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The Pew-MacArthur Results First Initiative:
INVESTING IN PROGRAMS THAT WORK



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The Policy Challenge

- Though policymakers strive to make strategic choices, the process often relies on inertia and anecdote
- Governments have limited data on:
 - What programs they fund
 - What each costs
 - What they accomplish
 - How they compare
- **Solution: bring systematic evidence into the budget process**



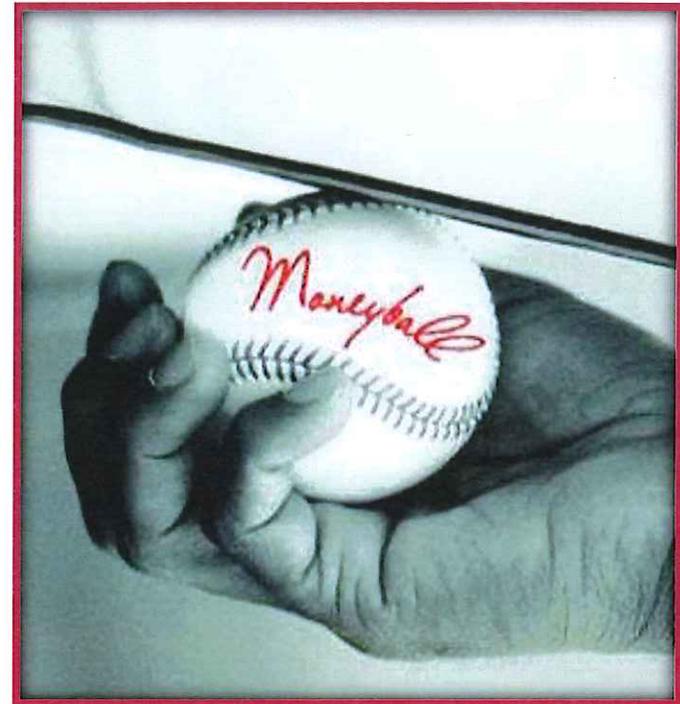
The Solution: Bring Evidence into the System



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- Focuses on **“What Works”** – programs shown to be effective
 - Based on systematic reviews of thousands of rigorous evaluation studies
- Outcome-oriented approach
 - Focused on interventions with demonstrated ability to achieve desired results

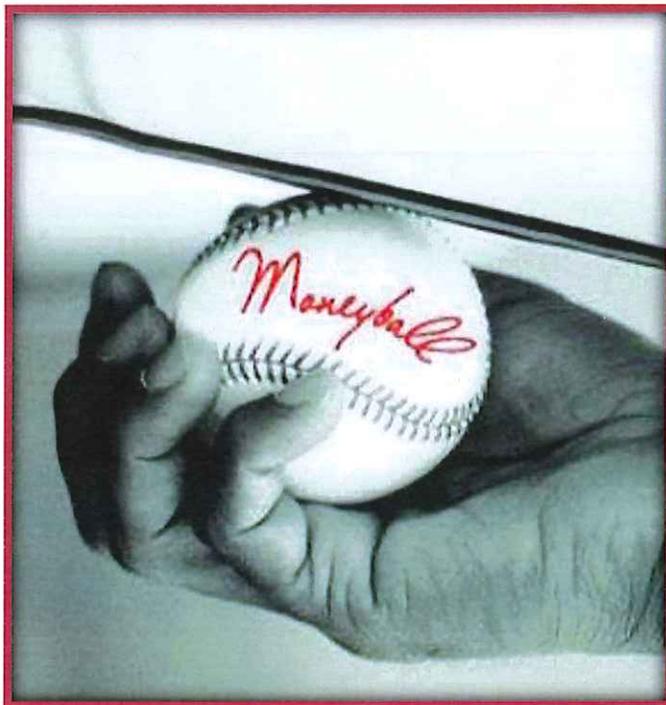




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Results First Process



- **IDENTIFY** what programs are currently funded and their evidence of effectiveness
- **CONSIDER** whether benefits justify costs
- **TARGET** funds using rigorous evidence

Goal: achieve dramatic improvements *without* increased spending

Produces Rankings of Programs by Evidence of Effectiveness



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PROGRAM INFORMATION	BUDGET		EVIDENCE-BASED	
Program Name	Program Budget	% of Program Budget	Ratings	
Correctional industries	\$125,000	6%	Highest rated	9%
Cognitive behavioral therapy	\$50,000	3%	Highest rated	
Vocational education	\$300,000	15%	Promising	24%
Drug courts	\$180,000	9%	Promising	
Intensive supervision	\$250,000	13%	Ineffective	13%
Veterans courts	\$100,000	5%	Lacks evidence	54%
All others	\$950,000	49%	Lacks evidence	

Produces “Consumer Reports” Rankings of Investment Choices



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ADULT CRIMINAL JUSTICE PROGRAMS	COSTS	BENEFITS	BENEFIT TO COST RATIO
Cognitive behavioral therapy	\$431	\$10,095	\$23.42
Vocational education	\$1,645	\$19,594	\$11.91
Correctional industries	\$1,485	\$6,818	\$4.59
Drug courts	\$4,951	\$15,361	\$3.10
Intensive supervision (surveillance only)	\$4,305	-\$1,139	-\$0.26
JUVENILE JUSTICE PROGRAMS			
Aggression Replacement Training (state institutions)	\$1,575	\$16,827	\$10.68
Functional Family Therapy (probation)	\$3,406	\$29,026	\$8.52
Drug courts	\$3,275	\$8,110	\$2.48
Multidimensional Treatment Foster Care	\$8,232	\$20,065	\$2.44
Scared Straight	\$67	-\$12,319	-\$183.87

