

HOUSE FINANCE COMMITTEE
February 25, 2015
1:32 p.m.

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CALL TO ORDER

Co-Chair Thompson called the House Finance Committee meeting to order at 1:32 p.m.

MEMBERS PRESENT

Representative Mark Neuman, Co-Chair
Representative Steve Thompson, Co-Chair
Representative Dan Saddler, Vice-Chair
Representative Bryce Edgmon
Representative Les Gara
Representative Lynn Gattis
Representative David Guttenberg
Representative Scott Kawasaki
Representative Cathy Munoz
Representative Lance Pruitt
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Representative Paul Seaton; Michele Michaud, Chief Health Officer, Division of Retirement and Benefits; Susanne Dipietro, Executive Director, Alaska Court System; Gary VanLandingham, Director, Pew-MacArthur Results First Initiative.

SUMMARY

HB 39 PUBL EMPL HEALTH INS; WELLNESS COMMITTEE

HB 38 was HEARD and HELD in committee for further consideration.

RECIDIVISM REDUCTION DISCUSSION: THE PEW CHARITABLE TRUST

#hb39

CS FOR HOUSE BILL NO. 39(HSS)

"An Act establishing the Advisory Committee on Wellness; and relating to the administration of state group health insurance policies."

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REPRESENTATIVE PAUL SEATON, testified on HB 39; a bill establishing the Advisory Committee on Wellness. He reported that the intent of the bill was to create an advisory wellness committee within the Department of Administration (DOA). The legislation required DOA to implement procedures to decrease the incidence of disease in Alaska in an attempt to hold healthcare inflation to 2 percent per year for state health insurance plans. He purported that the bill added weight to the current wellness committee through establishing the committee in statute, expanding the membership, and requiring DOA to respond to its recommendations within 6 months. The bill further mandated the department to provide a report to the legislature on DOA's response to the committee's recommendations. He detailed that the wellness advisory committee was modeled after the Citizen's Review Panel for the Office of Children Services (OCS) [Department of Health and Social Services (DHSS)]. The Office of Children Services was required to respond to the panel's recommendations, which proved effective at improving children's services. He expounded that by holding healthcare inflation to 2 percent on the state's active and retiree healthcare costs the state would reduce the Public Employees' Retirement System (PERS) and Teacher's Retirement System (TRS) unfunded liability by \$3.8 billion dollars. He added that healthcare inflation was currently at 5 percent but was estimated at 2 percent for payments made to the PERS/TRS system which contributed to the unfunded liability. He related that HB 39 focused on curbing state worker's healthcare costs because the contractual relationship between the state and employees/retirees could be manipulated to influence behavior. For instance, the state could employ incentives through co-pay or deductible changes to reach specific health goals.

Representative Seaton drew attention to a study on depression titled, "Vitamin D and Depression: A Systematic Review and Meta-Analysis Comparing Studies with and without Biological Flaws" (copy on file). He read the following from page 14:

The effect size for Vitamin D in depression demonstrated in this meta-analysis is comparable with the effect of anti-depressant medication, an accepted treatment for depression. Should these results be verified by future research, these findings may have important clinical and public health implications.

Representative Seaton communicated that many of the social problems in the Alaska populace was due to depression. The state's prison population had deficient vitamin D levels. Vitamin D levels also contributed to a healthy immune system. He surmised that maintaining wellness within the correctional system through vitamin D use was one example of how the wellness committee could work to influence better health through DOA.

Co-Chair Thompson referred to page 2, [line 23] of the legislation and cited the language, "legally and reasonably practicable." He asked what the legally and reasonably practicable standard was. Representative Seaton responded that the language was included as a way for the department to evaluate the advisory committee's recommendations. A recommendation might be unlawful or violate HIPPA rules, therefore the administration was not required to implement the recommendation. The recommendation would also have to meet a standard of practicality. He voiced that the language granted the department flexibility within its required review of the recommendations.

