

# Building Cost-Benefit Analysis Capacity in Criminal Justice: Notes from a Roundtable Discussion

By Tina Chiu

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## Director's message

When I came to the Vera Institute of Justice, one of my goals was to help change how cost-benefit analysis (CBA) is used in the criminal justice field. To that end, we started Vera's Cost-Benefit Analysis Unit in 2009. As a former deputy budget director for the City of New York, I knew that one of our challenges would be presenting cost-benefit information that works in the real world and isn't too academic or overly theoretical for government officials to use. Realistic, reliable sources of data on costs and benefits can be incredibly helpful to budget officials, policymakers, and legislators in making fiscal and policy decisions.

Practitioners and policymakers told us they were interested in CBA, but figuring out how to do these studies and apply them to policy seemed like a big hurdle. With funding from the U.S. Department of Justice's Bureau of Justice Assistance, we started our national Cost-Benefit Knowledge Bank for Criminal Justice (CBKB) project, knowing we needed to address this looming question: How do you develop capacity to perform meaningful CBA?

With the goal of learning from our peers who do this work, Vera held a roundtable to discuss building CBA capacity. This publication extracts the highlights of that gathering, which included people from state entities like the Washington State Institute for Public Policy, the Oregon Criminal Justice Commission, and the Pennsylvania Sentencing Commission, as well as nonprofit organizations and legislators who have worked at the intersection of CBA and criminal justice. The group's invaluable contributions helped shape this publication, which we hope will help others in their efforts to make clear the return they are getting on their justice investments.



Michael Jacobson  
President and director, Vera Institute of Justice

## Introduction

Interest in using cost-benefit analysis (CBA) to help in criminal justice policymaking and planning has grown in recent years as state and local budgets have become increasingly strained. Most jurisdictions, however, have not been able to create a sustained capacity to produce and use CBA in decision making and budgeting.

The Vera Institute of Justice organized a roundtable discussion to examine what factors might help jurisdictions build lasting capacity to use and perform CBA. (See "Roundtable Participants" on page 2 for a list of attendees and their affiliations.) The discussion highlighted the need for expertise in conducting cost-benefit studies. It also highlighted the need for trusted, credible organizations that can house this expertise. And participants talked about structures and processes that would help bring cost-benefit information to policymakers and integrate CBA as part of decision making.

This document covers three areas to consider when building CBA capacity: organizations, staff, and processes.

## Organizations that can house CBA capacity

The best and most well-known example of an organization with a respected and sustained capacity to perform cost-benefit studies is the Washington State Institute for Public Policy (WSIPP). Established in 1983 by the Washington State Legislature, WSIPP, through its expertise in carrying out practical, non-partisan research and its ability to inform the state's decision making, has motivated jurisdictions across the country to bring CBA into their policymaking processes.

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## Roundtable participants

### Steve Aos

Director, Washington State Institute for Public Policy

### C. Edward Banks

Senior policy advisor of the Strategic Initiatives Unit, Bureau of Justice Assistance, U.S. Department of Justice

### Mark Bergstrom

Executive director, Pennsylvania Commission on Sentencing

### Lisa Brooks\*

Director, District of Columbia Justice Grants Administration

### Michael Carrell

Washington State Senator

### Tina Chiu

Director of technical assistance, Vera Institute of Justice

### Frank Dermody

Pennsylvania State Representative

### Christian Henrichson

Senior policy analyst, Vera Institute of Justice

### Karen Fraser

Washington State Senator

### Michael Jacobson\*

President and director, Vera Institute of Justice

### Jodi Lobel, Esq.\*

Chief, Charging Unit, Philadelphia District Attorney's Office

### Andrew Olson

Oregon State Representative

### Craig Prins

Director, Oregon Criminal Justice Commission

### Kwame Raoul

Illinois State Senator

### John Roman

Senior fellow, Urban Institute, and executive director, District of Columbia Crime Policy Institute

### Kathy Saltmarsh

Executive director, Illinois Sentencing Policy Advisory Council

### Sara Watson\*

Senior officer, Pew Center on the States, The Pew Charitable Trusts

### Michael K. Wilson\*

Economist, Oregon Criminal Justice Commission

\* These people have changed jobs since the roundtable took place in October 2010. Lisa Brooks is now senior associate for the Crime and Justice Institute at Community Resources for Justice. Michael Jacobson is leaving Vera in 2013 to create and head a new public and fiscal policy institute for state and local governments at the City University of New York, where he will also be a professor in the sociology department of the Graduate Center. Jodi Lobel is the deputy district attorney in the Trial Division of the Philadelphia District Attorney's Office. Sara Watson is executive vice president of America's Promise Alliance and the director and cofounder of ReadyNation. Mike Wilson works as a criminal justice research consultant, focusing on cost-benefit analysis and estimating policy impacts.

But the challenge for many jurisdictions is determining which organization or agency is best suited to not only conduct cost-benefit studies, but also to inform policymakers about CBA results. As Kathy Saltmarsh, executive director of the Illinois Sentencing Policy Advisory Council, noted, “My experience is: information does not carry the day; it’s the messenger who has the information.” Pennsylvania State Representative Frank Dermody added, “The credibility has to be there within the agency doing the analysis.”