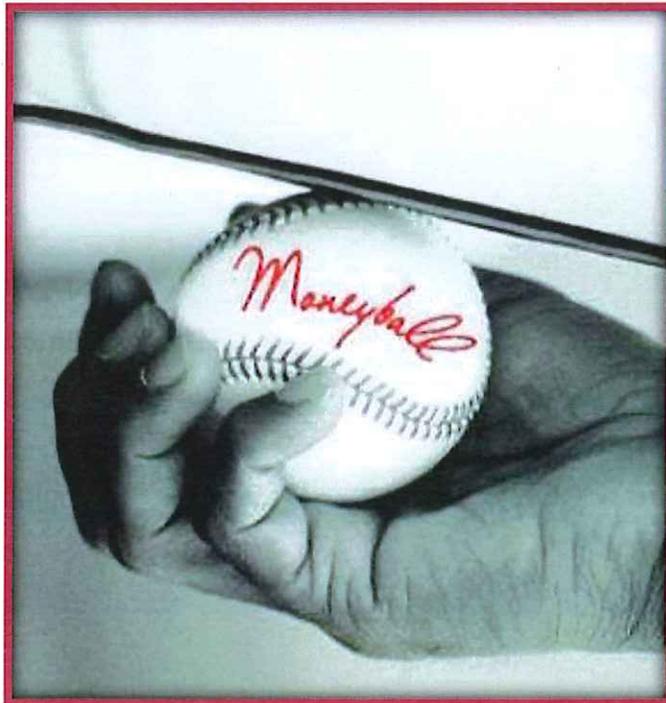
Source: Based on WA State data

Policy Levers



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- **Establish definitions for evidence levels**
- **Mandate program inventory and evidence assessment**
- **Require requests for new funding to pass evidence screens**
- **Create funding preferences for evidence-based programs**

Evidence Should Inform Decisions Throughout Governance



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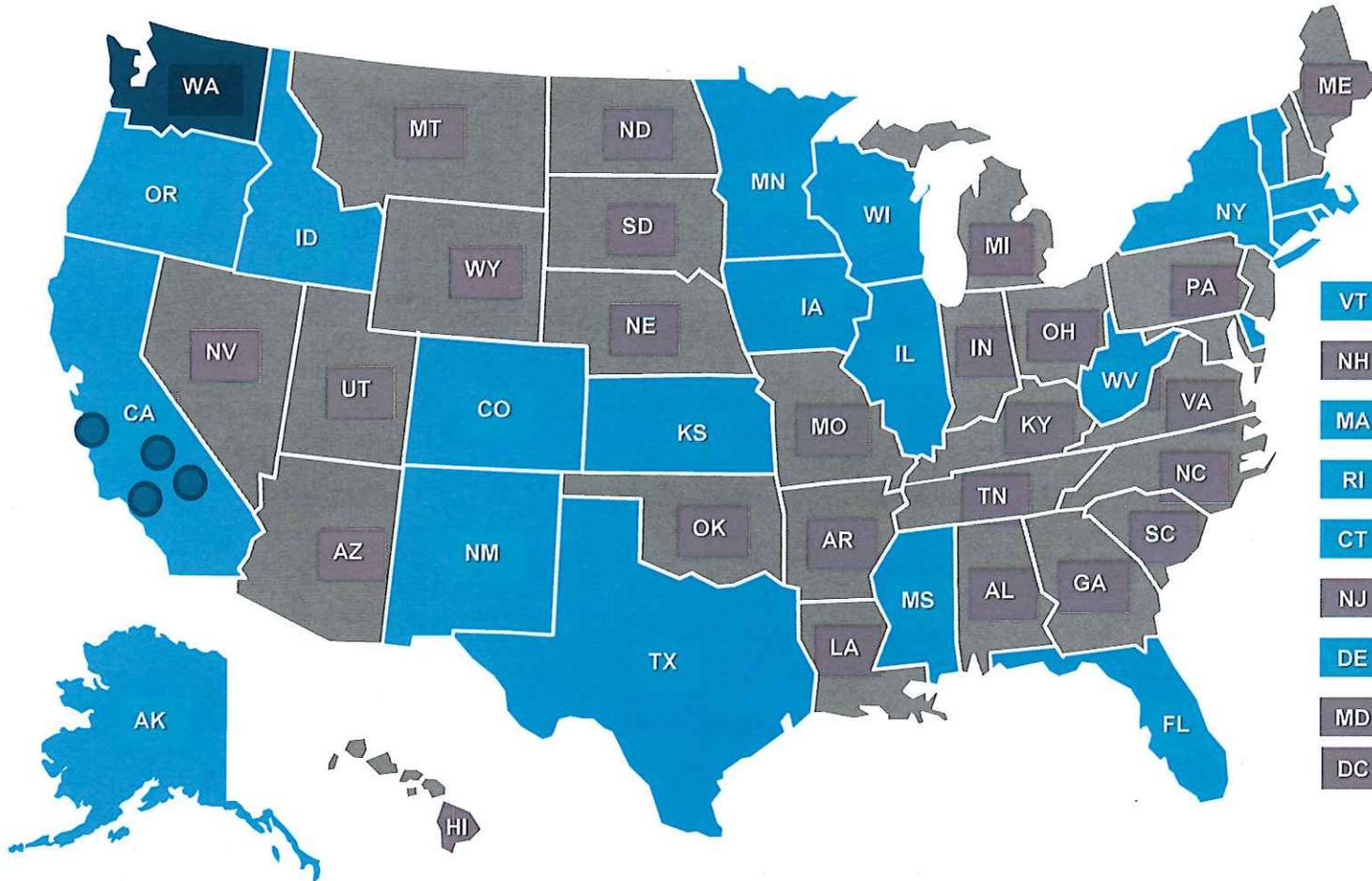
Use in States