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Vice-Chair Saddler asked about why the advisory committee was part of DOA and not housed within the Department of Health and Social Services (DHSS). Representative Seaton replied that state only had a contractual relationship with state employees, retirees, and their dependents, which provided a "mechanism" to incentivize outcomes. The Department of Administration was the only department that reviewed the health policies of the state employees and retirees.

Representative Kawasaki referred to Section 2 of the bill and noted that the focus was on healthcare costs. He asked whether it was the intent of the legislation to examine the state's health care insurance costs and coverage. Representative Seaton responded that the purpose of the bill was to create a healthier workforce and improve retirees' health. He explained that the bill was not attempting to change the health care plans' provisions. The bill focused on prevention as a way to help control healthcare costs.

Representative Gara relayed that the Citizens Review Panel had a difficult time obtaining requested information from OCS. He wanted to ensure HB 39 was written in a way that made it easy for the advisory committee to get necessary information from DOA. Representative Seaton responded that there was a difference in the mission between the two advisory entities. The panel reviewed state operations, the wellness committee was finding ways to improve worker's health, which did not require DOA to supply information.

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Co-Chair Neuman cited page 2, Section 2 [lines 15 through 21] of the bill and read the following:

(13) To the greatest extent legally and reasonably practicable, the Department of Administration shall work to hold the escalation of health care costs to less than two percent annually by administering policies of group health insurance obtained under this subsection in a manner that is likely to reduce the incidence of disease in the state's population and that facilitates implementation of the recommendations of the Advisory Committee on Wellness established under 21 AS 39.30.093.

Co-Chair Neuman asked whether the department would be required to implement the recommendations of the advisory committee in its plans policies in order to achieve a 2 percent reduction.

Representative Seaton responded that the intent of the legislation did not mandate the department to implement policies. The bill required the department to review the recommendations and respond to each recommendation via a report. Each recommendation would be held to the standard

of legally and reasonably practicable. He summarized that HB 39 did not mandate implementation of policies only to review recommendations.

Co-Chair Neuman asked about Section 3 [on page 2, lines 23 through 28] and read the following:

(b) To the greatest extent legally and reasonably practicable, the Department of Administration shall work to hold the escalation of health care costs to less than two percent annually by administering policies of group health insurance obtained under this section in a manner that is likely to reduce the incidence of disease in the state's population and that facilitates implementation of the recommendations of the Advisory Committee on Wellness established under AS 39.30.093.

Co-Chair Neuman understood that DOA was already working hard to contain healthcare costs for the state. He asked whether Section 3 guaranteed that if the department adopted the recommendations of the advisory committee costs would come down. Representative Seaton answered that a wellness committee was in place but met infrequently and did not carry much weight because its recommendations were not required to be addressed. The bill facilitated that recommendations would be addressed and those with merit should be considered for implementation.

Co-Chair Neuman remarked that the bill packet contained a lot of information about the benefits of vitamin D. He asked whether it was the sponsor's intent for all Alaskan's to take vitamin D at the recommendation of the wellness committee to reduce the cost of healthcare. Representative Seaton suggested the information was included as an example of something that the wellness committee might recommend based on sound scientific information. He emphasized that HB 39 only addressed people who the state maintained a contractual relationship with in order to provide health insurance for; state employees, retirees, and their dependents. The contractual relationship enabled the state to provide incentives for better health outcomes through preventive care.

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Representative Wilson expressed concern that healthcare costs over 2 percent would be transferred to the retirees. She wondered whether the commissioner of DOA had the medical expertise to implement programs that would reduce the incidence of disease. Representative Seaton responded that the legislation could not change the cost structure of negotiated contracts. He reiterated that a wellness committee already existed in DOA but lacked a requirement to review the committee's recommendations and facilitate implementation. He commented that the bill expanded on the work the department currently undertook; to administer the state's health insurance. He informed the committee that the department previously testified in favor of the bill.

Representative Wilson voiced that the state insurance already sent recipients an abundance of wellness information. She was bothered by the possibility of mandates in order to reduce healthcare costs to the 2 percent inflationary level. She felt that the information that was already available was enough to induce wellness. She felt that the legislation was "heading down the wrong path" by creating mandates. Representative Seaton remarked that the bill was attempting to reduce \$3.8 billion from the unfunded liability by prompting the state's employees and retirees towards improved health.

