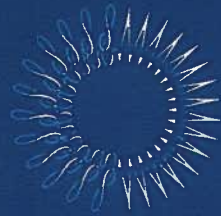


Gary VanLandingham, Principal Officer
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Performance Budgeting and Results First:
INVESTING IN PROGRAMS THAT WORK

Gary VanLandingham



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The policy challenge

- **Though policymakers strive to make strategic choices, the budget process often relies on inertia and anecdote**
- **Governments have limited data on:**
 - **What programs they fund**
 - **What each costs**
 - **What they accomplish**
 - **How they compare**
- **Solution: bring systematic evidence into the budget process**



Potential benefits of performance budgeting



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- **Provide executive and legislative branches with more information on what programs are funded and what they accomplish**
 - **Help agencies identify and resolve performance problems**
 - **Help policymakers triage spending, targeting funding to programs that are successful**

Challenges of performance budgeting



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- **States typically have very limited data on programs**
 - **Often lack lists of current programs**
 - **Data on program outcomes particularly limited**
 - **As a result, systems often report outputs, not results**
- **Performance measures are often highly aggregated**
- **As a result, systems are often useful as monitoring tool, but of limited value in budget deliberations**
- **Results First was designed to address these challenges**

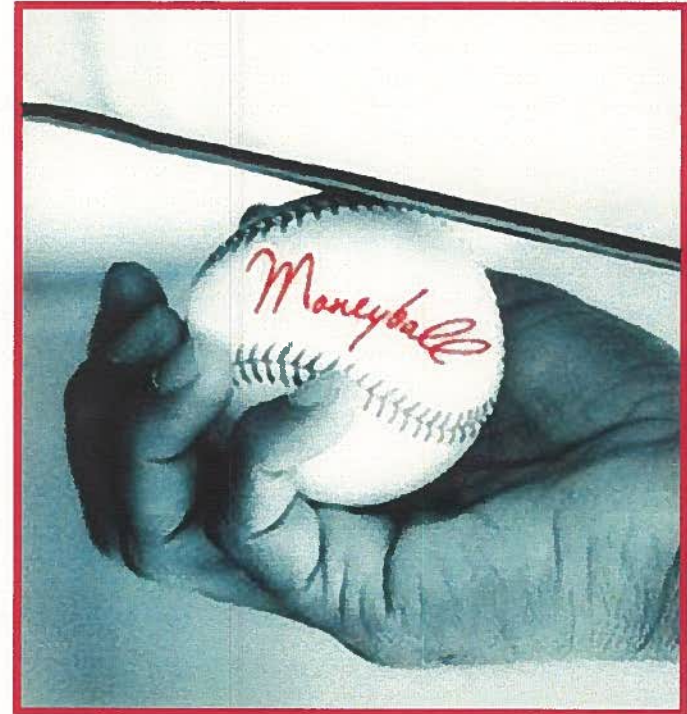


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The Results First approach

- Approach is parallel and highly supportive of performance budget
- Focuses on “what works” – programs shown to be effective by rigorous research
- Outcome-oriented approach
- Asks whether programs’ benefits justify their costs



The Results First approach



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Identify current programs and assess their evidence of effectiveness

Conduct cost-benefit analysis to compare returns on investment

Target funds to evidence-based programs

Goal: Achieve dramatic improvements without increased spending





Inventory Programs

PROGRAM INFORMATION	BUDGET	
PROGRAM NAME	PROGRAM BUDGET	% OF PROGRAM BUDGET
Correctional industries	\$125,000	6%
Correctional education	\$50,000	3%
Vocational education	\$300,000	15%
Drug courts	\$250,000	13%
Adult boot camps	\$180,000	9%
Veterans courts	\$100,000	5%
All others	\$950,000	49%

Note: Data created by author for illustrative purposes only and are not intended to reflect any actual program budget.