25 Jurisdictions Participate in Results First



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New York



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- Used to develop Governor's public safety budget
- Targeted \$15M to evidence-based programs
 - Awarded \$5M through competitive grant process incorporating benefit-cost analyses



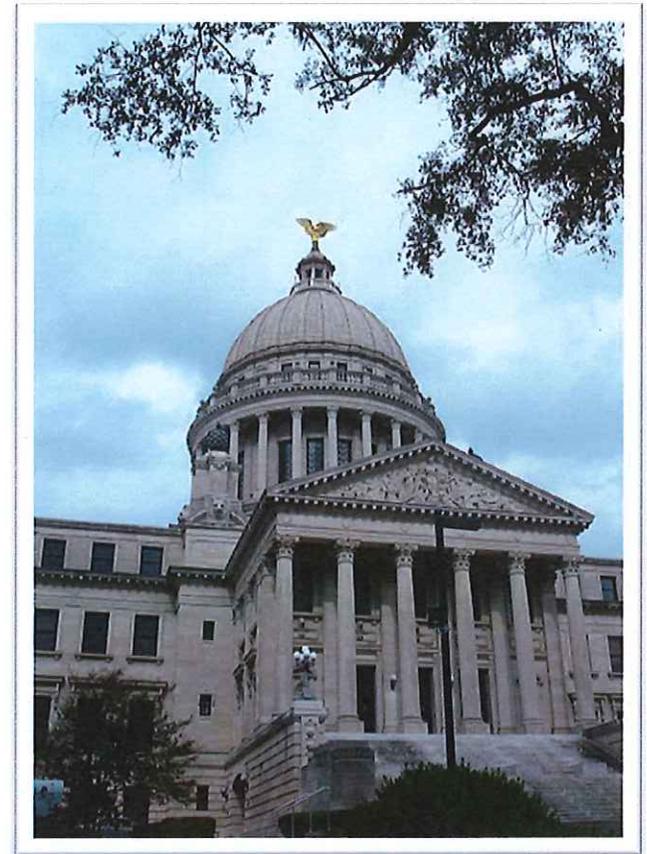
Mississippi



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- **Eliminated and replaced programs in adult corrections**
- **Passed legislation that:**
 - **Defines levels of evidence for assessing program effectiveness**
 - **Requires comprehensive program inventories**
- **Require all requests for new spending be justified with rigorous evidence**



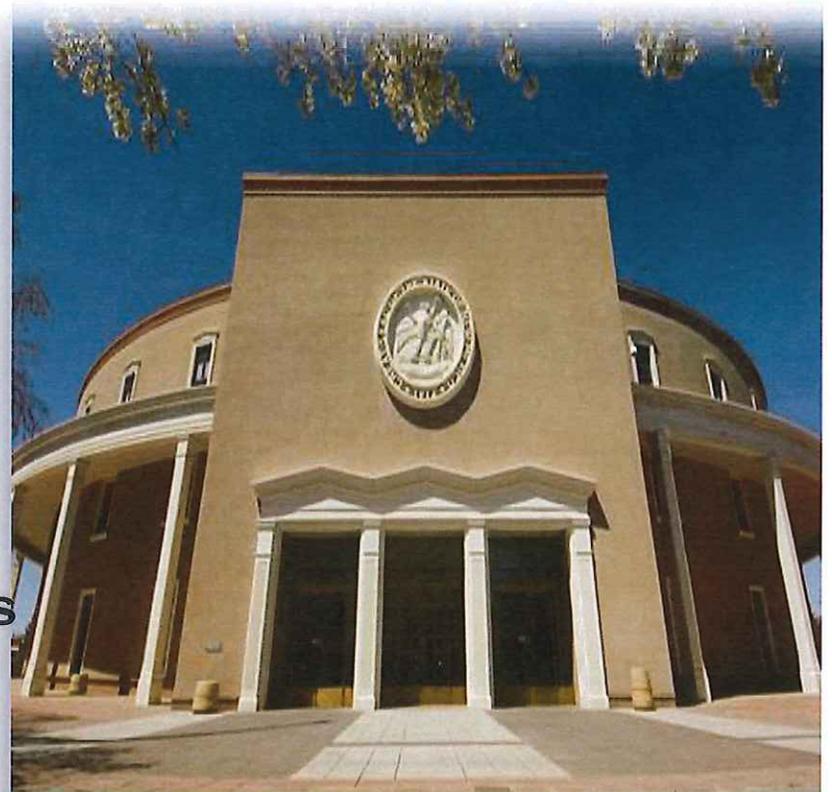
New Mexico



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- Implemented in seven policy areas
- Produced Innovative Reports:
 - “Cost of Doing Nothing”
 - ‘Consumer Reports’ ROI summaries
- Eliminated ineffective corrections programs
- Used approach to target **\$90M** for evidence-based early education and criminal justice programs