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Representative Munoz wondered about the contract for the administration of the state's health insurance plans and thought that they were currently under review. She wondered how the committee would work with DOA to implement changes while contract negotiations were taking place. Representative Seaton thought that the committee would be fully integrated with the department. He pointed out that currently the wellness committee did offer recommendations but they were never reviewed or acted on. He restated that the bill was just "adding weight" to create an effective wellness committee.

Representative Munoz mentioned that the previous DOA administration implemented a wellness program. She asked whether the program helped to change outcomes and lower costs under the current contract. Representative Seaton responded that he did not know the statistical outcomes of the department's efforts to entice people to quit smoking

or provide state employees free vitamin D tests at the state's health fair.

Representative Guttenberg mentioned that the state already had a wellness committee and a healthcare commission full of healthcare professionals and administrators. He inquired whether the sponsor considered "rolling" the wellness committee into the healthcare commission. Representative Seaton answered in the negative. He explained that the wellness committee consisted of state employees and "people on the ground" that viewed things differently than the medical establishment. He reiterated that the wellness committee existed in DOA and not DHSS to specifically address how to lower healthcare costs for employees and retirees and not to examine the general health of all Alaskans.

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Vice-Chair Saddler asked whether HB 39 would sunset the existing committee and replace it with a new wellness committee. Representative Seaton answered that the legislation expanded the existing committee and did not incur costs. The members participated online and on their own time. Representative Seaton, in response to a question by Representative Saddler, indicated that the bill only dealt with the Advisory Committee on Wellness within the DOA and had no connection to the healthcare commission.

Vice-Chair Saddler commented that the language in the bill, "greatest extent legally and reasonably practicable" seemed "firm" and he needed to ponder how much authority the committee would actually have.

Representative Gattis requested clarity about the advisory committee. Representative Seaton reiterated that the bill only dealt with the Advisory Committee on Wellness established within DOA and had nothing to do with any other commission on healthcare. He reiterated the proposed role of the committee.

Representative Gattis reminded the committee that the state's employee healthcare was a benefit paid for by an employer. She opined that the bill's provision was not a "liberty issue." The growing cost of health care dictated that the state implement measures to control costs. She opined that if the state offered incentives or

disincentives to accomplish cost control, the employee had the choice to accept the benefit or not. She asked whether the sponsor agreed with her point of view. Representative Seaton answered in the affirmative.

Representative Edgmon supported the concept of the bill. He believed the intent was reformist and would achieve cost savings and raise awareness over time to produce a healthier working populace of state workers. He felt that the objective of the committee to help reduce healthcare inflation to 2 percent was ambitious. He expected that the committee would be very active and engaged to achieve such an ambitious goal. He wondered about its administrative costs. Representative Seaton indicated that the committee was voluntary and met "electronically" and consisted of employees who cared about improved health outcomes. He surmised that by providing more "heft" to the recommendations made by the committee, the members would be actively involved.

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Representative Edgmon referred to page 3, [line 8] and read:

(d) The committee shall meet at the call of the chair or at the request of a majority of its members.

Representative Edgmon suggested that the provision could be strengthened by requiring that the committee met three or four times each year to achieve its goal. He thought that achieving the cost savings was an arduous task to burden the committee with.

Representative Seaton pointed to page 3, line 11 and read:

(e) At intervals of six months, the committee shall make recommendations...

Representative Seaton noted that the committee was tasked with continuously examining healthcare and making recommendations every six months. He detailed that the department had to respond to the recommendations no later than six months and once a year DOA had to report to the legislature sometime during the legislative session.

Representative Edgmon referred to the Alaska Health Care Commission with an annual budget of \$300 thousand who also made recommendations to the legislature that weren't acted on. He wondered how a volunteer committee held to a difficult cost savings task could accomplish its mission.