**Cost-benefit analysis (CBA)** is a type of economic analysis that compares the costs and benefits of policies and programs over a long term. The hallmark of CBA is that both costs and benefits are monetized, allowing the comparison of initiatives that have different purposes and outcomes.

Roundtable participants discussed options such as starting a new agency or organization to function like WSIPP—as the District of Columbia Justice Grants Administration (JGA) did with the development of the District of Columbia Crime Policy Institute (DCPI)—or integrate CBA capacity into an existing organization, like a sentencing commission or criminal justice commission. They also discussed important characteristics for whichever organization becomes responsible for performing CBAs: the group must be credible and objective and have access to data and evaluation. The organization’s location in government may vary (for instance, within the executive or legislative branch), but it needs to maintain independence in the results it puts forth and be viewed as a trusted resource. A sustainable funding base is important; partnerships with academic institutions can help defray overhead and administrative costs.

## Credibility

An organization that does CBA and wants to persuade practitioners and policymakers—including legislators, budget officials, and agency heads—to use their information must be

perceived as credible. But how does an organization develop credibility, particularly if it is just starting to do CBA?

Existing organizations such as sentencing or policy commissions may be able to use their reputation to leverage trust and buy-in. Reputation is built in part on the quality of an organization’s products, and also on its ability to work with policymakers, its objectivity and lack of bias, and outsiders’ perceptions of those characteristics.

## Newly established organizations

New organizations seeking to inform justice policymaking through CBA may face challenges that more-established organizations do not. They will need to build a track record of and reputation for credible and useful analyses. They will also need to establish and foster trusting relationships with decision makers. As Frank Dermody noted, “With a budget problem out there, having an organization that is perceived to be nonpartisan presenting the facts and the issues and accurately evaluating data” is important if CBA is to inform legislative decision making. Other challenges include establishing a funding base, getting access to data, avoiding duplication of other agencies’ efforts, and securing some early wins.

## How does an organization develop credibility, particularly if it is just starting to do cost-benefit analysis?

Although practically challenging, starting a new organization to house CBA capacity is not impossible. DCPI is a recently established organization that conducts CBA in justice policymaking. DCPI is a nonpartisan, public policy research organization focused on crime and justice policy in Washington, DC. It was established in 2009 with funding from JGA in the Executive Office of the District of Columbia Mayor (EOM). DCPI is a collaboration between the Urban Institute and the Brookings Institution and is managed by staff from the Urban Institute’s Justice Policy Center, under the direction of the JGA and EOM.

## If cost-benefit analysis is to inform legislative decisions, it is important that the organization presenting and evaluating data is perceived as credible and nonpartisan.

DCPI was created through a request for proposal (RFP) process specifying that the organization be generally modeled after WSIPP. (See Resources, page 13, for a copy of the RFP and link to DCPI's strategic plan.) Federal American Recovery and Reinvestment Act dollars provided seed funding for DCPI. As Lisa Brooks, then director of JGA, explained, "I feel like we got the total package by issuing an RFP for this institute." They were able to get a team that was "well rounded enough" to provide strong research capabilities "but then also [had] the ability to apply that research and to communicate with the stakeholders. And in the end, I think the contractor's reputation for being independent was a really big deciding factor for us."

### Location, location, location

#### *Within the Government Structure*

There is no right answer as to which branch of government should house a CBA-producing organization. WSIPP, for instance, is a legislatively created body that gets both its funding and assignments from the legislature; the Oregon Criminal Sentencing Commission is part of the executive branch; and DCPI is an independent organization. According to WSIPP director Steve Aos, where an organization is put "structurally in your state depends on how your [state's] institutions have evolved over time." He said it was "natural" to have WSIPP housed in the legislative side of government, "because in Washington the legislature really does write the budget. In another state, maybe it makes more sense to put it in the governor's budget office, if the governor is the primary driver." Here is the trade-off: being closer to where decisions get made may affect an organization's nonpartisan status and its real or perceived independence.

#### *Physical Proximity to Decision Makers*

Steve Aos emphasized the importance of an organization's geographic location. "States say, 'Oh, let's put [this function]

down in the university, you know, 100 miles away.' It's just a bad idea." WSIPP's office in Olympia is "very close physically to where the decisions are made in the State Capitol.... We really want to make sure that legislative staff—both the nonpartisan staff as well as the caucus staff—have a real understanding of what we found in these studies." Being close to where the action is, particularly "during the heat of a legislative session," gives WSIPP analysts more time and opportunities to explain their work to decision makers and their staff.

Mark Bergstrom, executive director of the Pennsylvania Commission on Sentencing, agreed: "Our main office is located at Penn State, about 90 miles from Harrisburg. But over the last several years, we were able to get office space in Harrisburg; we have a physical presence now.... It makes just all the difference in the world to physically be there, to be able to respond to that 'running into people in the hallway' kind of stuff."

### Administration and funding

Arrangements or partnerships with established institutions can help defray or cover some of the costs of an organization that will do CBA work. In Pennsylvania, the sentencing commission is based at The Pennsylvania State University; WSIPP is housed in Evergreen State College. As Washington State Senator Karen Fraser pointed out, "It's solely for administration, but that saves WSIPP from doing all this payroll and all this administrative paperwork stuff that the college does." An upside for the college, Fraser added, is that it "takes some pride in having this under their umbrella." Mark Bergstrom made a similar point: the Pennsylvania Commission on Sentencing gets "a lot of benefit" via "leveraging the infrastructure and containing the costs" through its arrangement with Penn State.