Wisconsin



- In Spring 2014, Wisconsin joined Results First with letters of support from Governor Walker, Chief Justice Abrahamson, and the Joint Finance Committee Chairs
- Work is currently housed in the Department of Corrections
- In June 2015, the Wisconsin team released its adult criminal justice program inventory report
- The Wisconsin team's goal is to finalize the adult criminal justice model in 2016



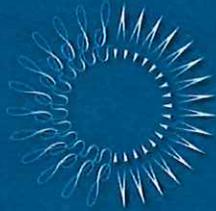
Suggested Model Implementation



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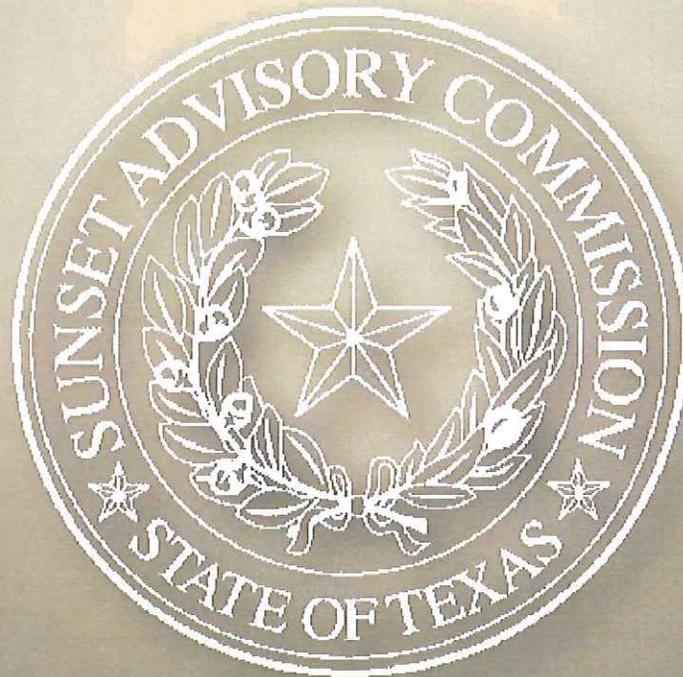
Gary VanLandingham, Director

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www.pewstates.org/ResultsFirst

Overview of the Sunset Process in Texas

Ken Levine, Director
Texas Sunset Advisory Commission
November 2015



What is Sunset?

- ❖ **Created in 1977 by the Texas Legislature**
- ❖ **A key tool for the Legislature to oversee state agencies and improve how Texas government works**
- ❖ **Agencies under Sunset are abolished unless continued by the Legislature**
 - Forces critical thinking about the need for and performance of an agency
 - Not just about abolishment - creates strong incentive to pass reforms

Which agencies go through Sunset?

- ❖ **About 130 agencies subject to Sunset**
 - Most executive branch agencies
 - Universities and courts are exempt
 - Some special purpose reviews (ex. river authorities)
- ❖ **Legislature sets Sunset schedule in law, usually every 12 years for each agency**
- ❖ **20-30 agencies under review each biennium**

Current Review Schedule

2016-2017 Review Cycle (85th Legislative Session)

THEME: Occupational Regulation

- ❖ State Bar of Texas
- ❖ Texas Board of Law Examiners
- ❖ Texas Medical Board
- ❖ Texas Board of Nursing
- ❖ State Board of Dental Examiners
- ❖ Texas State Board of Pharmacy
- ❖ Texas State Board of Chiropractic Examiners
- ❖ Texas Board of Occupational Therapy Examiners
- ❖ Texas Board of Physical Therapy Examiners
- ❖ Executive Council of Physical Therapy and Occupational Therapy Examiners
- ❖ Texas Optometry Board
- ❖ Texas State Board of Podiatric Medical Examiners
- ❖ Texas State Board of Examiners of Professional Counselors
- ❖ Texas State Board of Examiners of Marriage and Family Therapists
- ❖ Texas State Board of Examiners of Psychologists
- ❖ Texas State Board of Social Worker Examiners
- ❖ State Board of Veterinary Medical Examiners

Other Major Agencies:

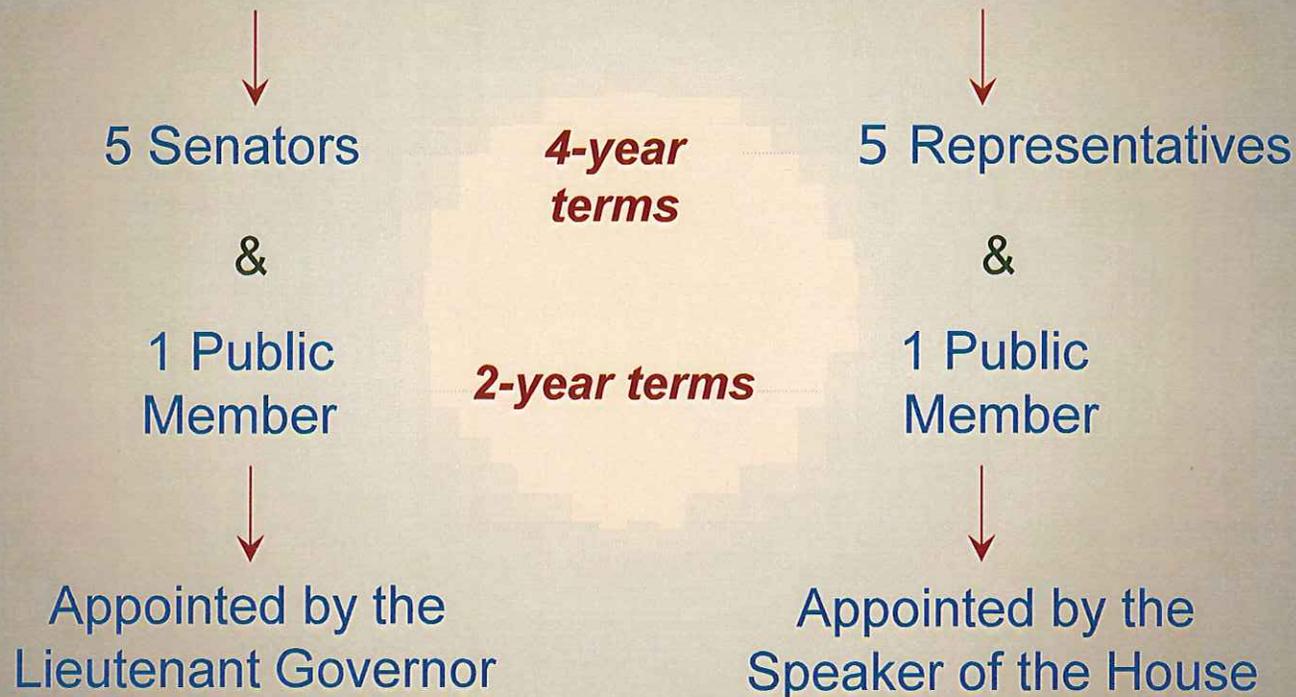
- ❖ Railroad Commission of Texas
- ❖ Texas Department of Transportation
- ❖ Employees Retirement System of Texas

River Authorities:

- ❖ Central Colorado
- ❖ Palo Duro
- ❖ Sulphur River Basin
- ❖ Upper Colorado

Who Is Sunset?

12-Member Commission



Chair and Vice Chair rotate between the Senate and House each biennium.

Staff of 30 supports the Sunset Commission members.

Current Sunset Members

(as of 11/18/2015 - Pending appointments for 2016-2017 Review Cycle)

- Sen. Juan “Chuy” Hinojosa
- Sen. Jane Nelson
- Sen. Charles Schwertner
- Vacant
- Vacant
- Vacant (public member)
- Rep. Cindy Burkett
- Rep. Larry Gonzales
- Rep. Richard Peña Raymond
- Vacant
- Vacant
- Vacant (public member)

Sunset Process – Three Phases

Public involvement throughout!

- ❖ **Phase 1: Sunset staff evaluation**
- ❖ **Phase 2: Sunset Commission deliberation**
- ❖ **Phase 3: Legislative Action**

What Standards Guide a Sunset Review?

- ❖ Criteria in the Texas Sunset Act (Texas Government Code, Chapter 325)
- ❖ Across-the-Board Provisions
- ❖ Model Standards for Licensing and Regulatory Agencies

Impact of Sunset Since 1977

❖ Streamlining state government

- 37 agencies/programs abolished outright
- 46 agencies/programs consolidated

❖ Saving taxpayers money

- \$980 million in savings and increased revenues
- Returned \$23 for every \$1 spent on Sunset

❖ Providing effective oversight

- Conducted 500 reviews of state agencies and programs
- About 80% of the Sunset Commission's recommendations typically become law
- Major reforms in every area of government

Common Questions

- ❖ Why have other Sunset attempts failed?
- ❖ What top three factors lead to success?
- ❖ What analytical tools does Sunset use?
- ❖ Is Sunset an effective oversight tool or more of a media gimmick?
- ❖ Who sunsets Sunset? (our most common question)

www.sunset.texas.gov

- ❖ Information and flow charts on how Sunset works
- ❖ Dedicated page for each agency currently under review
- ❖ Public input forms to submit comments on an agency under review
- ❖ Sunset Commission meeting schedule
- ❖ Database of all previous Sunset reviews, reports, and results

Sign up for our e-mail lists, and follow @TX_Sunset on Twitter, LinkedIn, and Facebook for announcements

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Questions?

Commission on Government Reform, Efficiency, and Performance

December 3, 2015

Recent Proposed Changes to the Department of Safety and Professional Services

Recent proposals related to DSPS:

Department of Agriculture, Regulation and Trade (DART)

- Legislative study initiative in 2013 Wisconsin Act 20, the 2013-15 biennial budget.
- Merger of DSPS and DATCP.

Department of Financial Institutions and Professional Standards (DFIPS)

- Proposed in the Governor's 2015-17 biennial budget.
- Merger of DSPS, the Department of Financial Institutions and several functions from the Department of Administration.
- Spin-off of several DSPS functions to DNR and DATCP.

Proposal: Create Department of Agriculture, Regulation and Trade

- * As part of the 2013-15 biennial budget act, the Department of Administration was required to study combining the Department of Agriculture, Trade and Consumer Protection (DATCP) with the Department of Safety and Professional Services.
- * DATCP is responsible for the promotion and regulation of Wisconsin's agriculture industry, including agricultural resource management and animal health, as well as the oversight of food safety and consumer protection.
- * The legislation required the study committee to consult with the impacted agencies, the boards and councils attached to or under those agencies, and members of the public who may be affected by the consolidation of the two agencies.
- * The study was completed in consultation with affected customers via an electronic survey, with more than 24,000 responses. Impacted agencies were consulted directly via meetings with agency leadership and administrative staff.