Representative Kawasaki asked what the current cost escalation of healthcare was. Representative Seaton responded that it was in the 4.5 percent to 5.5 percent range. Representative Kawasaki commented on the boldness of the 2 percent goal and that a difference existed between healthcare outcomes and actual costs. Representative Seaton responded that if diseases could be prevented costs went down dramatically. He explained that the 2 percent goal was a target to achieve a \$3.8 billion saving in the retirement system's unfunded liability.

Vice-Chair Saddler referred to page 2, line 8 and read the following:

It is the intent of the legislature that, by establishing a wellness committee and wellness initiatives that create incentives and methods to decrease the frequency and severity of disease..

Vice-Chair Saddler wanted to know if a scenario could develop that required employee compliance in order to maintain employment.

Representative Seaton responded in the negative and did not see the bill as punitive.

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Co-Chair Thompson noted that the fiscal note (FN 1 ADM) was zero. He referred to analysis on page two and read the following:

The costs of specific initiatives recommended by the advisory committee on wellness, some of which could be substantial, cannot be estimated at this time. Therefore, the department submits a zero fiscal note.

Co-Chair Thompson requested some specific examples of initiatives that could lead to substantial costs.

MICHELE MICHAUD, CHIEF HEALTH OFFICER, DIVISION OF RETIREMENT AND BENEFITS, explained that currently the

department had a wellness committee and coordinator that were only focused on the AlaskaCare employee plan with approximately 6,700 recipients. The department contracted with its third party administrator to provide lifestyle and disease management services to AlaskaCare members. She furthered that the bill expanded the services to retirees which added approximately 67,000 more recipients. She stated that any initiative that was not covered under the plan would increase costs.

Co-Chair Thompson asked whether the department had to implement the committee's recommendations. Ms. Michaud answered in the negative.

Representative Gara asked whether it was the department's intention to take the committee's recommendations seriously. Ms. Michaud answered affirmatively. She communicated that the department's goal was also to have a healthier workforce and retirees because it was proven to reduce costs and DOA was interested in innovative ways to accomplish savings. She added that the challenge would be to implement recommendations without additional costs.

Representative Wilson asked whether the current 2 percent target was met within the AlaskaCare program. Ms. Michaud answered in the negative. She explained that the department did not specify a monetary savings target for AlaskaCare.

Representative Wilson asked for a breakdown of the current costs for the AlaskaCare wellness program.

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^RECIDIVISM REDUCTION DISCUSSION: THE PEW CHARITABLE TRUST

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Co-Chair Neuman recounted that the presentation was in response to strategies developed by the recidivism workgroup created under intent language in 2014 in HB 266 [Approp: Operating Budget/Loans/Funds]. One of the workgroup's strategies was to work with the Pew Charitable Trust to develop a recidivism reduction plan.

SUSANNE DIPIETRO, EXECUTIVE DIRECTOR, ALASKA JUDICIAL COUNCIL, ALASKA COURT SYSTEM, explained that SB 64 [Omnibus

Crime/Corrections/Recidivism Bill] was adopted by the legislature in 2014 and created the Alaska Criminal Justice Commission within the Alaska Judicial Council. The council was exploring ways to obtain resources to support the work of the criminal justice system and discovered the Pew-MacArthur Foundations and the technical assistance they offered.

GARY VANLANDINGHAM, DIRECTOR, PEW-MACARTHUR RESULTS FIRST INITIATIVE, explained that the Results First Initiative was a partnership between the Pew Charitable Trusts and the MacArthur Foundation, which helped state's identify what evidence based results a program would offer a policymaker wanting to implement change. The initiative was born out of the "great recession" in recognition of the fiscal difficulties states found themselves experiencing. He shared that he previously worked as the legislative research director for the state of Florida, which experienced a 30 percent decrease in general funds when emerging from the great recession due to the downturn in the real estate market. He voiced that Florida was expected to financially recover to its pre-recession 2006 level sometime in 2016. He stated that other states were facing the same challenges. He detailed that Florida engaged in broad budget cuts due to lack of information enabling better "strategic" choices. He thought that states needed better tools to make more informed "tough" choices and that more evidence based information was currently available about the best programs that would deliver the best results for the dollars spent.