Compare Inventory to Database of Evidence-Based Programs



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Policy area	Intervention	Blueprints	CEBC	Coalition	Crime Solutions	NREPP	PPN	WWC	WWR
Substance abuse	Active Parenting of Teens: Families in Action		●		●	●			
Substance abuse	Adolescent Community Reinforcement Approach		●		●	●			
Juvenile justice	Adolescent Diversion Program (NY)				●				
Juvenile justice	Adolescent Diversion Project				●				
Child welfare	Adolescent Parenting Program								
Mental health	Adolescents Coping with Depression								
Adult criminal justice	Adult boot camps								
Adult criminal justice	Adult drug court (Guam)				●				
Adult criminal justice	Adult drug courts				●				
Adult criminal justice	Adult drug courts (OR)				●				

Clearinghouse:
Intervention:
Evidence Rating:

CrimeSolutions.gov
Adult boot camps
No effects practice

[Learn more](#) | ➔

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Assess Level of Funding for Evidence-Based Programs



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PROGRAM INFORMATION	BUDGET		EVIDENCE-BASED	
PROGRAM NAME	PROGRAM BUDGET	% OF PROGRAM BUDGET	RATINGS	
Correctional industries	\$125,000	6%	Highest rated	9%
Correctional education	\$50,000	3%	Highest rated	
Vocational education	\$300,000	15%	Second-highest rated	28%
Drug courts	\$250,000	13%	Second-highest rated	
Adult boot camps	\$180,000	9%	No evidence of effects	9%
Veterans courts	\$100,000	5%	Not rated	54%
All others	\$950,000	49%	Not rated	

Note: Data created by author for illustrative purposes only and are not intended to reflect any actual program budget.

Step 2: Assess programs' return on investment



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1 Uses the best **research** on 'what works'