## Being close to the action, particularly during a legislative session, gives analysts more time and opportunities to explain their work to decision makers and their staff.

### A CAVEAT: LOOK BEYOND CRIMINAL JUSTICE

Steve Aos suggested that jurisdictions not embed the CBA capability in an organization that examines only criminal justice policies. He said an institute that looks at several policy areas and is more “general purpose” can help stimulate more demand and familiarize more policymakers with CBA research and methods. “If it’s just criminal justice, they’ll become known as the criminal justice cost group.” He acknowledged that “it takes a long time to build that [capacity]” but encouraged jurisdictions to think of this work “as bringing science and economics to bear in many of the areas of state government and getting that function built in as a routine part of operating” to benefit organizations in the long run.

The Oregon Criminal Justice Commission (CJC) houses the state’s Statistical Analysis Center and serves as the State Administering Agency (SAA), dispensing Byrne Justice Assistance Grant funds (awarded by the U.S. Department of Justice’s Bureau of Justice Assistance). According to Craig Prins, director of CJC, “the bonus” is that the commission has federal grants to both financially support and provide a focus area for its CBA capacity. Having a “set-aside for the pre-administrative costs of administering grants provides you with a really nice baseline of funding,” Bergstrom added. “I think some kind of pooled mechanism...is great, because then you’re not going year to year trying to figure out how to pay the bills.”

## Staffing

CBA differs from a lot of other work in the criminal justice field, so identifying and hiring the right people may call for

unconventional strategies. Agencies need people who can perform CBA, but the pool of people who have those skills as well as relevant knowledge about policy is small. Ideally, job candidates should have not only analytical expertise—or at least a quantitative orientation—but also good communication skills, including the ability to build relationships and collaborate with others. Roundtable participants said they look in other sectors and do not focus excessively on a candidate’s justice-related experience. They talked about what works and what they have learned through the search and hiring process—and ways to approach staffing when agencies are not in the position to hire

### Advertising positions and searching for staff

There are many issues to think about when conducting a broad search and posting positions beyond traditional government websites. Who might be drawn to this work and what would make it attractive to them? Consider using websites like Monster.com, Idealist.org, and academic sites where you might reach newly minted PhD’s who are looking for a career outside of academia. Mark Bergstrom said that some people finishing a doctorate have limited job prospects, while others “might like to be engaged in research that is more applied than basic.”

The formal relationships that organizations have with academic institutions may attract candidates who are students, recent graduates, or alumni. For example, WSIPP and the Pennsylvania Sentencing Commission’s affiliations with Evergreen State and Penn State, respectively, may naturally encourage those connections. Jodi Lobel of the Philadelphia District Attorney’s Office said the office brings in students and interns from the University of Pennsylvania and other local colleges and universities. “Since we’re experimental, building programs from the ground up, we seek and take help that’s offered. It’s amazing who you will attract, who wants to come and help, and who



## Staff will need quantitative and analytical skills to examine research and evaluation results, tie those to models of policies and programs, and perform the economic assessments that will turn into CBA results.

wants to give feedback. We find a lot of good people that way, because of their interest in our projects and our office’s mission.”

It is also important to promote the aspects of the position that make it interesting. As Mike Wilson explained, “You’re not just reporting on descriptive statistics, which is often what you do in state government. [CBA is] trying to put something out there that’s new and interesting and has implications and can help inform policy. It’s not just [about] a report we have to put out that no one is going to read.”

### Characteristics of good staff

#### *Quantitative Skills*

If you are hiring staff, participants recommended looking for people who have a quantitative orientation. “I just look for people who are really well trained in economics or statistics, and then you train them how to be a cost-benefit analyst,” said John Roman, who heads DCPI and is a senior fellow at the Urban Institute. “What you want is a data person you can convert into a cost-benefit data person.” Staff will need quantitative and analytical skills to examine research and evaluation results, tie those to models of policies and programs, and perform the economic assessments that will turn into CBA results.

Participants advised that it would be hard to train someone who doesn’t have quantitative skills to perform CBA. For that reason, you don’t want to hire people who have “analyst” titles on their résumés but have done only descriptive statistics or reviews. It does help if a candidate has previously performed cost analyses, fiscal impact analyses, or cost-effectiveness studies.

In addition, good candidates do not necessarily need to know the ins and outs of the criminal justice system, but they should want the challenge of doing analytic work in that field. Candidates who have done cost-benefit work in another industry or

sector will know in principle how to apply CBA to criminal justice. Mike Wilson, for instance, did research in labor economics and education economics before he joined the Oregon CJC.

## Identifying and hiring the right people may call for unconventional strategies.

If you don’t know how to assess a person’s quantitative skills, ask for assistance and advice from colleagues. Craig Prins said, “I’ve made some real blunders hiring analytical people, because I do not have the background in some field of quantitative analysis to assess whether they have the chops or not.” Researchers, evaluators, economists, and budget or fiscal officers can help you develop questions and exercises to evaluate a person’s quantitative aptitude.

#### *Communications Skills*

When hiring, look for people who can communicate well with a variety of stakeholders. Steve Aos commented that his analysts spend 60 percent of their time doing the research and cost-benefit work—that is, “doing technical work at the computer”—but that they need to spend 40 percent of their job communicating—“talking to members, legislative staff, governor’s staff....As someone said, it’s a people business...it’s people talking to other people. If we just sit at computers and write reports, that’s not going to work.”

