

New Mexico Results First–

*Ensuring Investments Get Better Outcomes
at Lower Costs*

Charles Sallee, Deputy Director
Legislative Finance Committee

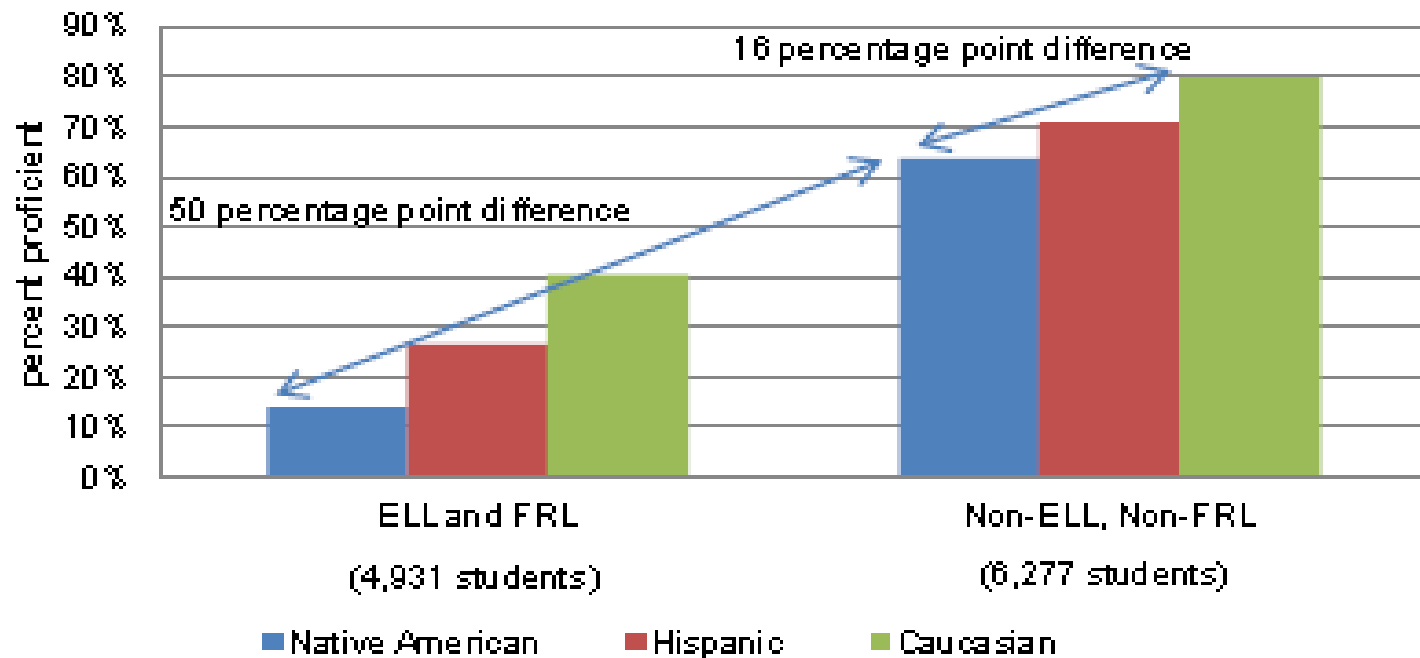
Presentation to NM Voices for Children, June 2013

Overview

- ▶ New Mexico clearly faces challenges to improve the well being of its children
 - Educational attainment
 - Health status
 - Child maltreatment
 - Crime/Family Violence
- ▶ Legislature has prioritized investments in early childhood
- ▶ What is working and what could work?
- ▶ Are we spending money on the right things and implementing them in the right ways?

