

## Benefit-cost analysis

### Advancing the Use of Evidence and Economics in State Government Policymaking

*How can state governments make better use of the growing base of evidence about “what works” and thereby provide taxpayers improved returns on their dollars?*

#### Background

Since the 1990s, the Washington State legislature has directed WSIPP to review research on “what works” (and what does not) in public policy. WSIPP’s work has spanned many topic areas, including criminal justice, education, child welfare, behavioral health, health care, workforce development, public health, and prevention. In our systematic reviews, we assess the research evidence to identify public policies that improve statewide outcomes of legislative interest; we then estimate the benefits, costs, and risk associated with different options.

In recent years, representatives from other states have contacted us with an interest in duplicating Washington’s approach. The Pew-MacArthur Results First initiative, which funds part of WSIPP’s work, aims to enable other states to take a similar approach to Washington. As part of this project, WSIPP has developed software that allows analysts to input state-specific data to estimate the cost and benefits of various policy choices that impact outcomes of interest to state governments.

WSIPP’s benefit-cost model includes a tool to analyze hypothetical “portfolios” of policy choices in order to forecast the overall impact on outcomes given a combination of policies and programs. In addition to projecting short- and long-term benefits and costs of portfolios, the new tool can also project future high school graduation, crime, and child abuse and neglect rates.

#### The current project

In 2018, WSIPP’s “evidence and economics” approach has expanded into new research areas, including aging and higher education. WSIPP will also update and extend analyses in previous areas, such as children’s mental health, public health, and prevention.

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Stephanie Lee, (360) 664-9803

## Children’s services

### Extended Foster Care Services

The 2017 Washington State Legislature directed WSIPP to complete a study measuring the outcomes for youth who have received extended foster care services pursuant to RCW 74.13.031(11). The study will include measurements of any savings to state and local governments and compare outcomes for youth who have received extended foster care services pursuant to RCW 74.13.031(11) with youth who aged out of foster care when they turned 18. To the extent possible, the study will also include a comparison of extended foster care programs in other states and a review of the available research on those programs.

A preliminary report is due to the legislature by December 1, 2018, with a final report due by December 1, 2019.

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Marna Miller, (360) 664-9086

### Short-Term Foster Care Support Services

The 2017 Washington State Legislature directed WSIPP to complete an evaluation of short-term foster care support. The legislation describes short-term support as case aides who provide temporary assistance to foster parents as needed with the overall goal of supporting the parental efforts of the foster parents. The short-term support does not include overnight assistance. The evaluation will, to the maximum extent possible, assess the impact of the short-term support services on the retention of foster homes and the number of placements a foster child receives while in out-of-home care, as well as the return on investment to the state.

A preliminary report is due to the legislature by December 1, 2018, with a final report due by June 30, 2020.

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Rebecca Goodvin, (360) 664-9077

## Dually Involved Females

The 2018 Washington State Legislature directed WSIPP to conduct a statewide study on the needs of girls and young women concurrently involved in the juvenile justice and child welfare system, referred to in the legislation as “dually involved females.” To the extent possible, the study must review available data to understand the prevalence and demographics of dually involved females and their families and track outcomes such as academic, social, and vocational achievement. WSIPP will also summarize available information on other states’ systems that address and treat the needs of this population. Finally, WSIPP was directed to conduct a benefit-cost analysis of programs for dually involved females.

The report is due to the legislature by July 1, 2019.

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## Inventory of Evidence-Based, Research-Based, and Promising Practices for Prevention and Intervention Services for Children

The 2012 Legislature passed E2SHB 2536 with the intention that “prevention and intervention services delivered to children and juveniles in the areas of mental health, child welfare, and juvenile justice be primarily evidence-based and research-based, and it is anticipated that such services will be provided in a manner that is culturally competent.”

The bill directs the Washington State Institute for Public Policy (WSIPP) and the University of Washington Evidence-Based Practice Institute (UW) to publish descriptive definitions and prepare an inventory of evidence-based, research-based, and promising practices and services, and to periodically update the inventory as more practices are identified. This will be the eighth update to the initial inventory published in September, 2012. WSIPP will update reviews for all child and youth mental health services currently on the inventory.

The inventory and accompanying report will be published in December 2018.

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## Criminal justice

### Exclusive Adult Jurisdiction

The 2018 Washington State Legislature directed WSIPP to assess the impact of changes to the Juvenile Justice Act, as outlined in E2SSB 6160. To the extent possible, the study should include impacts to community safety, racial disproportionality, recidivism, state expenditures, and youth rehabilitation.

A preliminary report is due to the legislature by December 1, 2023 with a final report due December 1, 2031.

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Stephanie Lee, (360) 664-9803

## Health care

### Step Therapy Protocol Usage

The 2018 Washington State Legislature directed WSIPP to review the available research literature on step therapy protocol usage. WSIPP must also review rigorous evidence regarding the effectiveness of exceptions to the use of step therapy in improving health outcomes and reducing adverse events. WSIPP will provide a summary of these exceptions that have been codified in other states.