Mr. VanLandingham turned to slide 2:

"The Policy Change."

- Though policymakers want to make strategic choices, the process often relies on inertia and anecdote

- Limited data on:

- What programs are funded
- What each costs
- What programs accomplish
- How they compare

- Solution: bring systematic evidence into the system

Mr. VanLandingham delineated that much systematic evidence currently existed to determine the value and outcome of programs and needed to be "packaged." Throughout the country, thousands of studies and "rigorous" research had been carried out over many years on various programs. Collectively a lot was known about "what works" and the challenge was how to find it quickly. The benefit of collective knowledge could be incorporated into the legislative process. He noted that the process of interjecting the collective knowledge into the legislative decision-making process was called, "Evidence-Based Policymaking."

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Mr. VanLandingham advanced to Slide 3:

"Evidence-Based Policymaking."

- Focuses on "What Works" - target funds to programs shown to be effective by rigorous research

- Uses lists of 'proven' and 'promising' programs identified by clearinghouses

- Outcome-oriented approach

- Asks whether programs' benefits justify their costs

Mr. VanLandingham shared that the professional baseball team, the Oakland A's employed the same method to develop a winning team that was 25 percent less expensive. He believed the same approach worked for government; identify what programs delivered the best results on a "dollar for dollar" basis" for the citizens of Alaska. He surmised that the evidence based approach asked whether there was a better option that produced better, more effective results for the money that was expended into the system without spending additional money.

Mr. VanLandingham continued to slide 4:

"The Results First Approach."

Compare current programs to evidence

Target funds to evidence-based programs

Conduct cost-benefit analysis to compare returns on investment

Goal: Achieve dramatic improvements without increased spending

Mr. VanLandingham explained that the initiative asked basic questions about what programs the state was operating in the specific policy domain and what was known about the program and its effectiveness. The initiative subsequently performed a thorough analysis of programs that were identified to have good evidenced based outcomes and subject the programs to a "cost-benefit analysis" on a portfolio basis in order to compare programs.

Mr. VanLandingham turned to slide 5: "Inventory Programs." He elaborated that the initiative identified a list of the state's programs that included the programs' costs and percent of budget.

Mr. VanLandingham discussed slide 6: "Compare Inventory to Database of Evidence-based Programs." He indicated that subsequently, the list of programs were subjected to a comparison of evidenced-based programs from a database. The color-coded assessment identified whether programs were well-supported, promising, effective, or not effective.

Mr. VanLandingham scrolled to slide 7: "Assess Level of Funding for Evidence-Based Programs." The initiative evaluated the information and ranked programs according to their effectiveness. Often, states operated programs that lacked any evaluative information about them. He suggested auditing programs that did not have evidence-based data for comparison against the national data base. He emphasized the importance of discovering the effectiveness and value of programs the state funded and were high risk in terms of investment under the cost benefit analysis approach.

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Mr. VanLandingham turned to slide 8: (no title just bullet points):

Results First provides a national database of evidence on program effectiveness.

The state adds and analyzes their own state-specific population and cost data.

The model calculates long-term costs and benefits for each program.

The model ranks programs according to their return on investment.

Policymakers consider the information during the budget process.

Mr. VanLandingham explained that the initiative used the national research database and applied it to Alaska specific data. He exemplified that if a successful program in Georgia that reduced recidivism was identified the model would apply it to Alaska specific data to determine what the program could accomplish in Alaska.

Mr. VanLandingham discussed the example graphed in slide 9: "Example: Meta-analysis of Functional Family Therapy." He indicated that typically when children were "getting into serious trouble" they were sent to a residential facility, where the state provided treatment and various intensive services in order to rehabilitate the children. He elaborated that the programs were very expensive costing anywhere from \$60 thousand to \$100 thousand per year per individual and many children were not rehabilitated after release. He cited Washington state recidivism data that revealed that 50 percent of the children re-offended and were back in the system within 6 months post release. As a result, Washington state instituted a program called "Functional Family Therapy" which provided intensive services but kept the child at home in a community setting. The state also provided services to the family, in order to address the dysfunction that caused the child to act out and instruct the parents on better parenting techniques. Recidivism rates were reduced by 22 percent. The model would also determine the costs to achieving the reduction and whether it was worthwhile for the state to implement the program.