2 Predicts programs' **impact** in jurisdiction



3 Calculate long-term **benefits** and **costs**

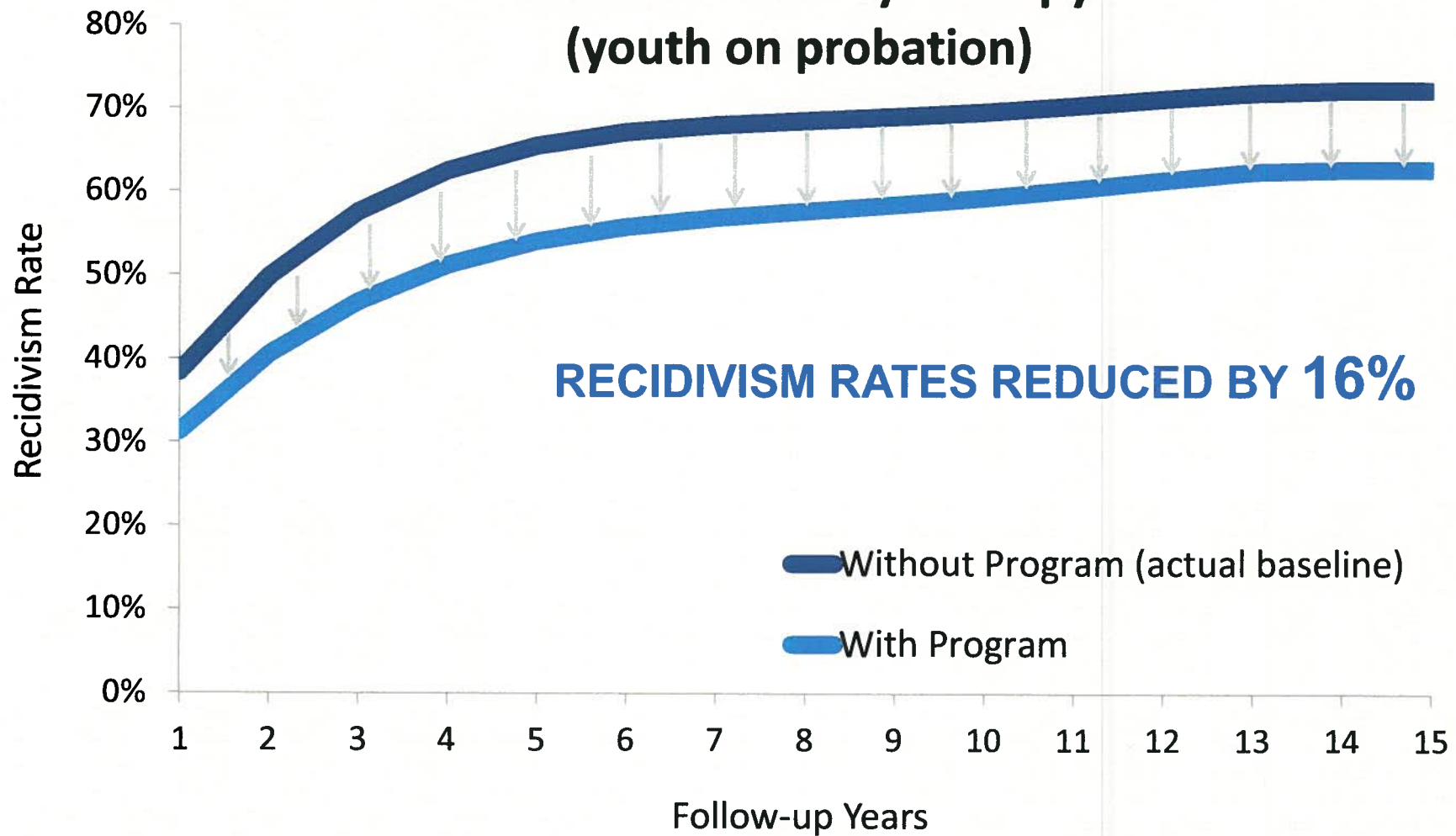
Model Illustration



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Functional Family Therapy (youth on probation)



Source: Based on Washington data

Functional Family Therapy (Youth on Probation)



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OUTCOMES FROM PARTICIPATION		MAIN SOURCE OF BENEFITS
Reduced crime	\$20,740	Lower state & victim costs
Increased high school graduation	\$8,220	Increased earnings
Reduced health care costs	\$66	Lower public costs
Total Benefits	\$29,026	
Cost	\$3,406	
Net Present Value	\$25,620	
Benefits per Dollar of Cost	\$8.52	

Source: Based on Washington data

Compare Return on Investment of Programs – “Consumer Reports”



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ADULT CRIMINAL JUSTICE PROGRAMS	COSTS	BENEFITS	BENEFIT TO COST RATIO
Correctional education	\$1,180	\$21,720	\$18.40
Vocational education	\$1,645	\$19,594	\$11.91
Correctional industries	\$1,485	\$6,818	\$4.59
Drug courts	\$4,951	\$15,361	\$3.10
Intensive supervision (surveillance only)	\$4,305	-\$1,139	-\$0.26
JUVENILE JUSTICE PROGRAMS			
Aggression Replacement Training (state institutions)	\$1,575	\$16,827	\$10.68
Functional Family Therapy (probation)	\$3,406	\$29,026	\$8.52
Drug courts	\$3,275	\$8,110	\$2.48
Multidimensional Treatment Foster Care	\$8,232	\$20,065	\$2.44
Scared Straight	\$67	-\$12,319	-\$183.87

