

Memo

TO: HFA State Leaders

FROM: Kathryn Harding, Lisa Schreiber, Ben Tanzer, & Jim Hmurovich

SUBJECT: New WSIPP cost study on child welfare programs

DATE: August 15, 2008

The Washington State Institute for Public Policy (WSIPP) has just released a new report on cost-effectiveness of programs in preventing or reducing involvement of children in the child welfare system, available online at <http://www.wsipp.wa.gov/pub.asp?docid=08-07-3901>. Previously, WSIPP issued a report in 2004 on “Benefits and costs of prevention and early intervention programs for youth” (<http://www.wsipp.wa.gov/rptfiles/04-07-3901.pdf>).

The WSIPP report considers only the most rigorous evaluations of HFA and many other programs. The HFA study findings are mixed, leading the reports to conclude that HFA’s cost-benefit ratio is less favorable than some other programs. The bottom line for HFA is a negative cost of \$1830 per family to society, even greater than the cost of \$1263 in the 2004 report.

PCA America staff reviewed an interim report on the latest study, and made a number of recommendations to clarify and improve the final report. Our letter and the response from WSIPP researchers are **attached** in hopes that this information will help you address questions that may arise in your state. In general, while the WSIPP study is rigorous and systematic in its methodology, there are a number of conclusions stated without adequate acknowledgement of the limitations of this research. We are concerned that overreliance on this cost study could unnecessarily limit community choices and/or limit services to a small subgroup of families. It would be very premature to cut established programs based on current evidence. Highlights of our critique are summarized below in Talking Points. A press release is in development and will be distributed to State Leaders and posted on our website when finalized.

Please review these materials and consider developing talking points specific to your state, in particular noting :

- **YOUR COST:** Whether the cost of HFA services in your state is higher or lower than the average national cost used by WSIPP. To calculate the cost of HFA services, the study authors used the figure on the HFA website



http://www.healthyfamiliesamerica.org/network_resources/funding.shtml, which reported an average cost of \$3348 per year as of 2004. Also in 2004, PCA America staff provided an estimated length of service of 1.18 years on average. This value $(3,348 \times 1.18) = 3951$ was then adjusted for inflation and put into 2007 dollars, hence the cost of \$4267 listed in the study report.

- **YOUR OUTCOMES:** How do the outcomes considered in this study compare to the stated goals of your HFA sites and the research evidence to date that you are achieving those goals? For example, your state may include health benefits, an area not considered in the WSIPP study. The outcomes from HFA studies were:
 - Mother's high school graduation
 - Mother's use of public assistance
 - Mother's use of alcohol
 - Mother's use of illicit drugs
 - Substantiated reports of child abuse and neglect
 - Child's achievement test scores

- **RELEVANCE:** The relevance of the HFA evaluations included in this study to your state, for example, you may have more recent and/or more positive evaluation outcomes, or your state may have enhanced your HFA services compared to those in the evaluations. HFA evaluations used in this study were :
 - AK (Duggan, 2007),
 - CA (Landsverk, 2002),
 - GA (Chambliss, 1999),
 - HI (Duggan, 2004),
 - HI (Center on Child Abuse Prevention Research, 1996),
 - NY (DuMont, 2006),
 - VA (Galano, 1999)

We hope this information is useful to mitigate the potential damage of this report to the HFA efforts in your state and to inform policy makers of the limitations of this study. We would appreciate being kept in the loop on any state-specific responses you create to address this new report.

Attachments:

- PCAA letter WSIPP study authors.jul08.doc
- Letter to PCAA.Aug08.pdf
- WSIPPPressrelease.Aug2008.doc



Talking Points on WSIPP Cost Study on Child Welfare Programs

1. We are still learning about the factors which impact home visiting effectiveness, especially how certain subgroups of families benefit more than others.
2. Only a few program benefits were considered. Many of the programs reviewed cover a much broader range of goals to address the many inter-connected pathways that lead to child maltreatment. Policy decisions need to take this into account and adopt a broad view of the needs of children, families, and society, rather than address specific needs in a singular fashion. The latter can lead to duplicative or even contradictory efforts.
3. The cost study includes some outcomes from some programs that are not directly related to child welfare involvement (e.g., crime and substance abuse by parents and children), giving an advantage to programs with a longer tenure because it requires a much longer follow-up period to assess these outcomes.
4. A single study may not be representative of an entire model. This is certainly true for HFA, and very likely for other models.
5. There are important differences in the available research that are independent of program effectiveness, most notably the availability of research on long-term benefits, and this difference greatly influenced the study results. HFA does not yet have long-term follow-up studies to assess these benefits, but that does not mean we do not have long-term benefits.
6. Ongoing research could produce new results that would change the outcomes of the current study. HFA's results have grown stronger over time, making older evaluations less relevant to current decision-making, and leading to new rigorous evaluations underway in Arizona, Hawaii, Indiana, Massachusetts, and North Carolina, in addition to a long-term follow-up study in New York.
7. Major social change can impact indicators of program cost-effectiveness, for example, the time limits imposed by welfare reform may limit today's programs from achieving the same cost savings achieved by programs prior to welfare reform.
8. Child maltreatment reports are problematic as a measure of program impacts due to regional reporting differences and surveillance bias, which means increased detection of maltreatment among home visited families but not comparison families, among other issues. Good policy decisions require a better outcome measure of program impact.



9. Cost-benefit analysis is useful for boiling down large amounts of information, but limited by the quality of that information and judgements made along the way, such that the results of cost-benefit analysis are tentative at best, and cautious conclusions are warranted.

We concur with Gomby's assessment of similar studies in 2005, that "In sum, these analyses should be considered starting points in assessing the costs and benefits of home visiting programs and not the final word on the subject. In future, more careful assessment of costs as programs are ongoing and a more comprehensive cataloguing of benefits might be helpful." (2005, p. 38).