Mr. VanLandingham discussed slide 10: "Community-Based Functional Family Therapy." He reported that Washington State discerned that the 22 percent reduction equated to over \$29 thousand in benefits by avoiding tax payer costs to prosecute and intern the offending children, lowered

victimization, victim costs, and created a safer society. He noted that the model provided a dollar value to the societal benefits of avoiding specific crimes by knowing the costs associated with various crimes. He added that over \$9.5 thousand was saved in societal costs by enabling more of the children to graduate high school and obtain employment and health care costs were additionally reduced. The total value of benefits of the therapy was over \$37 thousand dollars at a cost of \$3.3 thousand per family which amounted to \$11.28 in benefits for every dollar of costs.

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Mr. VanLandingham discussed slide 11: "Compare Return on Investment of Programs - Consumer Reports." He related that the model was more "powerful" to examine the approach as a portfolio of investment opportunities for a state. He explained that by looking at programs as part of a whole the cost-benefit ratio could identify "best buys;" programs that dollar for dollar delivered strong returns and would receive higher priority for funding considerations. He reported that in Washington State, cognitive behavioral therapy programs were inexpensive and produced approximately \$25 for every dollar invested. Electronic monitoring produced approximately \$22 per dollar invested, which was not as good as cognitive therapy but much better than others. He added that regarding juvenile programs Washington State discovered that aggression replacement training had a high return on investment dollars at \$37 for every dollar spent. However, the program called "Scared Straight" which was very inexpensive at \$66 per child was very ineffective and actually increased crime and demystified prison. He revealed that domestic violence treatment was found to be ineffective in many states and when replaced with a cognitive therapy type of program, yielded much better results. He summarized that the model allowed a state to use national research but tailor it to state specific information to measure results versus investment. Failed programs could be identified and replaced.

Mr. VanLandingham advanced to slide 13: "Participation in Results First." The map identified the 16 states that participated in Results First. He voiced that the initiative began four years ago. He observed that the initiative operated in both conservative and liberal states

because bipartisan consensus supported investing money in things that work.

Mr. VanLandingham turned to slide 14:

"Mississippi."

Developed comprehensive inventory of all correctional programs at state institutions

- Eliminating and replacing programs in adult corrections

- Implementing data-driven efforts to standardize enhance, and increase accountability in drug courts

- Passed legislation that:

- Requires data reporting by local courts and law enforcement agencies

- Requires comprehensive program inventories in 4 agencies

- Defines evidence-based, research based, and promising programs

Mr. VanLandingham reported that the state of Mississippi utilized the program for the past two years.

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Mr. VanLandingham reported on slide 15:

"New Mexico"

Implemented in all available policy areas

- Produced Innovative Reports including a report on the impact of state budget cuts and

- “Cost of Doing Nothing” report: offenders released in 2011 will cost state additional \$360 M over 15 years under current policies and programs

- Used Results First approach to target \$57M for evidence-based programming in early education, child welfare, and criminal justice

Mr. VanLandingham indicated that New Mexico adopted the model with the help of Results First three years ago. The state was "fairly poor" and had big social problems. The legislature realized it needed to invest in highly effective programs.

Mr. VanLandingham advanced to slide 17:

"Complimentary Initiatives."

