

Steps in Priority-Driven Budgeting

There are eight major steps in a priority-driven budget process. Exhibit 1 provides a map for how the eight steps fit together, and the steps are more fully described in the following pages.⁷ As the exhibit shows, the eight steps are not completely linear. Steps 1 and 2 can begin at the same time, and Step 8 comes into play at many different points of the process.

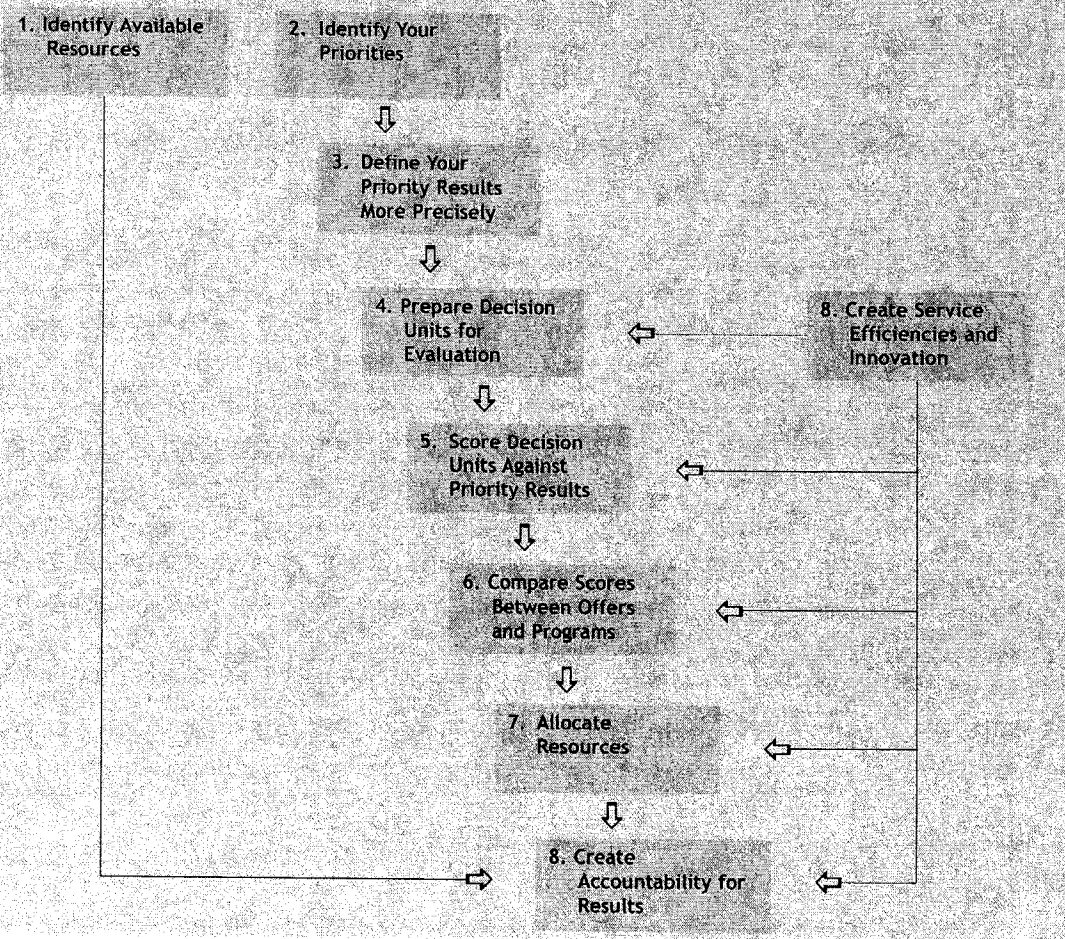
1. Identify Available Resources

Before embarking on priority-driven resource allocation, the organization must undergo a fundamen-

tal shift in its approach to budgeting. This shift, while subtle, requires that instead of first having the organization identify the amount of resources "needed" for the next fiscal year, it should first clearly identify the amount of resources that are "available" to fund operations as well as one-time initiatives and capital expenditures.

As their first step in budget development, many organizations expend a great deal of effort in completing the analysis of estimated expenditures to identify how much each organizational unit will need to spend for operations and capital

Exhibit 1: Process Map for Priority-Driven Budgeting



Priorities of Government (POG) Overview

ESTABLISH STATEWIDE RESULTS

When Washington started its POG approach to budgeting, a team of state government and citizen executives came to consensus on a list of expected statewide results. The POG process is essentially a framework to help choose what state services best achieve these results.