Staff should be talking to people and developing relationships, so that they can understand operational processes and data as well as communicate to others the big picture of what they are doing and why. As Illinois State Senator Kwame Raoul said, “When you’re dealing with legislators who are dealing

## Analysts need to be able to communicate the big picture: what they're doing and why.

with thousands of pieces of legislation on various issues, do they really have the patience to value a detailed explanation of cost-benefit analysis?" Staff need to explain what CBA is and what it isn't, what CBA results mean, and how those results can be helpful in planning and decision making. Ultimately, said Oregon State Representative Andrew Olson, stakeholders need to feel that CBA is a tool that can be used to help "provide a safe environment out there."

Communications skills are also important when requesting information about costs, which can be a touchy subject. As Vera Institute of Justice director Michael Jacobson stressed, even jurisdictions that typically have good data do not necessarily have good information about marginal costs for each agency. "None of it is rocket science, but you at least have to have a baseline of information" on costs to start doing CBA. This requires staff to go through a process with agencies to develop figures that everyone agrees to, because "you want your numbers to have some degree of legitimacy," Jacobson said. Staff who communicate well may more readily engage people at other agencies, leading to a more cooperative process and greater willingness to share and explain information about costs and cost calculations.

### Other ways to staff

If you cannot hire staff, other options may be available to help build CBA capacity. One option is to contact organizations that have criminal justice analytic or research capacity, such as a statistical analysis center, State Administering Agency, criminal justice coordinating council, state sentencing commission, or policy advisory commission. Legislative fiscal offices and budget offices may also be good sources of people who can work on a specific CBA project.

Another option is to build partnerships. In Oregon, a legislative mandate helped prompt CJC staff to arrange a collaboration with analysts in other agencies. In 2003, the Oregon legislature passed Senate Bill 267 (SB 267), which required that 75 percent of state money spent on programs had to go to programs that were evidence-based and shown to be cost-effective. (See Resources, page 13, for more information.) Mike Wilson said that SB 267 "got us moving down this path that said, 'If we're going to spend money on programs that are designed to reduce recidivism, then they need to have some evidence that they actually work.'"

## If you're not in a position to hire staff, consider building cost-benefit analysis capacity through partnerships and other collaborations.

In addition to the CJC, the Department of Human Services, the Department of Corrections, the Youth Authority, and the Commission for Children and Families had funded programs designed to reduce crime and recidivism. Because of SB 267, according to Craig Prins, the agencies had to "talk to each other about, 'Hey, how are we going to address this?'" As a result, a research group with analysts from those five agencies was put together to collaborate. Mike Wilson elaborated, "So I might do some cost-benefit work to help a project in the Department of Corrections, and then they'll offer up some of their research analysts to help with a study we're doing."

Local universities and colleges might have faculty and students who can assist on projects; tax institutes at universities can be a particularly good resource to tap. Roundtable participants cautioned, however, that academic interests and skills differ from policymakers' and practitioners' needs. "There's a different language being used for peer-reviewed articles than for what you're submitting to the legislature," Mark Bergstrom noted. Steve Aos also observed, "My experience is that,

## It's critical to have an ongoing conversation with legislators and their staff and not to wait until the budget cycle begins.

on average, tenured academic faculty don't know how to write and speak to legislative staff [or] members very well.”

Another important difference, Aos said, is that “academic freedom and legislative fiat” do not go together well. Academic researchers tend to work on different time scales than those of legislators and other policymakers, who often need information right away. Universities also may not be physically close enough to “where the action is” (see “Location, location, location,” page 4). But academics do have an important role; as Aos said, “You might want to use tenured faculty’s research in forming your opinions about what works and what doesn’t work.”

### Making CBA part of the process

“We have had legislators in our state, key leaders, who have made it a huge priority to make policy and budget decisions based on the kind of analysis that WSIPP does,” said Washington State Senator Karen Fraser. Washington State has the longest history among state governments of using CBA as a sustained part of policymaking. Cost-benefit information has been embedded in processes like forecasting, budgeting, monitoring and evaluating programs, and implementing programs. “In a non-headline way,” Fraser said, Washington State has institutionalized CBA as part of decision making to the point where “there are no heroics”—that is, no constant battle to explain the importance of CBA as a tool. CBA results are, as Sara Watson put it, “part of an ongoing conversation.”

What can other jurisdictions do to make CBA part of an ongoing policy conversation? This section discusses the importance of making CBA part of the policy and decision-making process, explains how CBA can be integrated into existing processes, and describes practices that can help institutionalize its use.

### The importance of integrating CBA

Cost-benefit studies can help in situations when, as Mark Bergstrom stated, “it’s important to talk about the options, prod the information, and say, ‘Here’s the outcome that we anticipate if you take this path.’” But integrating CBA into decision making means more than just conducting an occasional study, sharing the results, and hoping that people will use the findings. “We have to structure it more and really bring all of this to bear in a much more systematic approach to reviewing programs and thinking about outcomes and using that,” Bergstrom said.