Achievement Gap

Chart 3. FRL and ELL Third-Grade Reading Achievement Gap, FY11



Source: LFC Analysis

Early Childhood Investments

- ▶ The executive's focus on social promotion appropriately evolved into a focus on early childhood education and improving early reading proficiency.
- ▶ To address the persistent problems of sub-par reading and math proficiency in early grades, the Legislature increased funding for early childhood programs by \$32 million, or 19 percent, including \$9.75 million from the Tobacco Settlement Fund (TSF):
 - \$10.8 million for Childcare Assistance (\$2 million from TSF);
 - \$10.8 million for Pre-K (\$5.75 million from TSF);
 - \$5 million for K-3Plus;
 - \$2.2 million for Home Visiting (\$2 million from TSF)

Systems Approach

- ▶ LFC Program Evaluation (2009) “Efforts to improve outcomes for very young children are worth public investment. However, a significantly more coordinated public effort is needed to ensure these investments result in desired outcomes. Regularly compiling early childhood funding amounts and performance outcomes across executive departments would aid in legislative decision making. Additional attention is needed to ensure the State funds programs with a strong and positive evidence-based program model and performance is monitored in a comprehensive approach for the entire early childhood system.”
- ▶ NM has made progress but more is needed.

LFC: New Mexico Results First

- ▶ New tool for supporting evidence-based policy making and budgeting.
- ▶ Partner with Pew–MacArthur Results First Initiative.
- ▶ Can assess cost-benefits using best research and New Mexico data.
- ▶ “At the end of the day whether you want big or little government, you want government to do things that work.” Gary VanLandingham, Pew

Current status of NM's Results First Model

- ▶ We can now estimate the costs of a number of social issues in NM
 - adult and juvenile crime
 - child abuse
 - substance abuse
- ▶ We can tell how investments in programs with a strong research basis can reduce these costs to taxpayers and improve outcomes for New Mexicans.
- ▶ LFC staff are loading information for programs currently being used in New Mexico.

Lifetime total benefits of selected outcomes in New Mexico

Outcome	Lifetime Value
Avoiding a reconviction	\$121,912
Avoiding one case of child abuse or neglect	\$99,435
Preventing a low-income child from getting involved in crime	\$84,840
Preventing a case of drug dependence or abuse	\$45,917
Preventing someone from smoking regularly	\$24,181

Resource Allocation

- ▶ Achievement gap – major strategic challenge for New Mexico.
 - K–12 funding formula only allocates about 3 percent of funds towards students from low-income families or learning English
- ▶ Medicaid – enrolls over 60 percent of children and pays for 70 percent of births.

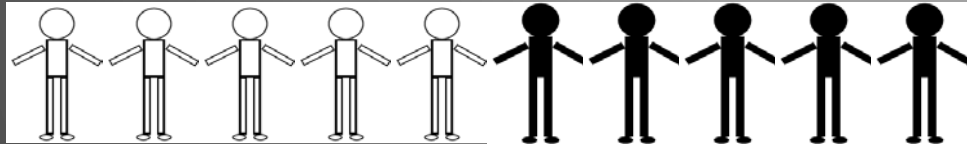
Use of NM's Results First Model

- ▶ LFC staff have used the model in program evaluations to examine in-prison programs.
- ▶ The average cost per inmate in New Mexico was \$34 thousand in FY10 whereas the average cost per public school student was \$7,300.