DART – FTE Flowchart and Potential Impact

DSPS
247.14 FTE

DATCP
644.79 FTE

DART
888.93 FTE

Eliminate
24.8 FTE
\$2,506,200 Savings

Proposal: Department of Financial Institutions and Professional Standards

Create the Department of Financial Institutions and Professional Standards (DFIPS), effective January 1, 2016.

- * Eliminate the Department of Financial Institutions (DFI) and the Department of Safety and Professional Services (DSPS), and transfer all primary responsibilities, personnel and funds to DFIPS. Exceptions include:
 - Transfer the responsibility for the plan review of Private On-Site Wastewater Treatment Systems (POWTS), commonly referred to as septic systems, to the DNR.
 - Eliminate grants for the replacement of POWTS for private landowners.
 - Transfer the review of building plans for hospices and Community-Based Residential Facilities (CBRF) to DHS.
 - Transfer back office functions (HR, IT and finance) to the DOA Central Services project.
- * Transfer the Office of Business Development and functions related to the certification of Minority-, Women-, and veteran-owned Business Enterprises (MWBE) from DOA to DFIPS.
- * Transfer the regulation of tattoo parlors/artists, piercing salons and tanning facilities from DHS to DFIPS.
- * Eliminate the Educational Approval Board (EAB). Transfer the authorization of private for-profit institutions of higher learning to DFIPS. Transfer consumer protection functions related to private for-profit institutions of higher learning to DATCP.

DFIPS – FTE Flowchart

DSPS
247.14 FTE

DFI
139.54 FTE

DOA
(MWBE and OBD)
5.00 FTE

New Positions
(OBD & DSPS)
4.00 FTE

DFIPS
370.88 FTE

Eliminate
24.80 FTE
\$2,506,200 Savings

Governor's 2015-17 Biennial Budget Proposal

- * Merge two authorities with overlapping goals, responsibilities and tools into one authority:

- * Wisconsin Housing and Economic Development Authority (WHEDA):
 - * Provides financing for home ownership, rental housing and special needs housing
 - * Provides small business loan guarantees, allocation of federal tax credits to low-income areas and economic development lending
 - * Assists agricultural and business financing

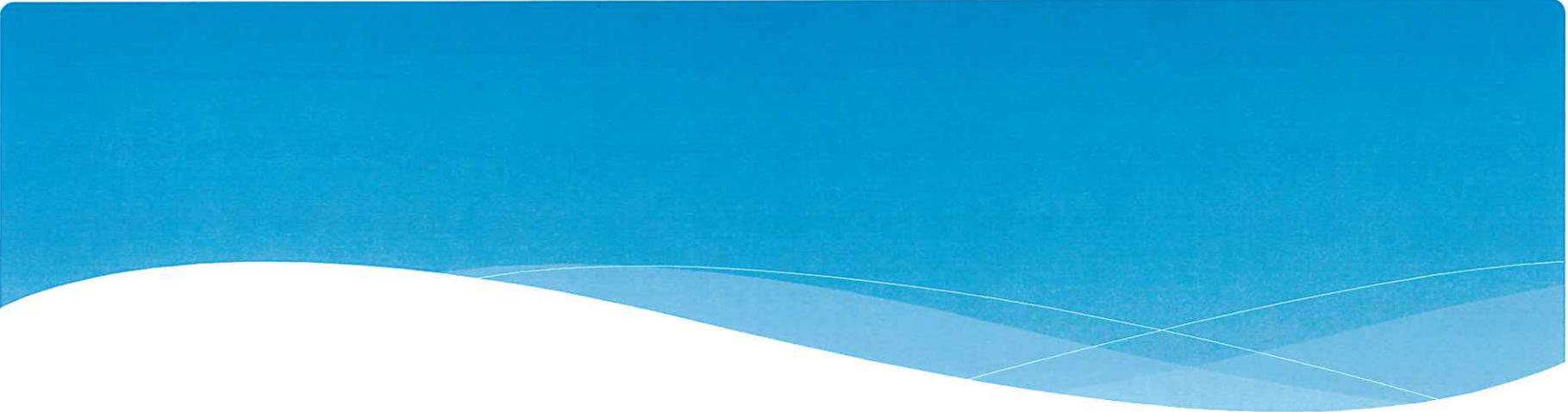
- * Wisconsin Economic Development Corporation (WEDC):
 - * Encourages start-ups and investment capital
 - * Nourishes existing Wisconsin companies
 - * Recruits existing businesses to grow in Wisconsin
 - * Supports local communities
 - * Builds strong partnerships across Wisconsin

Governor's 2015-17 Biennial Budget Proposal

- * Savings would have been realized predominantly in general administrative functions and in the credit and risk sections.
 - * Legal, HR, IT, Finance, Executive Office staff are usually areas where savings can be realized through consolidation.
 - * Credit and risk functions were also highlighted as an area of potential savings due to WHEDA's substantial experience in managing a credit portfolio.
- * More programmatic functions, such as WEDC's grants, tax credits, business assistance programs and partnerships could not realize material amounts of savings due to a lack of overlap with WHEDA's economic development functions.
- * The priority in the merger was to enhance economic development efforts in the state as opposed to achieving savings for the state's general fund.
 - * As such, no reductions were made in WEDC's state appropriations in relation to the proposed merger.
- * Potential savings were estimated to range from \$1.4 million to \$2.6 million, depending on assumptions regarding administrative redundancies. Estimates were made prior to passage of 2015 Act 55.

