Pew-MacArthur Results First Initiative

Advancing the use of innovative, cost-benefit analysis to drive state investment in proven policies and programs

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

Each year, states face tough budget choices, and policymakers need to focus taxpayer dollars on the programs and services that yield the greatest benefits in the most cost-effective way. The Pew-MacArthur Results First Initiative brings states a customizable cost-benefit approach to policymaking based on Washington state's highly successful model. Results First provides states with hands-on technical assistance in implementing this cutting-edge approach for identifying policy and budget options that deliver the best outcomes for residents.

Results for your state

A partnership between a state and Results First includes:

- Intensive assistance in compiling and analyzing program, population, and cost data using the cost-benefit analysis model; interpreting results; and making evidence-based budget and program choices that provide the strongest return on public investments.
- Opportunities to share information and lessons learned with other Results First partner states.
- Ongoing research from Results First examining efforts by states across the country to make policy decisions based on comparisons of programs' costs and benefits and related evidence-based methods.
- Access to expansions in the cost-benefit model to new policy areas. The current tool assesses programs in adult criminal and juvenile justice, pre-k through 12th grade education, child welfare, substance abuse, and mental health.

Cutting-edge cost-benefit approach

The federal government and most states have used cost-benefit analysis in occasional, individual studies, but the Results First model goes far beyond traditional cost-benefit methods to deliver a comprehensive approach. Using this model, states can:

- Analyze all available research to systematically identify which programs work and which don't, rather than relying on a few studies or anecdotal evidence.
- Predict the impact of policy options by applying the combined evidence of all sufficiently rigorous national studies to a state's own data.
- Calculate the potential return on investment of policy options, taking into account the effect on taxpayers, program participants, and residents who are most directly affected over the short and long terms.
- Assess the investment risk if actual costs or benefits vary from those predicted by the analysis.
- Rank the projected benefits, costs, and risks of all programs for which data are available to help guide policymakers' decisions.
- Identify ineffective programs that could be targeted for cuts or elimination, so policymakers can make strategic decisions rather than across-the-board cuts.
- Assess the combined benefits and costs of a package or "portfolio" of policies, instead of judging individual programs in a vacuum.
- Work with legislators and the executive branch to make analyses highly accessible for policy and budget decision-makers.

> Results First gave us the missing piece. We followed evidence-based principles, and we evaluated fidelity to program models. But now we can put dollars and cents to the costs and benefits. The governor and legislature have maintained their commitment to us, even in a time of cutbacks, because they have data showing we are producing results."
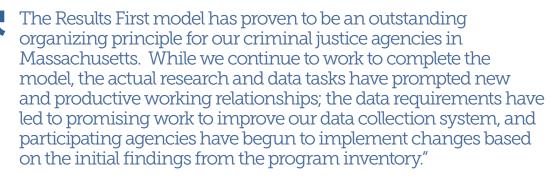>
> —**John Baldwin**, *director, Iowa Department of Corrections*

A Case Study: Results First helps New Mexico make evidence-based choices

New Mexico began working with the Pew-MacArthur Results First Initiative in 2012 to take a closer look at programs across a range of policy areas. "Over the last year, staff has been working with Results First to develop a cost-benefit model for New Mexico," says Representative Luciano "Lucky" Varela (D), chair of the state's Legislative Finance Committee and vice chair of the House Appropriations and Finance Committee. "The model is already working. Through it, policymakers can now see estimates of the costs of adult and juvenile crime, child abuse, and substance abuse. But having that information takes policymakers only halfway to a solution. Lawmakers must also be able to see the costs of any prevention or intervention program and evidence that it works. Whether to invest or not invest in social services is a key battle in the war between liberals and conservatives. Quantifying the costs, not just of the services but also of the failure to provide services, can bring more meaning to negotiations."

Results First's cost-benefit 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 expedient options may not be the most cost-effective in the long run.

> The Results First model has proven to be an outstanding organizing principle for our criminal justice agencies in Massachusetts. While we continue to work to complete the model, the actual research and data tasks have prompted new and productive working relationships; the data requirements have led to promising work to improve our data collection system, and participating agencies have begun to implement changes based on the initial findings from the program inventory."
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> —**Michael Coelho,** *assistant secretary for policy and planning, Massachusetts Executive Office of Public Safety and Security*

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