Recidivism is costly

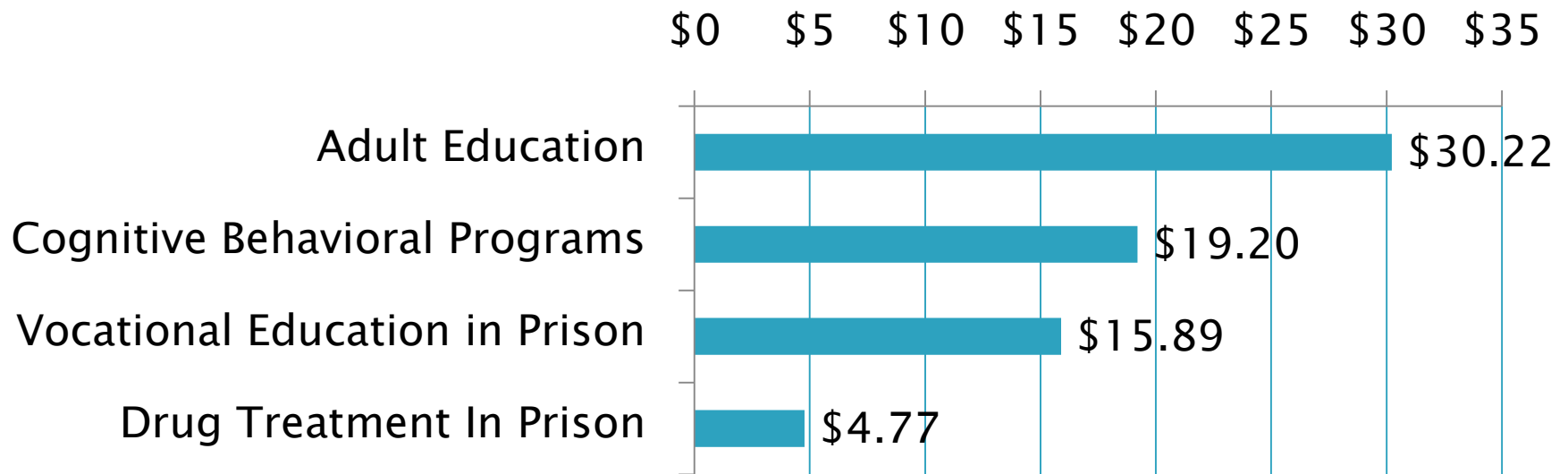
- ▶ 95 percent of inmates will get out of prison.
- ▶ 5 out of every 10 inmates released from NMCD prisons will return within five years



- ▶ Some of them will return more than ten times after they are released.
- ▶ Avoiding just one reconviction in NM would save \$122 thousand.
- ▶ Inmates released from NMCD in FY11 will cost NM \$360 million over the next 15 years

Total Return: NM Prison Program Benefits

For every dollar spent on these New Mexico programs, the amount of benefit returned should be:



Total Return includes both taxpayer benefits and benefits to others (participants, avoided victims, etc.)

Some NM costs associated with juvenile crime

- ▶ FY12 CYFD JJS Facility average cost per day=\$366.65 per person
- ▶ CYFD JJS State supervision cost per day=\$7.28 per person
- ▶ Other costs included vary by severity of crime:
 - Police costs (data from DPS)
 - Courts and prosecutors (data from AOC and LFC)
 - Victim costs (McCollister, 2010)