Merger Goals

- * The economic development mergers would provide a “one-stop” entity with a broad array of both housing and economic development tools including grants, loans, loan guarantees, partner support and tax credits.
- * Bringing the two authorities together would allow for a more streamlined and comprehensive approach for initial introductions to the State of Wisconsin.
- * All of the mergers of these state agencies follows the Governor’s focus on streamlining state government to make it more efficient, effective and accountable.
- * The task of mergers included considering what services state government should be providing, what is the most efficient way to deliver the services that each agency must provide and what is the best way for the public to interact with state government.



A Different Approach to Reform

Making Data Driven Decisions

Sunset

“Some agencies and programs develop a kind of bureaucratic momentum that carries them on after the initial justification for their existence has passed.”

(Wisconsin Legislative Reference Bureau Research Bulletin 77-RB-1,
“Sunset” Legislation, January 1977)

Sunset

“A sunset review is an assessment of whether a state entity is necessary, effective, and efficient. Sunset review is distinguished from other forms of oversight by its systematic, deadline-driven approach.”

“Most states with sunset reviews report benefits from the process, principally efficiency and public accountability”

(Sunset Review in the States, Sarah Weaver, 2011)

Sunset

- * 27 states have some form of sunset laws
 - * 8 states have comprehensive sunset laws
 - * 7 states have regulatory sunset laws
 - * 8 states have selective sunset laws
 - * 2 states have discretionary sunset laws
 - * 1 state has both a selective and regulatory sunset laws
 - * 1 state has both a selective and discretionary sunset laws

Council of State Governments Book of the States, 2015

Sunset

- * Since its creation in 1977, Texas abolished 37 agencies and programs and consolidated 46 agencies and programs. Texas realized \$980 million in savings and increased revenues.

Texas Sunset Commission, Impact of Sunset Reviews

- * A select list of 11 states with some type of sunset law chosen by the Mercatus Center at George Mason University found that out of 505 sunset reviews, 104 boards or laws were eliminated or roughly 1 in 5.

Sunset Legislation in the States: Balancing the Legislature and the Executive, Baugus and Bose, August 2015



State Examples

Delaware Sunset Act

“It is the purpose of this Act to provide an action-forcing mechanism designed to increase the accountability of various commissions, boards and agencies through increased legislative scrutiny of programs and agencies.”

(CHAPTER 102. 1980 DELAWARE SUNSET ACT)

Delaware Sunset Act

- * 5 Legislative Members of the Senate and House appointed by the President and Speaker respectively.
- * Staffed by the Legislative Council of Delaware and the Office of Controller General. Two full-time staff.
- * All agencies, boards, and commissions are covered.
- * Generally 10 to 12 month review periods.
- * Automatic termination of agency if no bill is passed.
- * Agency under review submits report to the sunset committee.
- * Sunset committee conducts review and issues final report with recommendations.
- * Review conducted every six or seven years. Committee and Legislature can adjust the review schedule.
- * Reviews ongoing.

Delaware Sunset Act

- * 6 agencies and councils scheduled for sunset in 2015.
- * 2014 review resulted in a number of changes including transferring budget duties for a board from the State Treasurer to another agency to eliminate a conflict of interest, requiring board members to disclose their finances every year, and updating state funeral standards statutes.
- * Roughly 80% of recommendations become law.

Florida Government Accountability Act

“The 2006 Legislature enacted the Florida Government Accountability Act, sections 11.901-11.920, Florida Statutes, which established an agency sunset review process to be used by the Legislature to determine if a public need exists for the continuation of a state agency, its advisory committees, or its programs.”

(Report of the Joint Legislative Sunset Committee, March 2008)

Florida Government Accountability Act

- * Consists of Legislatively created sunset advisory committees created similar to other legislative committees.
- * Staffed by The Auditor General and the Office of Program Policy Analysis and Government Accountability.
- * All agencies, boards, and councils are covered.
- * Generally 1 year review period.
- * Automatic termination if no bill is passed. Agencies cannot be terminated until all obligations and duties are transferred.
- * Agency under review submits report to the committee and the Office of Program Policy Analysis and Government Accountability conducts a review and issues a report to the committee.
- * Sunset committee conducts review and issues final report with recommendations.
- * Review schedule in state law and possibly adjusted by Office of Program Policy Analysis and Government Accountability .
- * Ceased to operate in 2010.