The original deadline was December 1, 2018, however, WSIPP’s Board of Directors approved an extension. The final report will be delivered to the legislature by June 30, 2019.

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Eva Westley, (360) 664-9089

## Single Payer and Universal Health Care Systems

The 2018 Washington State Legislature directed WSIPP to complete a study of single payer and universal coverage health care systems. The study will include a summary of the parameters used to define universal coverage, single payer, and other innovative systems; a comparison of the characteristics of up to ten universal or single payer models available in the United States or elsewhere; and a summary of the available research literature that examines the effect of universal or single player models on health-related outcomes.

The original deadline was December 1, 2018, however, WSIPP's Board of Directors approved a modification. An interim report is due to the legislature by December 1, 2018, with a final report due by June 30, 2019.

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John Bauer, (360) 664-9804

## Higher education

### College Bound Scholarship Program

The 2015 Washington State Legislature directed WSIPP to complete an evaluation of the College Bound Scholarship Program, emphasizing degree completion rates at secondary and postsecondary levels. The study will include, but is not limited to, the following:

- Scholarship recipient grade point average and its relationship to positive outcomes;
- Variance in remediation needed and differentials in persistence between College Bound Scholarship recipients and their peers; and
- The impact of ineligibility for the College Bound Scholarship Program, for reasons such as moving into the state after middle school or change in family income.

The report is due to the legislature by December 1, 2018.

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Danielle Fumia, (360) 664-9076

### Open Educational Resources

The 2018 Washington State Legislature directed WSIPP to conduct a study on the cost of textbooks and course materials and the use of open educational resources at four-year institutions of higher education across the state. The study will address the types of required textbooks and other materials (including digital access codes and bundled items), and their and average cost per student. WSIPP was directed to consider these materials and their costs as well as the use of open educational resources at each four-year institution and in specific degree programs or courses. The study will also include relevant information on best practices in the development and dissemination of open educational resources, to the extent possible.

The report is due to the legislature by December 1, 2019.

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John Hansen, (360) 664-9085

### Student Loan Bill of Rights

The 2018 Washington State Legislature directed WSIPP to conduct a study on student loan authorities that refinance existing federal and private undergraduate and graduate student loans from the proceeds of tax-exempt bonds. WSIPP's study will summarize guidance on the subject issued by the United States Treasury; consider the structures and characteristics of state-operated loan refinance programs in other states, including borrower requirements; and review the available literature on the impacts of borrow requirements of similar programs. WSIPP was also directed to estimate potential savings and costs to undergraduate and graduate borrowers from differences in interest rates of loans refinanced by the state as compared to similarly situated borrowers of federal direct loans and private loans; and consider the value of various repayment and forgiveness options that may be lost to borrowers of federal student education loans who choose to refinance.

The report is due to the legislature by December 31, 2018.

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Madeline Barch, (360) 664-9070

## Higher Education Funding Models

The 2018 Washington State Legislature directed WSIPP to review higher education funding models in ten states with higher education systems that are similar to Washington State. The review must include the method used to determine state funding levels for institutions of higher education; the proportion of state funding that comes from the state general fund (or equivalent accounts) for salary and benefit increases at institutions of higher education; the manner in which salary and benefit increases are determined at or on behalf of employees at institutions of higher education; and the total proportion of state funding that comes from the state general fund or that state's equivalent accounts for institutions of higher education.

The original deadline was November 1, 2018, however, WSIPP's Board of Directors approved an extension. The final report will be delivered to the legislature by June 30, 2019.

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Danielle Fumia, (360) 664-9076

## Mental health

### The Effect of Integration on the Involuntary Treatment Systems for Substance Abuse and Mental Health

The 2016 Washington State Legislature directed WSIPP to evaluate the effect of the integration of the involuntary treatment systems for substance use disorders and mental health. WSIPP's report must include whether the integrated system:

- Increases efficiency of evaluation and treatment of persons involuntarily detained for substance use disorders;
- Is cost-effective, including impacts on health care, housing, employment, and criminal justice costs;
- Results in better outcomes for persons involuntarily detained;
- Increases the effectiveness of the crisis response system statewide;
- Impacts commitment based on mental disorders;
- Is sufficiently resourced with enough involuntary treatment beds, less restrictive treatment options, and state funds to provide timely and appropriate treatment for all individuals interacting with the integrated involuntary treatment system; and
- Diverted a significant number of individuals from the mental health involuntary treatment system whose risk results from substance abuse, including an estimate of the net savings from serving these clients into the appropriate substance abuse treatment system.

Preliminary reports are due to the legislature on December 1, 2020 and June 30, 2021, and a final report is due June 30, 2023.

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Marna Miller, (360) 664-9086

## Pre-K-12 education

### LAP Inventory: Effective Practices to Assist Struggling Students

The 2013 Washington State Legislature directed WSIPP to prepare an inventory of evidence- and research-based practices, strategies, and activities for school districts to use in the Learning Assistance Program (LAP).

