cost-benefit analysis, but this model goes far beyond traditional methods:

“ We have research showing ways to lower the crime rate and save money by investing in preventing crime in the first place. It has allowed us to consider policies that are the most effective even if they don't sound like a sound bite.”

—Sen. Jim Hargrove (D)
Chair, Washington State Senate Committee on Human Services and Corrections

Analyzes all available research to systematically identify which programs work and which don't, rather than relying on a few studies or anecdotal evidence.

Predicts the impact of policy options for Washington State by applying the combined evidence of all sufficiently rigorous national studies to the state's own data.

Calculates the potential return on investment of policy options, taking into account both the short and long term and the effect on taxpayers, program participants, and residents who are most directly affected.

Assesses the investment risk if the initial assumptions behind the estimates turn out differently than predicted.

Ranks the projected benefits, costs, and risks of all programs in a guide to policy options.

Identifies ineffective programs that could be targeted for cuts or elimination, so that policy makers can make strategic decisions rather than across-the-board cuts.

Assesses the combined benefits and costs of a package or “portfolio” of policies, instead of judging each program separately.

Works with legislators and the executive branch to make these analyses highly accessible for policy and budget decision makers.

Policy based on evidence, not partisanship

Washington State’s policy analysis model has helped legislators to . . .

- Make decisions based on evidence rather than anecdotes.
- Transcend partisan gridlock in enacting effective responses to major challenges and opportunities.
- Recognize that the most politically appealing options in the short run may not be the most cost-effective in the long run.

Nonpartisanship is built into the structure of WSIPP itself, which was created by the legislature with a board that includes equal numbers of legislators and staff from both major parties, two appointees from the governor, and high-level staff from four universities in the state.

WSIPP gets its research assignments from the legislature and conducts studies using

Washington State’s Model for Results First

▶ **Analyze** all available research to identify what works

▶ **Predict** impacts of policy options for Washington State

▶ **Calculate** potential return on investment and assess investment risk

▶ **Rank** programs based on costs, benefits, and risks

▶ **Identify** ineffective programs to be eliminated

▶ **Assess** policy options as an interrelated package

▶ **Work** closely with policy makers to make findings accessible

Better results, less cost

its own policy analysts and economists, specialists from universities, and consultants. It works closely with members and staff of the legislature, state agency staff, and experts in the field to ensure that studies answer relevant policy questions and help make practical choices.

“When a member of the legislature doesn’t see a clear way to go on an issue, staff will work with the institute to give the member the facts they need,” said Richard Ramsey, fiscal analyst for the Washington Senate Ways and Means Committee. “Republicans and Democrats alike say, ‘Run it by the institute.’ ”

“Politically, the easiest approach to crime is to put everybody in prison,” said Senator Jim Hargrove, a Democrat who is chairman of the Washington State Senate Committee on Human Services and Corrections. “But we have research showing ways to lower the crime rate and save money by investing in preventing crime in the first place. It has allowed us to consider policies that are the most effective even if they don’t sound like a sound bite.”

Skip Priest, who served as ranking Republican on the Washington State House of Representatives Committee on Education, has seen how the cost-benefit model has contributed to a similar change in the state’s approach to education policy.

“In the past, the legislature used to take a piecemeal approach to education issues based on what one school district wanted or maybe one study that somebody cited because it supported what they wanted to do,” Priest said.

“ I came from the business sector where we relied on evidence on what was a good investment. In the legislature I realized we needed to do the same thing. Otherwise, you make decisions based on opinions and anecdotes or one person’s favorite study that may be the exception.”

—Skip Priest (R)

Former ranking Republican, Washington State House Committee on Education

“WSIPP’s research provides objective investment advice, and because they have such high standards, it takes a lot of the politics out of it. People started to joke that in addition to the Democratic Caucus and the Republican Caucus, we had developed an education caucus that came together based on evidence as opposed to partisanship. I took that as a great compliment for the way we were making policy.”

For more information, contact:

Gary VanLandingham

Director, Results First

gvanlandingham@pewtrusts.org

202.540.6207