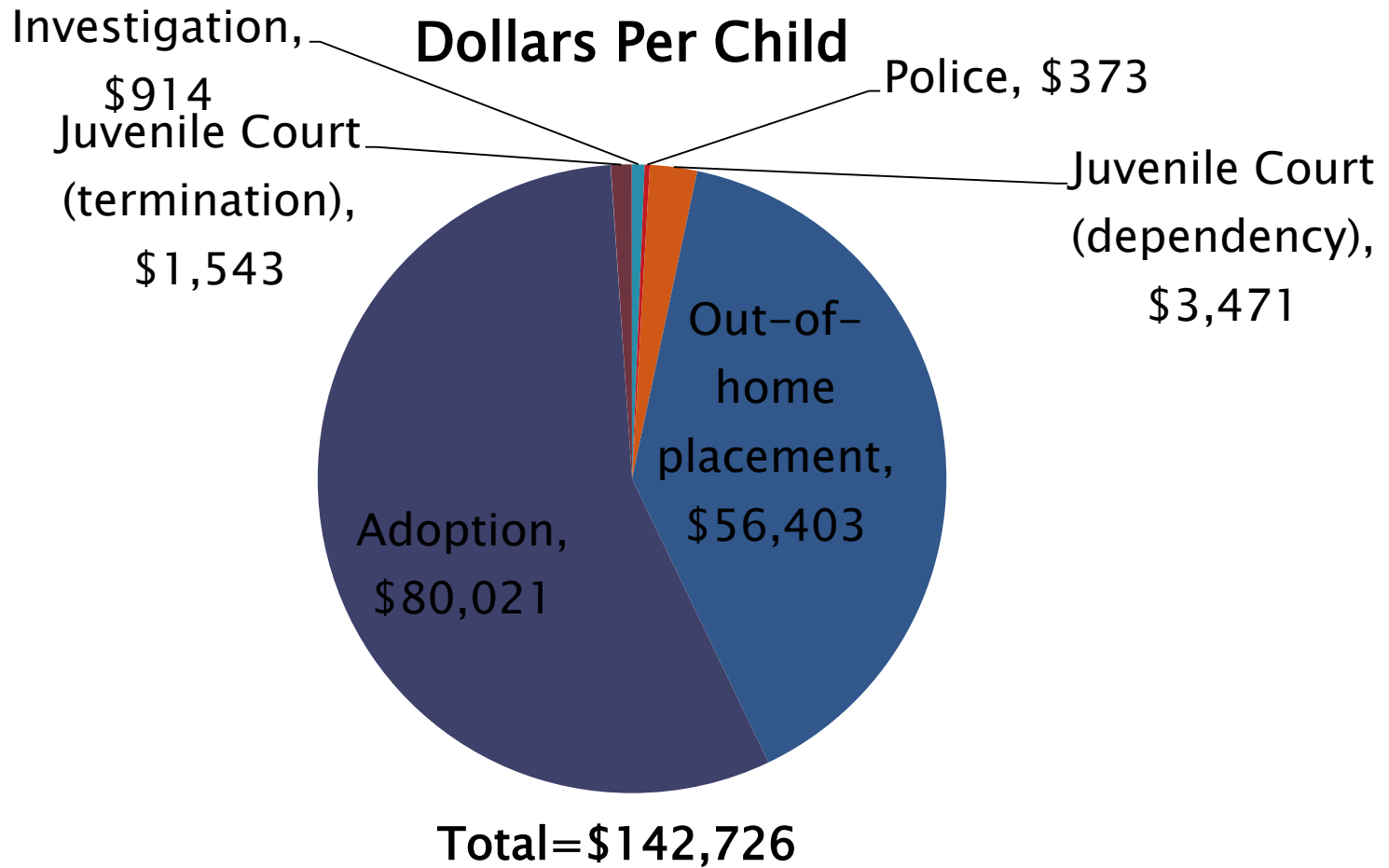
Programs Addressing Juvenile Crime in the NM Results First Model

- ▶ Functional Family Therapy (Institutions)
- ▶ Aggression Replacement Training (Institutions)
- ▶ Multidimensional Treatment Foster Care
- ▶ Functional Family Therapy (Probation)
- ▶ Multisystemic Therapy (MST)
- ▶ Family Integrated Transitions (Institutions)
- ▶ Drug Court
- ▶ Coordination of Services
- ▶ Victim Offender Mediation
- ▶ Scared Straight

Child Welfare and Education Programs

Child Welfare Programs	Education Programs
Nurse Family Partnership for Low-Income Families	Reading Recovery (K-12 Tutoring)
Parent Child Interaction Therapy (PCIT) for Families in the Child Welfare System	Early Childhood Education for Low Income 3- and 4- Year Olds
Intensive Family Preservation Services (Homebuilders)	K-12 Tutoring by Peers
SafeCare	Tutoring (vs. No Tutoring) for ELL Students
Parents as Teachers	Special Literacy Instruction for ELL Students
Alternative Response	K-12 Tutoring by Adults
Triple P Positive Parenting Program (System)	Teacher Induction Programs
Other home visiting programs for at-risk mothers and children	K-12 Parent Involvement Programs
Parent Child Home Program	National Board for Professional Teaching Standards (NBPTS)
Healthy Families America	Certification Bonuses
Other Family Preservation Services (non-Homebuilders)	Teacher Performance Pay Programs
	Additional Day of K-12 Instructional Time
	K-12 Educator Content-Specific Professional Development
	K-12 Educator Professional Development (Non-Content Specific)
	Even Start
	Early Head Start

What are some tangible costs of a case of child abuse/neglect resulting in adoption in NM?