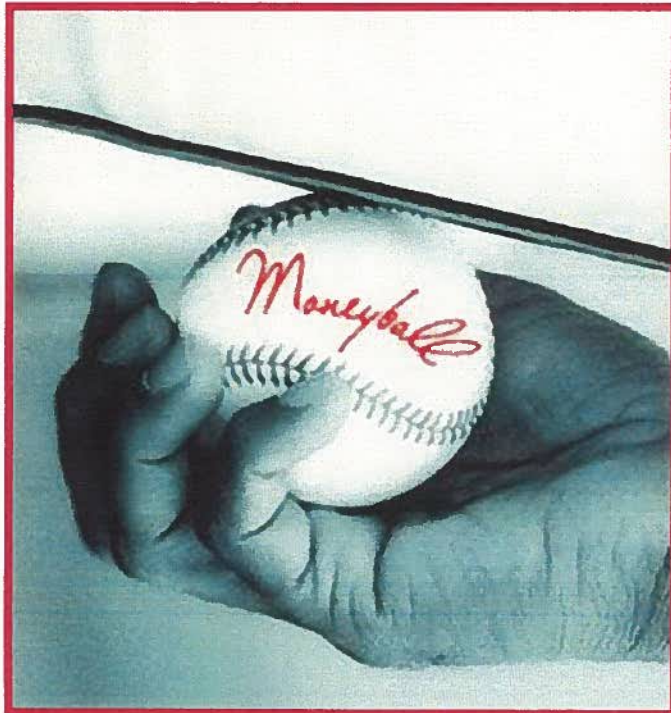
Source: Based on Washington data

Step 3: Target funds to high ROI programs



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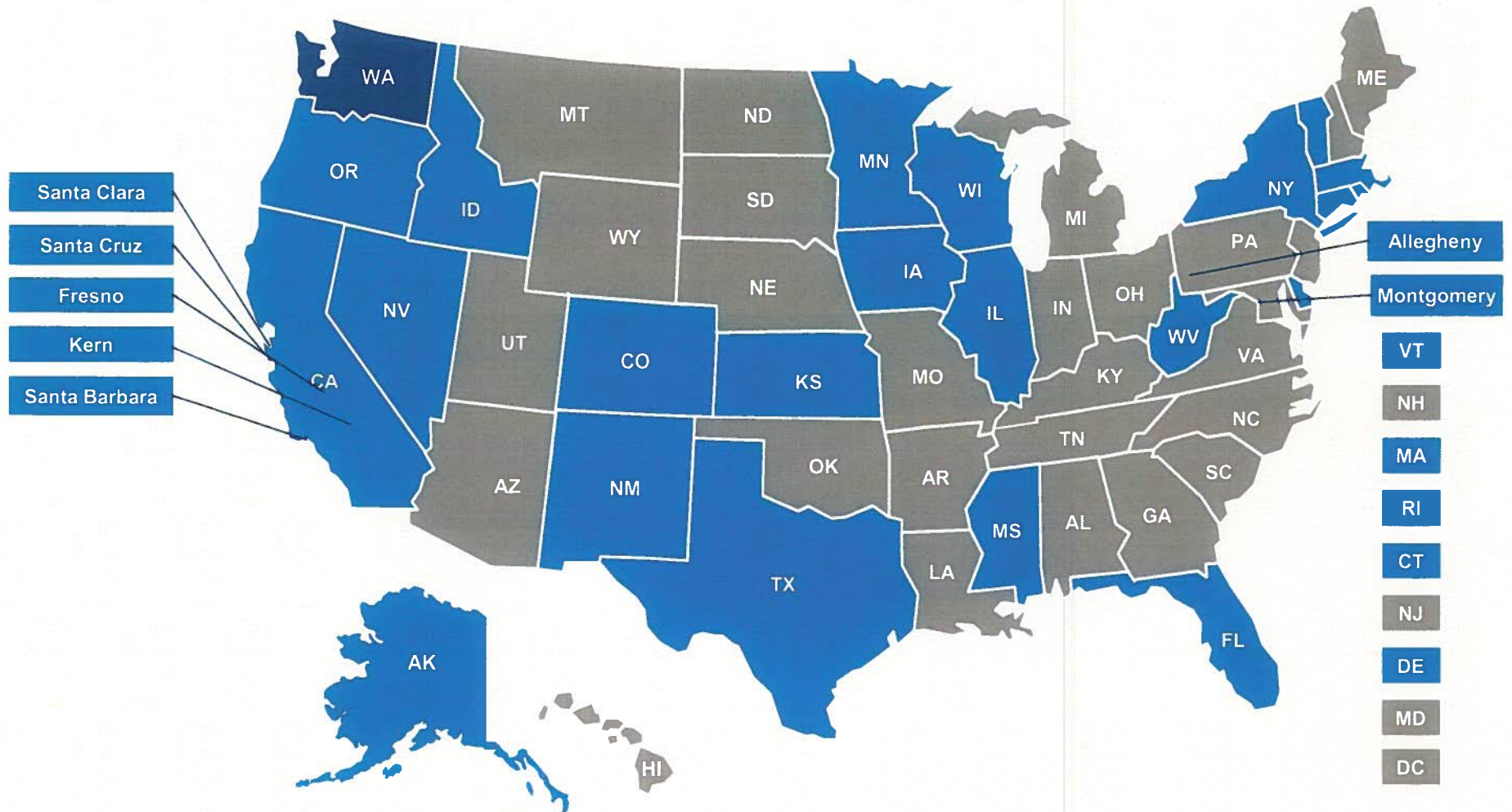
- **Establish definitions for evidence levels**
- **Mandate program inventory and evidence assessment**
- **Require requests for new funding to pass evidence screen**
- **Create funding preferences for evidence-based, high ROI programs**

