

Cost Savings and Achievement Potential of Prevention Programs: Smart Cuts, Dumb Cuts, and a Process to Tell the Difference

by Sid Gardner and Alan Brown

Local and state government officials face daunting budget challenges as part of the larger global financial crisis. Extreme budget deficits seem inevitable at this point. The conventional response to budget deficits in some local governments and states has been to apply simple across-the-board percentage cuts, for example, a 10 or 15 percent straight cut. Although this approach gives the impression of equitable treatment of all departments and agencies, the practice, in fact, creates a bias in the treatment of agencies and jeopardizes the foundation of the government's infrastructure.

Using this outdated approach means that effective programs that may be operating on the basis of successful historical experiences and evidence-based practices are eroded or weakened, while ineffective programs may be overlooked and protected from being accountable for program results. The message sent by across-the-board cuts is either "we can't tell the difference between good and bad programs" or "we don't care whether programs are effective or ineffective." Both are poor messages to send at the beginning of a new administration, or at any time.

How can local governments seize opportunities that result from crisis and allow governments to emerge from any tumultuous period with a greatly improved process of governance? This article suggests three techniques useful to public leaders who are navigating through the continuing storm of declines in budgets:

- Approach issues horizontally.
- Make decisions according to the data.
- Eliminate duplication of effort.

Horizontal approach. Most federal programs have narrowly defined goals designed to address a very specific problem or issue. This narrow focus tends to fragment how local and state governments address local problems as they respond to those program goals.

Adding further to this fragmentation is the general tendency of the federal government to fund pilot projects for every problem. Turf protection by different disciplines, professions, and interest groups also plays a part. At the state level, department decisions are often made in isolation from the work of other departments.

In many cases, however, the goals and mission of an agency cannot be achieved by that agency acting alone because its authority and resources are too fragmented and partial to get the job done. At the local level, often a more integrated horizontal approach, using multiple resources and services to solve problems, will yield better long-term results.

Here are examples of the horizontal approach:

- Schools depend on the work of parents, preschool organizations, and health agencies to achieve school readiness.
- Child welfare agencies depend on substance abuse treatment agencies for working with the two-thirds of parents who are reported for child neglect caused by substance abuse.
- Economic and job development agencies rely on public transportation and other support programs to get people in rural areas to jobs and to the services they need to keep those jobs.

These crosscutting services are more likely to be effective if state and local agencies are closely linked in horizontal connections and are held to accountability by goals that work across agencies rather than confined narrowly within them. The glue join-

ing these agencies must be the priorities for new leadership, reflecting a comprehensive vision and setting and monitoring specific goals across many dimensions.

Another example is a community reentry effort designed to address the goal of reducing recidivism among juvenile offenders who are released from the corrections system. Many collaborators—health, education, job training, and housing services—represent different segments of society that are vital to the success of any such initiative.

The success of reentry cannot be the sole responsibility of a state or local department of juvenile corrections. Instead, success requires the efforts of many agencies working on the different needs of the young person.

Data-driven decision making. Priorities can flow from several sources: from the personal visions of governors and mayors, from the imperatives needed to control the budgets of the fastest-growing programs, from the growth in caseloads of some agencies, from a desire to make up ground in those areas where the jurisdiction lags behind the nation and comparable states or local governments, and from rapidly developing public crises. Prioritization, therefore, must involve data analysis as well as an assessment of where there is consensus on the shared values.

The fact that a state's dropout rate is one of the highest in the nation, for example, may make this problem a key agenda item. Some excellent programs can help recognize at-risk children during the first few grades of elementary school. Most cities and towns, however, have no methodologies for identifying these youth, making this a "stealth issue." Vulnerable children, who are currently invisible, could be identified early if there was a will to do so.

Taking priorities seriously means the leadership has to have the staff and the machinery in place to follow up on priorities. Implementation of policy is where the train often goes off

the track—and where a governor or local government manager who cares about priorities has to invest in accountability machinery.

If strategic policy can be implemented only by expanding funding, policy will degenerate into occasional add-ons rather than as a sustained strategy guiding spending across the government. When budgets contract, it is still possible to make decisions that take clear priorities into account. And when budgets have to be cut, "smart" cuts recognize the impact of reductions on strategy.

Elimination of duplication of effort. In years past, when state and local support for prevention services and activities was scarce, different agencies and departments found that if they pooled their resources, they could support centralized training, technical assistance, and information services that could be tailored to each of their respective needs. As resources became more plentiful, some of the departments and agencies began to develop their own internal training, technical assistance, and information systems that were specific to their respective missions.

Over the long term, this has led to less collaboration, increased "silozation" of effort, and decreased ability to work horizontally across agencies. It has also led to duplication of effort and increased costs. One state estimates that at least seven agencies or departments have units that deal with family violence.

SMART CUTS AND DUMB CUTS

In these times of fiscal austerity, when public agencies and departments struggle to maintain all operations, it is important to support those programs that produce the best results. Programs that demonstrate a willingness to innovate and collaborate to solve broader problems need to be maintained.

Crisis breeds opportunity. Instead of blanket percentage cuts that serve to punish innovation and reward, or at least hold harmless, those who

practice business as usual, during fiscally tight times it is important to make smart cuts:

- Cut an ineffective program.
- Cut programs that have little or no leverage on other resources.
- Cut programs that are isolated and not part of an integrated services effort.
- Redirect funds from weak programs to support services wherever they are provided most effectively, rather than favoring public employees and cutting back grantees and contractors because they are easier to cut.
- Eliminate duplication of effort by different agencies and departments.
- Support innovation and continuous process improvement.