Child Abuse and Neglect also link to adverse outcomes

- ▶ Crime
- ▶ Poor education outcomes
- ▶ Substance abuse
- ▶ Special education
- ▶ Depression

Example child welfare program: Alternative Response

- ▶ Alternative Response is a system of responding to referrals to Child Protective Services that is an alternative to a traditional investigation. If there are no imminent concerns about a child's safety, the Alternative Response method conducts a family assessment, with the goal of engaging a family to determine strengths and needs and plan for the future.
- ▶ In 2011 an LFC evaluation recommended CYFD adopt Alternative Response. At the time the department did not agree with the recommendation.

Alternative Response benefits per child in New Mexico

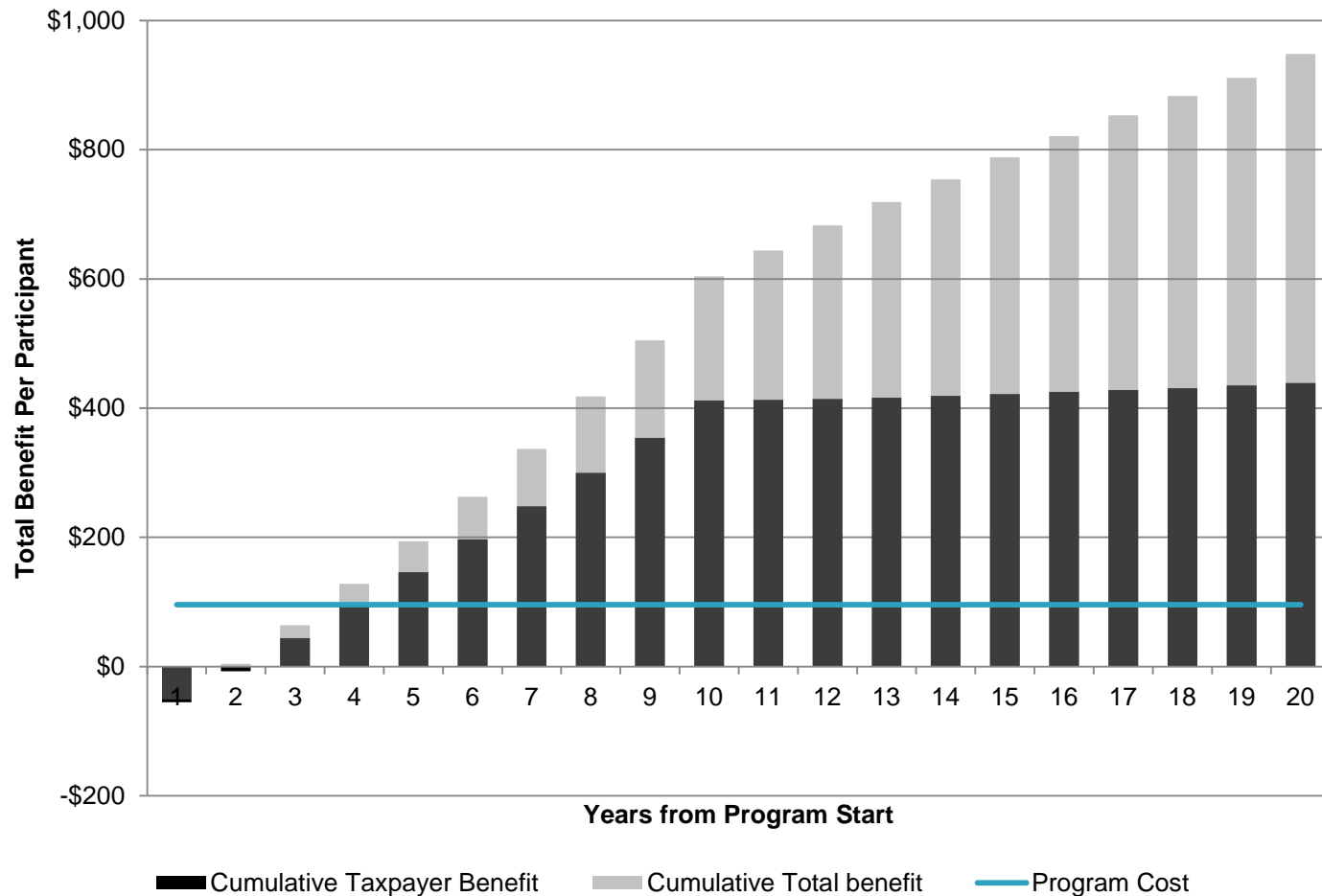
- Alternative response is a safe bet
 - 99.9% positive return
- Alternative response benefits per participant are 1,028, far outweighing costs
- This approach allows for a breakdown of where benefits accrue