Why is this important? Understanding CBA studies can be difficult, particularly in the rush of legislative and budgetary cycles. “This stuff can be pretty complicated; it can be sort of nuanced,” Michael Jacobson said. Talking “365 days a year” to legislative members, to their staff, and to the governor’s staff is crucial, Jacobson said. “If you wait until the budget cycle actually begins—and every state has some yawning multibillion-dollar gap and there’s five and a half weeks to close it”—then you won’t be able to get people’s attention or communicate what

#### A CLOSER LOOK AT THE WASHINGTON STATE INSTITUTE FOR PUBLIC POLICY

WSIPP has published several documents—including its bylaws and a publication that describes its history—that explain how and why it works. Steve Aos has discussed his work at conferences, in articles, and in a series of CBKB.org podcasts. See Resources, page 13, for more information and links. Note that specific Washington State policies and processes contribute to how WSIPP works, making its structure and operations not entirely transferable to other jurisdictions.



you need to. “None of that stuff is going to happen in a compressed budget cycle,” Jacobson cautioned. “The only chance you have is to have those discussions continually, so that by the time that insane pressure starts, people sort of get it.”

## Integrating cost-benefit results with the budget-making process could be extremely valuable in many jurisdictions.

Lisa Brooks noted that doing CBAs provides decision makers with more comprehensive information. Integrating information from CBAs with budget making would be “a huge step,” not only in making “an informed decision about how to trim a budget or eliminate a program or shift resources,” but also in “being able to stand behind” those decisions.

### CBA and the budgeting barrier

Despite the hope that the process of doing CBAs and cost-benefit results can help develop better budgets, an obstacle often arises—the question of whether there are “real” dollars to be saved by spending money in one area versus another and whether benefits can be counted as “real money.” Michael Wilson described the experience of trying to persuade decision makers in Oregon to invest in drug courts. He said the question was not primarily about whether research shows drug courts to be effective. “Well, the budget office says, ‘Are those real savings?’ or ‘How can we quantify those savings?’...Well, I can go and say, ‘This is the cost-benefit of drug courts,’ but that isn’t counted in any real tangible budget.”

In response to Wilson’s point, Michael Jacobson asked, “But you could do that, right? You could convince budget officials that in fact there is real money to save. It’s not theoretical money; it’s real money; it’s right here.”

Convincing budget officials that there is “real money” depends on a few things. As Steve Aos reflected, “I started my career in the mid-’70s in the [Washington State] budget office, and the thing that’s been most interesting to me in all of this is that now—30 years later—we actually do tie what has been funded with taxpayer money by the legislature to our budget driver.” Tracking programs and policies to see how they affect outcomes, tying those outcomes to forecasts and projections, and establishing feedback loops and accountability mechanisms—these processes make people take CBA seriously.

### Forecasts and feedback

In Washington State, policy and program changes are tied to forecasts. Budget officials, corrections officials, and other stakeholders can see the results and impacts of their choices. In sentencing and corrections, changes to policies translate into prison population forecasts. “There’s a formal process to do those caseloads in the state,” Steve Aos said. “It’s an executive-legislative joint project to set those caseloads. We bring together staff, in the case of the prison budget, from the judicial, legislative, and executive agencies. We talk about and measure what effects we think we’re seeing from those programs that were funded, or from the early-release policies, or the sentencing changes that might have been done.”

Karen Fraser elaborated that the State’s Caseload Forecast Council has formally reduced its predictions of caseload in the prisons. “We’re closing and reducing some prisons. Here is the biggest tangible thing: we’ve delayed by 10 years construction of a new prison, based on this analysis. So we’re saving \$63 million a year, \$630 million over 10 years. To delay the cost of a prison by a decade is a huge thing, and it’s based on this type of analysis, which leads to adoption of programs and budget strategies.”

“Getting that forecast connecting sentencing policy and investments I think is key,” Craig Prins said. Mike Wilson agreed: “I think that makes a big difference, and I think it’s an important step. We probably ought to try and figure out how we can get that done in Oregon.”

## A feedback loop allows stakeholders to see the consequences of their decisions, gain insight into what's working, and uphold standards of accountability.

Using CBA to decide among options is important. But Mark Bergstrom added, “I think it’s equally important to have some kind of feedback loop when you get to that point in time that you say, ‘Well, did it work or didn’t it? And why or why not?’ ” A feedback loop allows stakeholders to see the consequences of their decisions, gain insight into what is working, and uphold standards of accountability. As Steve Aos described, “The budget’s been trued up every year to what reality is actually playing out in the field. From the standpoint of accountability to taxpayers of what Washington State has done, it’s the most important thing. This brings it all the way back home to saying, ‘Well, we’ve made these investments; now is there a reasonable scientific basis to put them into the budget?’ Every year we make those adjustments. I think if you don’t go there, CBA runs the risk of being something that’s nice to do, but it may not pan out in the real world. It’s that truing up to the budget that I think is probably the most important thing, at least in terms of giving the taxpayers the return expected.”

### Putting your money where your mouth is

What happens when you track and follow the impact of an investment and don’t see the return you expected? Washington State officials decided early in their practice of using CBA that they would cut a program that was not working. That decision established the seriousness of their work. It signaled that there were real consequences and that the purpose of CBA for decision making was not just to add more programs. Steve Aos recommended that policymakers “use evidence and cost-benefit analysis early in your process to cut something that evidence would indicate isn’t working or isn’t cost effective” because “you’ll reap rewards.” He continued, “That will send a message that will last for decades. We didn’t do that by design, but in the mid-1990s, the very first thing that we did that was evidence based in cost-benefit was to cut one of those juvenile

justice programs we were doing in Washington that evidence indicated didn’t work....It was a waste of taxpayers’ money, and the legislature cut the program. The reverberations are still felt today that the legislature is serious about this. It’s not just to add stuff; it’s to actually do things that are really based on evidence.” The bottom line message is: “We’re going to cut things that don’t work and put it into things that look like better bets.”