Participation in Results First



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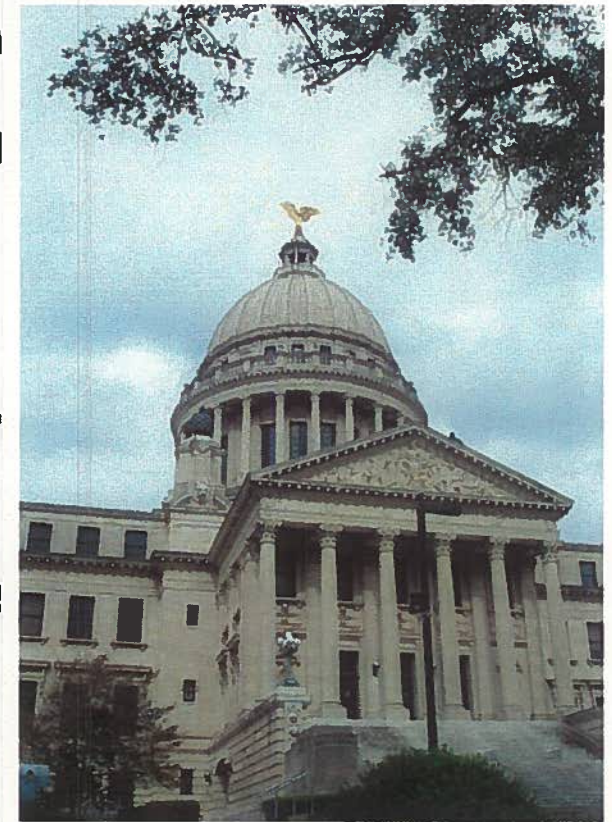
Example: Mississippi



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- **Enacted renewed Performance Budgeting system in 2012, joined Results First at same time**
- **Linked two initiatives, requires all requests for new spending to be justified with rigorous evidence**
- **Eliminated and replaced programs in adult corrections**
- **Passed legislation that:**
 - **Defines levels of evidence for assessing program effectiveness**
 - **Requires comprehensive program investment**
- **Same staff supports performance budgeting and Results First**



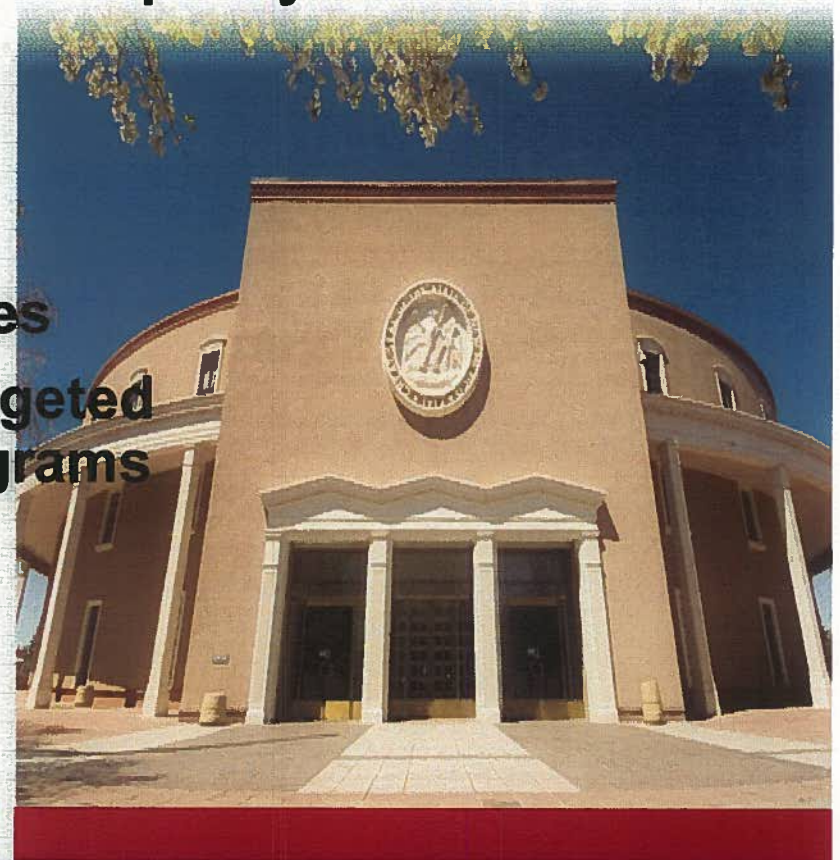
Example: New Mexico



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- **Long-standing and very strong Performance Budgeting system; joined Results First in 2012**
- **Implemented Results First across social policy areas**
- **Same staff supports both efforts**
- **Produced Innovative Reports:**
 - **“Cost of Doing Nothing”**
 - **‘Consumer Reports’ ROI summaries**
- **Eliminated ineffective programs, targeted \$104 million to evidence-based programs with high ROI**



Keys to effective performance budget systems and Results First



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- **Strong policymaker support is critical**
- **Requires partnership between branches**
- **A central coordinative body with adequate staffing is essential**
- **Don't try to do everything at once – system takes time to build and mature**
- **Linking systems to budget process is key to impact – if they don't provide information that is helpful to the process, they will not succeed**