Outputs	Figure
Benefits to participants	\$348
Benefits to Taxpayers	\$507
Other Beneficiaries	\$124
Other Indirect Benefits	\$49
Total Benefits	\$1,028
Costs	(\$95)
Benefits minus Costs	\$933
Benefit to Cost Ratio	\$10.80
Chance of a Positive ROI	99.9%

Alternative Response benefits breakdown

Source of Benefits	To Participant	To Taxpayer	To Others	Indirect Benefits	Total Benefits
Crime Reduction		\$16	\$130		\$146
Increased Earnings Based on HS degree	\$73	\$27		\$35	\$136
Increased Earnings based on Test scores	\$28	\$10		\$14	\$52
Avoided health care costs via educational attainment	-\$2	\$13	-\$10		\$2
Reduction in child abuse/neglect	\$240	\$96			\$336
Reduced out of home placements		\$337			\$337
Other	\$8	\$6	\$3		\$19

It often takes only a few years to realize a return on investment...



Nurse Family Partnership benefits per child in New Mexico

- NFP is a relatively safe bet
 - 87% positive return
- NFP benefits per participant are \$34 thousand, far outweighing costs

Outputs	Figure
Benefits to participants	\$11,834
Benefits to Taxpayers	\$8,642
Other Beneficiaries	\$4,610
Other Indirect Benefits	\$8,840
Total Benefits	\$33,926
Costs	(\$6,374)
Benefits minus Costs	\$27,551
Benefit to Cost Ratio	\$5.33
Chance of a Positive ROI	87%

Implementing What Works

- ▶ Research gives us clear picture of what should work
- ▶ Are we using these programs in New Mexico?
 - ▶ How much of our current resources are we spending on evidence-based programs?
- ▶ How much of future resources should be spent on these programs?
 - What role should programs without any basis in research play? How much should taxpayers spend on these?
 - Should NM develop standard framework for cultural adaptations of evidenced-based programs?

Implementing What Works

- ▶ Monitoring ongoing performance.
 - Many early childhood programs lack regular performance measures to demonstrate results to legislature and taxpayers – is this sustainable?
- ▶ Periodic process and outcome evaluation.
 - Best programs will not work if not implemented appropriately.
 - Are early childhood and other programs producing results research suggests they should?
 - Are providers and agencies willing to engage in data sharing necessary to evaluate results?

Conclusion

- ▶ We know the challenges facing children and families in New Mexico.
- ▶ We know state spends significant resources.
- ▶ But, are we appropriately targeting spending, and allocating resources to what works?
- ▶ What are the costs–benefits of those choices?
- ▶ Is program performance monitored and improved if necessary?

Though daunting, New Mexico's challenges appear solvable.