Statewide Results List

- Student Achievement
- Health and Support
- Economic Development
- Public Safety
- Natural Resources and Cultural/Recreational Opportunities
- Government Efficiency

IDENTIFY KEY INDICATORS OF SUCCESS

The second step in creating the decision framework is to consider how citizens would measure success in reaching the statewide result. For example, longer life expectancy or lower incidence of disease would probably indicate to most people that the population was healthier. Similarly, high employment rates usually signal that the economy is doing well.



IDENTIFY PROVEN OR PROMISING STRATEGIES

Research and experience suggest that certain strategies are more likely to put us on the path toward achieving the identified success indicators. (At this stage, it is also important to evaluate whether currently budgeted strategies and activities accomplish what was intended.)

Role of Activities and Performance Measures

The budget is displayed as an "activity inventory". This is a catalog of 1200+ discrete state activities, with descriptions of the service, how much it costs, who receives services, and expected outcomes. Performance measures help assess program effectiveness.

DEVELOP A RESULTS-BASED PRIORITIZATION OF ACTIVITIES

The result-indicators-strategies framework for each statewide result provides the criteria for choosing the activities that most directly accomplish the desired outcome. With limited resources, it is necessary to invest in activities that connect to chosen strategies.



USE THIS PRIORITIZATION TO INFORM FINAL BUDGET DECISIONS

Final budget decisions are influenced by state laws, funding sources, federal requirements and other factors that are difficult to change. However, the POG approach creates a unique perspective that allows decision-makers to consider evidence-based strategies and activity performance geared only toward results.

Key Benefits of POG

- Focuses budget decisions on contribution to overall results.
- Makes performance data more relevant to budget investment choices.
- Displays where the state invests its resources.

Public Safety DASHBOARD

1. Corrections

Measure	Target	Actual	Status	Agency	Notes
1.1 - Staff Safety	1.0 Per 100 Offenders	1.05 per 100 Offenders		DOC	The average rate of violent infractions is 0.99 per 100 for FY 2012 through Quarter 3; however for the most recent quarter, the rate was 1.05. DOC continues to implement changes in policy and operations related to ESB 5907.
1.2 - Health Care Cost and Utilization Management	4%	-7%		DOC	The average medical cost per offender per year for FY 2011 was \$5,933. This is significantly lower than the peak of \$7,711 in FY 2008 and down from \$6,412 in FY2010.
1.3 - Participation in Evidence-Based Programs	11 of 11 Programs On Track	11 of 11		DOC	All 11 programs are on track to meet FY12 targets. Beginning FY 2013, DOC will report the number of offenders identified with an assessed need and the number who received programming based on the need and available resources.
1.4 - Community Intake Process	90%	92%		DOC	For FY12 Q3, Community Corrections staff exceeded the target of 90% by completing timely intakes at the rate of 92%. The latest data is through March, 2012.
1.5 - Violation Hearings in the Community	75%	74%		DOC	DOC's overall on-time percentage of warrant and detainer hearings for FY12 Q3 was 74%; however, 67% of hearings were conducted within 12 days of confinement as a result of being arrested on a warrant.
1.6 - Offender Re-Offense Rate	7% or Less	4.8%		DOC	For this reporting period, the re-offense rate for offenders on community supervision dropped to 4.8% compared to 6.9% for the previous reporting period. This is unusually low compared to prior experience.
1.7 - Recidivism	TBD	27.9%		DOC	WSIPP and DOC methodologies indicate that the recidivism rate decreased in each of the last three years measured. Property offenses are the non-violent offenses with the highest rates. Assault is the highest recidivism among violent offense types.

2. Emergency Readiness

Measure	Target	Actual	Status	Agency	Notes
2.1 - Next Generation 911	100% by 2017	20%		MIL	Migration to digital ESInet (Phases 1&2 of NG911 plan) was complete as of February 17, 2011. Work has begun on the remaining phases of the plan to upgrade the E911 infrastructure to be fully Next Generation 911 capable by June, 2017.