Craig Prins pointed out that cutting programs can be done responsibly. “[Legislators] want to cut anything that’s not working right then. And I think accountability is important, but also think the cuts should come [when] there is no evidence that this type of program has worked in the first place. When you have a program that was built on a sound model and designed with analysis behind it, some...are still going to struggle for implementation reasons. And that’s where I tell my legislators, ‘Now hold on, don’t lop off their heads immediately. Maybe we can do a process evaluation and see what went wrong, and improve the fidelity of this program to what was intended and get the results we all want.’ ”

### Other activities

Other activities and approaches can make CBA a more integral part of decision making. These include building in the expectations that people and programs will use CBA information; planning for evaluations so that impact information can be used as part of the CBA cycle; and setting up ways for people to commission studies in such a way that they will actually use the results.

#### *Using CBA Information in Implementation*

Karen Fraser described implementation of CBA in Washington State: “The way we institutionalize it is to include in the budget a directive to this effect: ‘When you get x millions of dollars for

## Using CBA in decision making is not just about adding more programs.

this program, you have to implement that money consistent with WSIPP's findings? We put provisions in the budget about agencies having to consult with and use the information from WSIPP's study findings and report back. We also sometimes require agencies to use the findings in grant program priorities and so forth. This is a type of assured implementation and institutionalization in a low-key way. Yes, there are no 'heroics' in this. But it's actually very effective and can't be circumvented. We are pleased that agencies are getting used to it."

### *Building in Evaluations*

Washington State Senator Mike Carrell noted, "We also make it very clear that any program that's starting up must be set up in a way that Steve [Aos] and others can evaluate it, so that it's rigorous right from the get-go, or we don't do them. We want to be able to find out, in the end, did it actually work? And so we set things in the beginning now to find the answer three or more years down the road."

Building in evaluations has a number of benefits. "Long term," Carrell said, "we'll end up finding out the programs that do seem to work. It also gives us a good idea of where to direct future program money." Pennsylvania State Representative Frank Dermody noted that the prospect of being evaluated also provides programs with "some real incentive to become as efficient as possible." Steve Aos agreed: "I think it really enforces that quality implementation, because they know if it doesn't happen, there will be evaluation and that at least there's precedence of a legislature taking action" to cut funding.

### *Commissioning Studies*

Karen Fraser said that in Washington State, "The legislature in the budget directs most of the major studies that WSIPP does." WSIPP does not have a fixed funding base, Steve Aos explained, but instead the institute "will submit a fiscal note to the legis-

lature on how much it costs to do a study. The legislature can either go up or down on that in the budget-writing committees. And then, the governor has a chance to go up or down on that as well. So once it gets all the way through that process, the actual language directing the study is right either in policy, RCW [the Revised Code of Washington] sometimes, or in the budget bill, and the funding has been specifically appropriated for that."

While this process may seem arduous, Aos said that it has benefits. "I think that works well because it gives the legislature ownership in [that] they passed a bill asking for the study. So when it comes back to them with a due date on it, it's not that we made up the assignment... It's that it came right out of the legislature, signed into law by the governor." The process of commissioning a study consequently reinforces the study's usefulness.

## Conclusion

Using cost-benefit analysis to inform justice planning and policymaking can be as straightforward as conducting a single study and bringing it to the attention of decision makers. But developing a sustained capacity to use CBA requires more, as the roundtable participants explained.

To support jurisdictions' efforts to build their CBA capacity, participants recommended the following activities:

- > Increase the pool of people who have cost-benefit analysis skills by providing more CBA training in graduate-level criminology programs, providing more examples of CBA on criminal justice topics in graduate-level public

policy programs, and providing more CBA training to staff at criminal justice agencies.

- > Increase access to data about costs in the criminal justice system by publishing marginal cost information, when possible, or publishing detailed information on agency spending and workload.
- > Increase the amount of—and access to—information about program outcomes. Create an expectation that programs will be evaluated, provide tangible resources to carry out evaluations, and share the findings with others in the justice field.
- > Highlight decision makers—such as legislators, agency heads, and budget officials—who use cost-benefit information in policymaking and planning. Broadcast their experiences and knowledge to help develop CBA champions and supporters within your own jurisdiction.

To paraphrase John Roman, jurisdictions need to build structures and systems that put cost-benefit information into the hands of the people who can actually use it. Doing so is a long-term proposition that can follow different routes, but the work and experience of the Washington State Institute for Public Policy and other organizations—like the Oregon Criminal Justice Commission and the District of Columbia Crime Policy Institute—provide some helpful direction. Organizations doing cost-benefit studies need to build and maintain their credibility and objectivity. Constantly communicating what goes into CBAs and how to use the results that come out is paramount. And integrating CBA into other processes reinforces its value.

## Resources

Resources are hyperlinked in the PDF of this publication at [www.vera.org/cbacapacity](http://www.vera.org/cbacapacity) and at [cbkb.org](http://cbkb.org).

