

2018 STATE STANDARD OF EXCELLENCE

11. Cost-Benefit Analysis

Did the state or any of its agencies assess and make publicly available the costs and benefits of public programs?

Why is this important?

Cost-benefit analysis helps state governments quantify outcomes and program costs to ensure that public dollars are being efficiently spent to get the most value for taxpayers and the best outcomes for residents.

Leading Example



WA

MULTIPLE AGENCIES

A **2013 Washington State law** (pp. 105–106) directed the Department of Corrections, in consultation with the Washington State Institute for Public Policy (WSIPP), to (1) compile an inventory of existing programs; (2) determine whether its programs were evidence-based; (3) assess the effectiveness, including a cost-benefit analysis, of its programs; and (4) phase out ineffective programs and implement evidence-based programs. As a result of this and similar laws, WSIPP has published **hundreds of cost-benefit analysis reports** over the past 10 years.

Promising Examples

CO

MULTIPLE AGENCIES

The Colorado Governor's Office of State Planning and Budgeting proactively publishes periodic **Results First reports**, including the 2017 **Prevention Findings**, which applies a cost-benefit analysis (pp. 2 and 6) to all of the state-funded prevention programs in the areas of child welfare, criminal justice, and juvenile justice according to the following three tiers of evidence: evidence-based, promising, and needs additional research (pp. 7 and 146) As part of these efforts, **Colorado has published technical documentation on the components** of its cost-benefit analysis calculations.

CT

MULTIPLE AGENCIES

Using evidence inventories required by a 2015 Connecticut law (pp. 649–651), the Institute for Municipal and Regional Policy at Central Connecticut State University was charged with developing cost-benefit analyses for programs operated by the Connecticut Departments of Correction, Children and Families, and Mental Health and Addiction Services and the Court Support Services Division of the Judicial Branch. In March 2016, the institute released "Benefit-Cost Analyses of Adult Criminal and Juvenile Justice Evidence-Based Programs."

MN

MULTIPLE AGENCIES

A 2015 Minnesota law (section 13) directs the Minnesota Management and Budget Office to develop a cost-benefit inventory of evidence-based interventions. As a result, the state developed cost benefit in the areas of criminal justice, mental health, child welfare, and probation based on the following four levels of evidence: proven effective, promising, theory-based, or no effect.

MS

MULTIPLE AGENCIES

A 2014 Mississippi State law (Title 27, chapter 103, section 159) requires the Mississippi Departments of Corrections, Health, Education, and Transportation to report during the budget process about the cost-benefit ratio and effectiveness of their programs based on four levels of evidence (evidence-based program, research-based program, promising practice, or other programs and activities). Mississippi's FY2019 budget process required all state agencies (pp. 14–15) to include the level of evidence, the cost-benefit ratio, and the performance measurement plan for any new proposed programs.

NM

MULTIPLE AGENCIES

New Mexico's extensive cost-benefit analysis include a series of inventory and cost-benefit reports in the areas of children's behavioral health, adult behavioral health, early education, child welfare, and criminal justice. Additionally, in 2015 the New Mexico Department of Corrections issued guidance on selecting evidence-based programs and performing cost-benefit analysis.

NY

MULTIPLE AGENCIES

Starting in 2013, the New York State Division of Criminal Justice Services developed a **cost-benefit analysis**, based on an **initial technical report**, to outline the impact, costs, and benefits of specific criminal justice interventions. As a result of these efforts, New York has increased its funding of evidence-based interventions, targeting **75% of its alternative to incarceration funds** (pp. 5–6) toward evidence-based interventions in FY2015–2016.

OR

MULTIPLE AGENCIES

A **2003 Oregon law** required that the Oregon Department of Corrections, Youth Authority, Youth Development Division, and "the part of the Oregon Health Authority that deals with mental health and addiction issues" **shall** perform cost-benefit analyses and compile a biennial program inventory with results from funded programs. As a result, in 2016 the Oregon Youth Department **published a report** on the department's use of evidence-based programs, which inventories and evaluates the effectiveness of the department's programs. The law also required these agencies to "spend at least 75 percent of state moneys that the agency receives for programs on evidence-based programs" by 2011.

RI

MULTIPLE AGENCIES

Beginning in 2016, the Rhode Island Office of Performance Management, within the Office of Management and Budget, conducted **cost-benefit analyses** for state-operated **child welfare** and **adult justice** programs. As a precursor to these analyses, the state also released an **Adult and Juvenile Justice Cost Evaluation** in 2015.

UT

STATEWIDE

Since 2013, Utah has used the **SUCCESS Framework** to perform cost-benefit analyses of government services by integrating three performance elements: quality, throughput, and cost. The cost-benefit tool is described in Utah's **Measurement Guide**. The SUCCESS Framework "help[s] agencies improve quality, reduce costs, and create the capacity to do more with the same or fewer resources (improved throughput)."

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