3. Worker Safety

Measure	Target	Actual	Status	Agency	Notes
3.1 - Workplace Fatalities	2.0 per 100,000 Workers by 2015	2.8 per 100,000 Workers		LNI	Washington's workplace fatality rates remain below the national average and continue to decline. The national target set by the CDC for 2010 is 3.2. Washington is in the lowest third of states nationally.
3.2 - Workplace Injury and Illness Rates	Close the gap between state and national rate	4.8 per 100 Workers		LNI	Washington's workplace injury and illness rate continues to decline, but it remains above the national average of 3.5.
3.3 - Hazards Identified and Fixed	50% of Inspections Find Serious Violations for Safety and Health	28% Safety Inspections; 33% Health Inspections		LNI	The percent of occupational safety and health inspections where serious hazards are found is below the national average. National average for safety inspections is 60%, health is 50%.

July 2011

Return on Investment: Evidence-Based Options to Improve Statewide Outcomes —July 2011 Update—

The Washington State Legislature directed the Washington State Institute for Public Policy (Institute) to “calculate the return on investment to taxpayers from evidence-based prevention and intervention programs and policies.”¹

In this update, we identify public policies that have been shown to improve the following outcomes:

- ✓ Child maltreatment
- ✓ Crime
- ✓ Education
- ✓ Labor earnings
- ✓ Mental health
- ✓ Public assistance
- ✓ Public health
- ✓ Substance abuse

This report presents our findings as of July 2011. Prior to the 2012 Washington legislative session, we will update and extend these results. The Legislature authorized the Institute to receive outside funding for this project; the MacArthur Foundation supported 80 percent of the work and the Legislature funded the other 20 percent.

The “big picture” purpose of this research is to help policy makers in Washington identify evidence-based strategies that can deliver better outcomes per dollar of taxpayer spending. In a time of fiscal constraint, this goal seems especially important.

This short report summarizes our current findings. Readers can download detailed results in two accompanying technical appendices.²

Background

In the mid-1990s, the legislature began to direct the Institute to undertake comprehensive reviews of “evidence-based” policy strategies. The initial efforts were in juvenile and adult criminal justice. We identified several juvenile justice and adult corrections’ programs—not then operating in Washington—that had the potential to reduce crime and save Washington taxpayers money.³

Summary

The Washington State Institute for Public Policy was created by the 1983 Washington Legislature to carry out non-partisan research assignments.

The 2009 Legislature directed the Institute to “calculate the return on investment to taxpayers from evidence-based prevention and intervention programs and policies.” The Legislature instructed the Institute to produce “a comprehensive list of programs and policies that improve outcomes for children and adults in Washington and result in more cost-efficient use of public resources.”

The current project continues a long-term effort in Washington to identify evidence-based ways to deliver better outcomes per taxpayer dollar. This short report summarizes our findings as of July 2011. Readers can download detailed results in two technical appendices.

In subsequent sessions, the legislature used the information to begin a series of policy reforms.⁴ Many “real world” lessons were learned about implementing these programs statewide.⁵

Today, the results of these crime-focused efforts appear to be paying off. Relative to national rates, juvenile crime has dropped in Washington, adult criminal recidivism has declined, total crime is down, and taxpayer criminal justice costs are lower than alternative strategies would have required.⁶

Suggested citation: Aos, S., Lee, S., Drake, E., Pennucci, A., Klima, T., Miller, M., Anderson, L., Mayfield, J., & Burley, M. (2011). *Return on investment: Evidence-based options to improve statewide outcomes* (Document No. 11-07-1201). Olympia: Washington State Institute for Public Policy.

¹ Laws of 2003, ch. 564, § 610 (4), ESHB 1244

² <http://www.wsipp.wa.gov/pub.asp?docid=11-07-1201>

³ Aos, S., Barnoski, R., & Lieb, R. (1998). *Watching the bottom line: cost-effective interventions for reducing crime in Washington* (Document No. 98-01-1201). Olympia: Washington State Institute for Public Policy.

⁴ Barnoski, R. (2004). *Outcome evaluation of Washington State's research-based programs for juvenile offenders* (Document No. 04-01-1201). Olympia: Washington State Institute for Public Policy.

⁵ Barnoski, R. (2009). *Providing evidence-based programs with fidelity in Washington State juvenile courts. Cost analysis* (Document No. 09-12-1201). Olympia: Washington State Institute for Public Policy.

⁶ http://www.wsipp.wa.gov/video_tfw21JAN2011.asp