The dumbest cuts are those that can harm good programs most because they rely on across-the-board cuts of a flat percentage of all spending. These are the easiest to achieve politically because they ostensibly spread the pain of cuts across all programs. Not setting specific targets for cuts means that not only are the merits of effective programs ignored but the opportunity to eliminate or reduce weak programs is missed.

As a result, programs such as education, health, and child-care spending are reduced more than might be justified given their long-term benefits. Across-the-board cuts also ignore the advantages offered by long-term investments that might be part of an overall strategy of resources for innovative programs. If a budget crisis is seen and used as an opportunity for reform, states and local government programs can emerge far stronger and better off.

“At first people refuse to believe that a strange new thing can be done, then they begin to hope it can be done, then they see it can be done—then it is done and all the world wonders why it was not done centuries ago.”

—Frances Hodgson Burnett
The Secret Garden

A PROCESS FOR TELLING THE DIFFERENCE BETWEEN SMART CUTS AND DUMB CUTS (OR, HOW TO TELL GOOD PROGRAMS FROM NOT-SO-GOOD PROGRAMS)

Most public prevention programs to curb crime, substance abuse, and other social problems have never been rigorously evaluated. Prevention programs are notoriously difficult to evaluate. How does one evaluate whether a program actually prevented a problem from occurring?

Still, billions of dollars are spent each year to combat these and other social ills. U.S. history is one of investment in untested programs, delivered with little consistency or quality control and without effective evaluation. Greater accountability—proof that prevention programs are producing the desired results—is needed.

Too often, accountability measures are viewed as a threat. They are seen as a tool for simply eliminating or punishing programs rather than for ensuring effective results. Funding mechanisms compensate providers by the number of people they serve, not the outcomes they produce. And historically, funding has been for new demonstration programs rather than for evaluating and refining the best programs and sustaining them.

If the goal of prevention programs is to sustain and improve the lives of children, families, and communities, then local, state, and national policymakers need to begin to ask a new set of questions:

- What and where are the greatest problems?
- Where and for what programs are the resources being deployed?
- What policies and programs and practices are most effective, and for what populations?
- What skills and tools do community-based service providers, educators, and other practitioners need in order to deliver effective programs?
- Are federal, state, and local government funds making a positive difference?

The prevention research community, working with public administrators, has developed a systematic process, the Performance and Resource Management System, that can help state and local government decision makers answer such questions. The system helps guide the making of decisions that involve the critical problems of substance abuse, violent behaviors, and related social issues. The system has four main components:

- Strategic policy agenda.
- Professional development system.
- Portfolio of effective programs.
- Metrics for accountability measurements.

Strategic policy agenda. The foundation of the system is a strategic policy agenda that establishes the desired results. All too often, policy decisions are made in response to problems after they have already emerged and reached a level of severity at which whole communities are threatened. Solid research data show the benefits of prevention in both financial and human terms.

Prevention is a long-term solution, however; and it requires an integrated approach. Policymakers must first determine what goals they are working toward and their agenda. Then they must think about how programs and services can work together to solve problems.

Using this approach, also known as systems thinking, local policymakers may determine, for example, that they need to bring together the school system, the housing bureau, the police department, and the parks and recreation department (the system) to reduce high school dropout rates among at-risk students (the agenda).

Professional development system. The professional development of the organization and instruction in systems thinking are crucial. For staff to become seasoned systems thinkers, the organization, including top management, must have a strong commitment to developing a new awareness and skill set that encourages collaboration and innovation.

To sharpen systems-thinking abilities, the organization needs to examine new kinds of questions, learn to experience time differently (long-term solutions versus quick fixes), notice how systems work, and practice diagramming to better understand existing systems.

Portfolio of effective programs. Most local and state governments don't do a credible job of inventorying exactly what their agencies are doing in prevention, early intervention, and treatment programs and services. And, more important, little tracking of the programs and services is the result, including whether overspending occurred. Replication or adaptation of the high-quality programs that are research based and succeeding elsewhere is still rare or widely irregular.

Some states have begun to use geographic information systems (GIS) technology to map and analyze precisely where program resources and services are being deployed and how those resources compare with local community needs. Such a pilot program in Arizona helps state leg-

islators understand which counties are currently receiving funding for juvenile drug and alcohol programs and compares that information with the incident rates in those counties. A gap analysis demonstrates where additional funding and resources need to be directed.

Metrics for accountability measurements. Given the enormous amount of dollars spent on prevention programs and services, the results should indicate a reduction in the social, behavioral, and economic costs of serious social problems. But in order to show such a reduction, programs and services must track how successful people have been over the years, in which communities, and by what standards.

Establishing, collecting, and analyzing trend data and related program information allow local and state policymakers and program planners to make informed decisions, set future directions, allocate resources, and design programs in ways that are much more likely to improve results for citizens.

The underlying goal of this decision-making process is the well-being of children and families and the enhancement of the positive conditions of communities. Using this process will help state and local policymakers and program planners take full advantage of financial flexibility in difficult financial times while still making a positive impact on the lives of citizens. Managers have the capacity for change and for a growing flexibility in use of resources. Grounding changes in the lessons learned from successes and failures can assist in meeting the challenges. **PM**

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