**Adult Redeploy Illinois:** This website provides easy access to county-level data elements used for preparing local plans for the Adult Redeploy Illinois Program.

**Cost-Benefit Methodology, State of Oregon, Criminal Justice Association:** This publication describes the cost-benefit methodology used by the Oregon Criminal Justice Commission.

### District of Columbia Crime Policy Institute (DCPI) Strategic Plan

District of Columbia Juvenile and Criminal Justice Research and Policy Institute Grant Program, Justice Assistance Grant Recovery Act: **Request for Applications** (RFA #2010-6): This RFA led to the creation of DCPI.

**Illinois Senate Bill 1320:** This legislation created the Illinois Sentencing Policy Advisory Council.

Information on Oregon's Senate Bill 267:

- > [Oregon Senate Bill 267 summary](#)
- > Bureau of Justice Assistance webinar: "[Evidence-Based Practices \(EBP\) in Criminal Justice](#)"

Oregon Criminal Justice Commission [economist job description](#)

**Washington State Institute for Public Policy Origins and Governance:** This document summarizes WSIPP's history and structure.

**Washington State Institute for Public Policy Bylaws:** This document compiles WSIPP's bylaws.

## Organization descriptions

### District of Columbia Crime Policy Institute

The District of Columbia Crime Policy Institute (DCPI) is a nonpartisan, public policy research organization focused on crime and justice policy in Washington, DC. Established in 2009 with funding from the Justice Grants Administration (JGA) in the Executive Office of the District of Columbia Mayor (EOM), DCPI's mission is to support improvements in the administration of justice and public safety policies through evidence-based research. The institute is a collaboration between the Urban Institute and the Brookings Institution, through the jointly administered Partnership for Greater Washington Research. DCPI is managed by staff from the Urban Institute's Justice Policy Center, under the direction of the JGA and EOM.

DCPI is generally modeled after the Washington State Institute for Public Policy and aims to inform evidence-based policymaking, contribute high-quality research on crime and justice, and establish a national model for integrating scientific research into local governance. To achieve these goals, DCPI has three core objectives. The first is to develop and put into practice a next generation statistical model that predicts the costs and benefits of implementing evidence-based programs in Washington, DC. The second is to create a publicly accessible research library of crime and justice research in the District of Columbia. And the third is to identify and implement research projects of interest to the District of Columbia's JGA and EOM.

DCPI's current research includes an examination of DC's Focused Improvement Areas Initiative, which aims to increase law enforcement presence and access to social services to improve public safety and reduce disorder; an assessment of the Metropolitan Police Department's operations and their impact on crime; and an evaluation of the effect of pretrial detention on pretrial detainees and public safety.

### Illinois Sentencing Policy Advisory Council

The Illinois Sentencing Policy Advisory Council (SPAC) was created through Public Act 96-0711 in 2009 and first convened in January 2010. SPAC draws on criminal justice information collected by other agencies to explore sentencing issues and practices and how they impact the efficiency and efficacy of the criminal justice system as a whole. The council consists of a nonpartisan group of 18 key stakeholders from across state and local criminal justice systems, including legislators, retired judges, prosecutors, defense attorneys, corrections and court officials, law enforcement, victims' rights advocates, and academics. Ex-officio members include representatives from the Illinois Criminal Justice Information Authority, the Administrative Office of the Illinois Courts, and the Illinois Department of Corrections.



SPAC is charged with objectively informing sentencing and corrections policy decisions. To perform this function, SPAC is responsible for collecting and analyzing data, conducting correctional population projections based on simulation models, producing systemwide fiscal impact statements for proposed sentencing legislation, and ensuring that effective evidence-based practices are used in policy decisions and within the criminal justice system. SPAC will report in writing annually to the general assembly, the governor, and the supreme court. SPAC has not been charged with developing and administering sentencing guidelines. SPAC is funded by a lump-sum appropriation in the form of a grant administered by the Department of Corrections. SPAC also currently has a grant from the state's Attorney Appellate Prosecutor's Office.

The development of SPAC is part of a larger sentencing and corrections reform effort currently taking place in Illinois. To support the advancement of evidence-based practices throughout the criminal justice system, the state enacted the Crime Reduction Act of 2009, modeled after the Pew Public Safety Performance Project's Policy Framework to Strengthen Community Corrections. The act calls for the development of a standardized risk, needs, and assets assessment system to help the Department of Corrections, the Parole Division, and the Prisoner Review Board more effectively target appropriate interventions for offenders and more effectively supervise offenders in the community. In addition, the act creates Adult Redeploy Illinois, a system of incentive funding to support locally based sanctions and treatment alternatives that reduce the number of people entering local or state incarceration facilities. Adult Redeploy Illinois is modeled after the state's successful juvenile program, Redeploy Illinois.

### Oregon Criminal Justice Commission

The Oregon Criminal Justice Commission's (CJC) purpose is to improve the efficiency and effectiveness of state and local criminal justice systems by providing a centralized and impartial forum for statewide policy development and planning. The CJC is charged with developing a long-range public safety plan for Oregon, which includes making recommendations on the capacity and use of state prisons and local jails, implementation of community corrections programs, and methods to reduce future criminal conduct. The CJC comprises nine members, including a state senator, a state representative, a county commissioner, and public defense services.