Results First

Informs the budgetary process and increases investment in evidence-based programs across many policy areas

- Not designed to address sentencing policies and practices

Justice Reinvestment

Generates policy recommendations to promote system-wide reform in criminal justice

Identifies policy options to manage the growth in corrections costs and increase public safety

The Initiatives have worked together in states –both consecutively and concurrently– to achieve complementary and successful outcomes

Mr. VanLandingham reported that the Justice Reinvestment project examined what was driving the costs of the criminal justice system in a particular state. The program explored ways to reinvest any savings achieved by reductions in the growth of the prison population, back into proven programs in the criminal justice system to create a virtuous cycle of recidivism reductions while holding people accountable and improving public safety. He continued that Results First was more of an investments advisory service and examined programs for maximum effectiveness and not policy. Both programs had parallel processes but were distinct.

Mr. VanLandingham communicated how to become a Results First state. He discussed slide 19:

"State Selection Criteria"

- 1) Commitment to evidence-based decision making
- 2) Ability to provide necessary data
- 3) Willingness to dedicate resources

Mr. VanLandingham shared that Results First looked for a letter of invitation from the legislature and the governor. He added that the initiative needed a commitment for sufficient bandwidth and staff resources by the state to implement the program.

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Mr. VanLandingham advance to slide 20:

"The Role of Partner States."

Secure leadership support

Appoint a policy work group

Establish a staff work group with project manager

Collaborate with Results First to strengthen the model and build a learning community of states

Mr. VanLandingham believed that the Judicial Council would be the proper policy work group. The work group would communicate and provide directives to the agencies. In addition, the University of Alaska, Anchorage (UAA) volunteered to chair a staff work group.

Mr. VanLandingham moved to slide 21:

Services Provided by Results First

Provide software

Train staff in the approach

Provide ongoing technical assistance

Help interpret results for policymakers

Compile and share lessons learned with other participating states

Expand and update model

Mr. VanLandingham articulated that Pew's goal was to capture the knowledge of what works and to make the information available to states and expand into many other policy areas and major budget drivers. He informed the committee that the choices the state made under the initiative were theirs. The initiative only enabled the process and would never lobby for a particular policy outcome.

Co-Chair Neuman remarked that he helped organize the recidivism reduction workgroup that had previously testified in committee. He asked what the costs to the state would be to partner with the initiative. Mr. VanLandingham answered that the commitment from the state would require one FTE (full time equivalent) spread out over parts of existing positions and no new funding was required.

Co-Chair Neuman asked for clarity.

Ms. Dipietro stated that one designated full-time person was not needed and felt that wasn't a "good option" for Alaska. She delineated that UAA could absorb the workload with existing agency staff for the initial work of building the model. An attorney from Department of Law (DOL) had access to the data needed to develop the model that would be shared with UAA. She added that other staff from other agencies might be called upon to answer questions or provide information for the model.

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Co-Chair Neuman reiterated what was needed from the state to implement the initiative. He wondered what the success rate was in other states. Mr. VanLandingham responded that in order for the model to work, strong "buy-in" from the legislative and executive branches were necessary. He relayed that in the initial states a breakdown occurred after the initial analysis was accumulated. He discovered that where the program was "housed" was critical to its success. Currently, in New Mexico the program was "housed" in the legislative Finance Committee and partnered with the appropriate agencies to build the components of the model. Additionally, the information was easily available to the legislators and built into the bill analysis. The information had driven reforms in New Mexico's criminal justice system and other policy areas as well. The

initiative had adopted the same approach to work with new partner states and other states adopted its own innovative process. He surmised that states that were operating the model correctly were successful.

Vice-Chair Saddler asked what the interaction between Results First and states that already employed evidenced base analysis approach was. Mr. VanLandingham responded that the approach would be "complimentary" and fed directly into the model. The model identified what things should be measured by the agencies and reported to the agencies on program areas instead of the agency defining the parameters. The tool assisted the process and integrated traditional legislative policy processes.

Vice-Chair Saddler wondered about the data base on program effectiveness. He asked how many different types of programs were in the data base. Mr. VanLandingham responded that there were approximately 100 programs in the crime component of the model and 150 programs on substance abuse and mental health and was building into other policy areas as well. All total the cost benefit analysis model contained 250 programs. He added that the model was supplemented by the National Research Clearinghouse database, which contained approximately 900 programs. The clearinghouse focused on criminal justice, child welfare, substance abuse, mental health, education, and Medicaid. The initiative started with social policy because a lot of evaluative information existed.