The state program provides supplemental academic support to eligible K-12 students achieving below grade level or not on track to meet local or state graduation requirements. LAP funds may support programs in reading, writing, mathematics, and readiness, as well as programs to reduce disruptive behavior.

An initial report was released in July 2014. Updates were published in July 2015, July 2016, and June 2018. The inventory will be updated every two years thereafter.

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Julia Cramer, (360) 664-9073

## Professional Educator Workforce Standards

The 2016 Washington State Legislature directed WSIPP to review the effect of revisions to Washington's Professional Educator Standards Board's (PESB) expedited professional certification process for out-of-state teachers who have at least five years of successful teaching experience.

The report will include the following:

- The extent to which advanced level teacher certificates from other states compare to the standards and requirements of the Washington professional certificate;
- The extent to which the federal or state-issued advanced level certificates that allow individuals to teach internationally compare to the standards and requirements of the Washington professional certificate; and

The report is due to the legislature by September 1, 2020.

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Julia Cramer, (360) 664-9073

## Early Achievers Quality Rating and Improvement System

The 2015 Washington State Legislature required Early Childhood Education and Assistance Program (ECEAP) providers and licensed child care providers who serve non-school aged children and receive state subsidies to participate in Early Achievers. Early Achievers is Washington State's quality rating and improvement system for early childhood education and child care providers.

In the same bill, WSIPP was directed to examine the relationship between the Early Achievers quality ratings and outcomes for children who participate in state-subsidized early education and child care.

A preliminary report is due to the legislature by December 31, 2019, with subsequent reports in 2020, and 2021. A final report including a benefit-cost analysis of Early Achievers is due to the legislature by December 31, 2022.

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Rebecca Goodvin, (360) 664-9077

## National Board for Professional Teaching Standards Certification

The 2017 Washington State Legislature directed WSIPP to update WSIPP's previous meta-analysis on the effect of the National Board for Professional Teaching Standards Certification on student outcomes. WSIPP will also report on the following:

- Does the certification improve teacher retention in Washington State?
- Has the additional bonus provided under RCW 28A.405.415 to certificated instructional staff who have attained National Board Certification to work in high poverty schools acted as an incentive for such teachers to actually work in high poverty schools?
- Have other states provided similar incentives to achieve a more equitable distribution of staff with National Board Certification?

The report is due to the legislature by December 15, 2018.

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Julia Cramer, (360) 664-9073

## Policy Changes to Reduce Excessive Absenteeism in Public K–12 Schools

The 2016 Washington State Legislature changed existing statute and added new provisions to decrease absenteeism and truancy in public K-12 schools, including the following:

- All school districts (except very small districts) and their corresponding juvenile courts must establish community truancy boards by the 2017-18 school year;
- Courts must implement an initial stay of truancy petitions and refer children and families to community truancy boards for assessment and intervention; and
- In cases where detention is deemed necessary, the law establishes a preference for placement in secure crisis residential centers or HOPE centers (as opposed to juvenile detention facilities).

The same bill directs WSIPP to evaluate the impacts of this act. A preliminary report on study methods and potential data gaps was published in December 2017, and the final report will be published by January 1, 2021.

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Madeline Barch, (360) 664-9070

## Public health

### Cannabis Legalization Evaluation

In November 2012, Washington State voters passed Initiative 502 to regulate and tax the use and sale of cannabis for persons twenty-one years of age and older. As part of I-502, WSIPP was directed to “conduct cost-benefit evaluations of the implementation” of the law. The evaluations must include measures of impacts on public health, public safety, cannabis use, the economy, the criminal justice system, and state and local costs and revenues.

A preliminary report was released in September 2015. The second required report was released in September 2017. Subsequent reports will be released in 2022 and 2032.

Monitoring Trends in Use Prior to Implementation of I-502

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Adam Darnell, (360) 664-9074

### Supplemental Cannabis Research

The 2018 Washington State Legislature directed WSIPP to conduct additional cannabis research, supplemental to the ongoing benefit-cost evaluation of cannabis legalization authorized by Initiative 502 in 2012. For this supplemental work, WSIPP was directed to update its inventory of programs for the prevention and treatment of youth cannabis use; examine current data collection methods measuring the use of cannabis by youth and potential ways to improve on these methods; and identify effective methods used to reduce or eliminate the unlicensed cultivation or distribution of marijuana in jurisdictions with existing legal marijuana markets.

The updated inventory will be submitted to the legislature by December 31, 2018. The reports on measures of youth use of cannabis and cannabis diversion from legal to illegal systems will be submitted to the legislature by June 30, 2019.

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Printed on 07-22-2018



## Washington State Institute for Public Policy

The Washington State Legislature created the Washington State Institute for Public Policy in 1983. A Board of Directors—representing the legislature, the governor, and public universities—governs WSIPP and guides the development of all activities. WSIPP’s mission is to carry out practical research, at legislative direction, on issues of importance to Washington State.