The CJC oversees the state's Statistical Analysis Center (SAC), which provides the governor, legislature, and criminal justice agencies with a capability for objective research and data analysis. The SAC gives direct support in the development of legislative fiscal impact statements for proposed legislation that may increase or decrease state costs for prison beds and felon supervision. It also distributes criminal justice information and statistics to local criminal justice planners, state agencies, universities, and the public.

In 2006, the CJC began the work of creating a statewide cost-benefit model for the criminal justice system. The purpose of this work was to provide information to policymakers and the public about the relative costs and effectiveness of programs designed to reduce future crime. Leveraging the cost-benefit research conducted by the Washington State Institute for Public Policy (WSIPP), the CJC examined the costs and benefits of incarceration in a report to the legislature in 2007. This analysis represents one of the first examples of the application of the WSIPP model in another state. In 2009, the CJC released a report outlining its cost-benefit methodology.

### Pennsylvania Commission on Sentencing

Created in 1978 by the Pennsylvania General Assembly (42 Pa.C.S. §2154), the Commission on Sentencing is charged with creating and maintaining a consistent and rational statewide sentencing policy through the adoption of guidelines that promote fairer and more uniform sentencing throughout the Commonwealth. The commission collects data and information to systematically monitor and report on conformity to guidelines, advises and consults on policy and practices, and undertakes research and evaluation to determine the effectiveness of guidelines. In 2008, additional mandates directed the commission to develop resentencing guidelines, state and county parole guidelines, and state recommitment ranges. These new responsibilities enhance accountability and transparency and more closely align state and county parole procedures.

The Commission consists of 11 members, including four legislators selected by the leadership of the house and senate (with no more than one from each caucus), four judges selected by the chief justice, and three appointees of the governor (a prosecutor, a defense attorney, and a law professor or criminologist). Ex officio non-voting commission members include the secretary of the Department of Corrections, the chair of the Board of Probation and Parole, and a Pennsylvania victim advocate. Since 1986, the commission has been designated a legislative service agency. The House and Senate Judiciary Committees have been designated as the standing committees to review regulations issued by the commission. The Pennsylvania State University provides office space for commission staff, who are joint employees of the commission and the university.

In addition to creating and maintaining sentencing guidelines, the commission is also responsible for several research projects. A number of studies are required by legislation, including evaluations of the State Intermediate Punishment Program and the Recidivism Risk Reduction Incentive Program. Other research studies are undertaken on a one-time basis under a house or senate resolution (such as a 2007 study on the use and impact of mandatory minimum sentences) or may be contracted through grants. Additionally, the commission has a research partnership with The Pennsylvania State University and has established its own research agenda to examine the effectiveness of sentencing.

## Washington State Institute for Public Policy

The Washington State Institute for Public Policy (WSIPP) is a non-partisan, state research institution that was established by the Washington Legislature in 1983. WSIPP's mission is to carry out practical, nonpartisan research—at legislative direction through requests or mandates—on issues of importance to Washington State. WSIPP is governed by a 16-member board of directors that represents the legislature, governor, and public universities. The board guides the development of all WSIPP activities. The majority of WSIPP's funding is provided by the Washington Legislature, and WSIPP does not pursue non-state funding for policy studies, unless specific projects and proposed funding applications are approved by the board. Fiscal and administrative services are provided by The Evergreen State College, where WSIPP is located.

WSIPP conducts research using its own policy analysts and economists, specialists from universities, and consultants. Its staff, which currently consists of 15 members, works closely with legislators, legislative and state agency staff, and experts in the field to ensure that studies answer relevant policy questions. Current areas of staff expertise include education, criminal justice, welfare, children and adult services, health, utilities, and general government.

In 1997, WSIPP built its first analytical tool to help the legislature identify cost-beneficial public policies that reduce crime. Since then, WSIPP has refined the tool and produced a series of reports examining the costs and benefits of criminal justice initiatives. In 2005, when Washington's prison population was rising and the state was projecting a need to build two new prisons, WSIPP was asked to examine program and policy options to reduce the future need for prison beds, reduce crime, and save taxpayer dollars. WSIPP evaluated nearly 600 programs and released an analysis that enabled Washington to avoid building one prison and prompted the 2007 legislature to fund a set of crime-prevention programs. WSIPP has also produced cost-benefit studies of prevention programs in early childhood, the K-12 education system, child abuse and out-of-home placement of children, substance abuse and mental health programs, and developmental disabilities.

WSIPP is currently contracted by The Pew Charitable Trusts to build a tool that analyzes adult sentencing policies from a return-on-investment point of view, apply it to an evidence-based initiative underway in Washington State, and develop user-friendly software that would allow other states to use the sentencing tool. In addition, the Washington State Legislature and the MacArthur Foundation have funded WSIPP to develop more fully its overall cost-benefit model and to extend it to several new areas of public policy, including K-12 education, early childhood human capital, child welfare, public health, mental health, and substance abuse. The two projects will result in a stand-alone software application that will allow other jurisdictions to study the benefits and costs of public policies that affect a number of outcomes, including crime, education, child welfare, mental health, substance abuse, employment, public health, and housing.

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For more information, please visit the CBKB website at [cbkb.org](http://cbkb.org) or contact Tina Chiu at 212-376-3038 or [tchiu@vera.org](mailto:tchiu@vera.org).

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