Representative Edgmon stated his support and believed that it was a foregone conclusion that the approach worked. He asked whether crime started as minor offences and snowballed into major crimes. He wondered whether that was the "subtext" for why a "measurable impact" could be achieved on the front end. Mr. VanLandingham reported that research pointed to certain approaches having a positive impact. He expounded that a "swift and sure" response was better than the length and severity of penalty. Cognitive approaches were effective as well as choosing good programs and targeting them to the right people. Doing a good program badly was useless. He deduced that dramatic impacts could be achieved by "disciplining the whole system" into choosing what works.

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Representative Edgmon reported that in the last 10 to 12 years in Alaska the percentage of violent to non-violent offenders rose from 48 percent in 2002 to presently 64 percent of non-violent inmates due to alcohol and substance abuse. He asked whether that was a typical ratio. Mr. VanLandingham responded that although he didn't have the actual information available he believed the ratio was generally correct. Laws like three strikes, which metered out long sentences and employing criminal prosecution instead of treatment for drug use violations contributed to the increase.

Representative Edgmon expressed the geographical uniqueness of Alaska. He supported the approach but expressed his skepticism that the program would work in the state. He believed it would take an incredible monetary commitment. Mr. VanLandingham reported that the information informed the process in a "new and powerful way." He voiced that the "tough choices" would remain and that legislatures made value choices that weren't always based on monetary decisions.

Representative Gara mentioned that there were two components to avoid building the next prison. He referenced the proliferation of longer jail sentencing for non-violent offences. He wondered whether the "recalibration" of sentencing could be established more quickly than other measures. In addition, he asked whether coordination existed between the initiative and the Criminal Justice Commission that was doing similar work. Mr. VanLandingham responded affirmatively. Results First colleges, Public Safety Performance Project would initially, work with the state for a year to determine the drivers of the system and provide options. The state would choose a set of reforms for adoption by the legislature to avoid building more prison facilities. Results First provided more long-term options to decrease recidivism.

Ms. Dipietro responded that the Criminal Justice Commission was staff for the Judicial Council and was working both with Results First and the Justice Reinvestment Project. She mentioned that the commission was looking forward to employing the data from the Results First model if the state chose to participate. She provided the example of possibly predicting increased savings by reducing sentencing as a way the commission could benefit from the model.

Representative Gara asked about the concept of "swift justice." He inquired whether it was more effective in reducing long sentences. Mr. VanLandingham replied that national research "consistently" proved the effectiveness of swift justice. He exemplified the Hope Program in Hawaii, which dealt with immediate response to an offense and was more effective than traditional sentencing.

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Vice-Chair Saddler referred to "smart justice". He wondered whether Texas had signed onto the Results First program. Mr. VanLandingham indicated that Texas had recently signed on but it was too early in the program to quantify results. Vice-Chair Saddler asked whether any of the results were available to the public domain. Mr. VanLandingham reported that the clearinghouse research was available on the Results First website in addition to states' case studies. The initiative's goal was for transparency.

Representative Guttenberg asked about the consistency of evidence and results coming out of programs already in place. Mr. VanLandingham responded that the same set of highly effective of programs were "generally consistent with some interesting variations." Some states had been able to do more with research than others. The state of Washington had instituted a robust risk assessment process in its criminal justice system that informed its spending choices. Some programs were a better investment in some states than others because of the variables in the cost of delivering the program.

Representative Gattis was intrigued that the university would be involved in implementing the process in Alaska. She asked how the process happened in other states. Mr. VanLandingham responded that it varied in different states. He indicated that it was critical that it would be placed somewhere with easy access during the legislative session. Currently, in most states it was placed in the legislative finance office, governor's budget office, or university. He found that placing it in an agency was not very effective. The software platform was changed to a web application so many of the state's entities could access the database.

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ADJOURNMENT

3:17:10 PM

The meeting was adjourned at 3:17 p.m.