Florida Government Accountability Act, 2006

Florida Government Accountability Act

- * **Department of Agriculture and Consumer Services**
 - * Consolidate the storage tank regulation and petroleum inspection responsibilities of the Department of Agriculture and Consumer Services and the Department of Environmental Protection so that a single inspector is providing inspection services to a retail facility based on plan developed by joint agency work group.
 - * Abolish 23 advisory committees, continue 27, and create a new Commodity Technical Council to take over the responsibilities of three specific committees recommended for abolishment and expand internet access for comments, complaints, and expert input through web-based applications managed by the agency.
- * **Department of Environmental Protection**
 - * Consolidate the storage tank regulation and petroleum inspection responsibilities of the Department of Agriculture and Consumer Services and the Department of Environmental Protection so that a single inspector is providing inspection services to a retail facility.
 - * Continue 12 of 13 advisory committees and expand internet access for comments, complaints, and expert input through web-based applications managed by the agency.
- * **Fish and Wildlife Conservation Commission**
 - * Abolish six of 12 advisory committees and expand internet access for comments, complaints, and expert input through web-based applications managed by the agency.
- * **Water Management Districts**
 - * Abolish four of 13 advisory committees and expand internet access for comments, complaints, and expert input through web-based applications managed by the agencies.

Minnesota Sunset Act

“The 2011 Legislature enacted the Minnesota Sunset Act, which establishes a schedule for periodic review and expiration of many state agencies (Minnesota Statutes, chapter 3D). The Sunset Act created a Sunset Advisory Commission, which reviews and makes recommendations on agencies subject to sunset.”

(MN House Research, Mark Shepard and Lynn Aves, June 2012)

Minnesota Sunset Act

- * 12 members with 8 Legislative Members of the Senate and House and 4 appointed by the Governor.
- * All agencies, boards, and commissions are covered.
- * Generally 10 to 12 month review periods staggered from 2012 to 2022.
- * Automatic termination of agency if no bill is passed and required duties, property, and records transferred to Commissioner on Administration.
- * Agency under review submits report to the sunset committee.
- * Sunset committee conducts review and issues final report with recommendations.
- * Review conducted every six or seven years. Committee and Legislature can adjust the review schedule.
- * Reviews now passive and under the authority of the Legislative Commission on Planning and Fiscal Policy (2015 MN Stat. 3.885).

MN House Research, Mark Shepard and Lynn Aves, June 2012

Minnesota Sunset Act

- * For agencies reviewed by the Sunset Advisory Commission in fall of 2011 and winter of 2012, the 2012 Legislature:
 - * abolished the Combative Sports Commission and transferred its duties to the Department of Labor and Industry;
 - * continued the Capitol Area Architectural and Planning Board, Amateur Sports Commission, all health-related licensing boards, and the Council on Disability and scheduled them for sunset in 2018;
 - * continued the Council on Asian Pacific Minnesotans, Council on Black Minnesotans, Council on Affairs of Chicano/Latino People, and Indian Affairs Council and scheduled them for sunset in 2014; and
 - * made various changes in laws governing operations of the reviewed agencies.

MN House Research, Mark Shepard and Lynn Aves, June 2012

Nevada Sunset Subcommittee of the Legislative Commission

- * Created in 2011.
- * Focus on boards and commissions
- * 8 statutory revision recommendations
- * 2 entities recommended for consolidation
- * 9 entities recommended for termination
- * 2 entities recommended to be terminated and functions transferred



Wisconsin Experience

Wisconsin Sunset

- * Wisconsin Sunset Legislation
 - * 1977 Assembly Bill 38
 - * 1977 Assembly Bill 105
 - * 1977 Assembly Bill 366
 - * 1979 Senate Bill 259
 - * 1979 Assembly Bill 865
- * 1995 SAVE Commission (Study for Administrative Value and Efficiency)
 - * *“Begin the process of continual sunseting on agencies, tax exemptions, councils, programs, and more.”*
- * 1995-97 Budget Act 27
 - * 67 agency transfers and structure modifications
 - * 12 agencies eliminated
- * 1997 Wisconsin Evaluation Survey Report Recommends Sunset
- * 2015 Budget eliminated 14 inactive boards and councils

Wisconsin Current State

- * 177 Boards, Councils and Commissions on Governor's website.
- * Over 400 vacancies or expired appointments.
- * There are 71 professional licenses handed out by the Department of Safety and Professional Services that have fewer than 100 active licensees in the entire state - 31 have 10 or fewer - 8 have 0.
- * There are 234 total professional licenses.

Wisconsin Current State

- * 59 State Agencies
- * 2,136 different appropriations and programs in the budget (Wis. Stat. Chapter 20 schedule) spending \$36.9 billion.
- * No enterprise wide process to evaluate the effectiveness of specific programs and appropriations.
- * No current recurring audits on state agencies for program effectiveness, duplication, and performance.

Wisconsin Current State

- * Numerous duplicative business assistance programs throughout government
- * Consumer protection spread across state agencies
- * Are financial service occupations better regulated by the financial services agency?
- * Programs created decades ago overlap with new programs and reforms to existing programs
- * Are programs measured for their effectiveness?
- * Public Policy Forum report on worker training programs – 36 programs across 9 agencies
- * Corrections programs under review currently with help from PEW
- * Numerous duplicative and overlapping programs across government

A Wisconsin Approach

- * Create an action forcing process to drive effective and transparent reform.
- * Use a data driven model similar to PEW's Results First Initiative to rate and rank agency programs by effectiveness.
- * Delete and reform ineffective programs and agencies.
- * Save taxpayer dollars and improve state government performance and government program effectiveness.

Future Meetings

- * We will hear again from PEW.
- * We will hear about recent changes to better track agency performance.
- * We will hear from another state on their initiatives to track agency and program effectiveness.

Next Steps

- * Create an advisory working group to design a process for Wisconsin?
- * Make the process unique to Wisconsin.
- * Bring back the detailed process to a future meeting of the commission?



Discussion