

Minnesota and New Mexico Demonstrate the Power of Evidence in Policymaking

How research guides spending decisions and improves program results in two states

Overview

Minnesota and New Mexico share an approach to state government finances that puts them at the vanguard of a movement to use evidence to inform policymakers' spending decisions.

Both states are long-standing partners of the Pew-MacArthur Results First Initiative, through which policymakers employ evidence-based approaches to make investment choices affecting millions of taxpayer dollars, dozens of programs, and thousands of lives. State and local leaders have applied these methods to improve school programs, increase investments in more effective treatment services to combat the opioid crisis, and funnel resources to help formerly incarcerated individuals successfully make the transition back into their communities, among other things.

What Is Results First?

Collaborating with the John D. and Catherine T. MacArthur Foundation, Pew in 2010 launched Results First, which helps state and local policymakers implement evidence-based tools to steer taxpayer dollars to programs and policies that are proven to yield the best results at the lowest cost. To date, 27 states and 10 counties have participated in the initiative. New Mexico joined in 2011, Minnesota in 2015.

States partnering with Results First create an **inventory** of current programs, review which of those work, and compare the programs' likely return on investment through **cost-benefit analysis**. Policymakers then use evidence—not anecdotes or partisan preferences—to make strategic decisions about which programs to target for funding.

The Results First initiative was an outgrowth of the Great Recession of 2007-09. Faced with hemorrhaging revenue and pressure to balance budgets, many state and local government leaders slashed spending across the board instead of sparing programs that were achieving results. But policymakers often lacked solid evidence showing which programs were working and should have received priority for funding over those that were producing poor outcomes. It stepped Results First to work with policymakers to inventory government services, analyze their effectiveness, and determine the benefit of—or the return on—the government's investment. The policy areas have centered so far on adult criminal and juvenile justice, child welfare, education, mental health, and substance use disorder.

This brief will describe evidence-based policymaking and the ways in which Minnesota and New Mexico stand out for the progress they have made in promoting a nonpartisan, data-driven culture in government. At a later time, Results First will release more detailed research to help other states learn from the experiences of Minnesota and New Mexico and support their own evidence-based policymaking efforts.

"No matter which state you're from, you have to do a deep dive to understand the root causes of problems and then match evidence to tackle those problems," said Charles Sallee, deputy director of budget for New Mexico's Legislative Finance Committee, the legislature's fiscal management arm.

Although Minnesota and New Mexico are not the only states to embrace research-driven policymaking, they are excellent models in part because they have applied state-specific experiences to inform their analyses and policy choices. Both direct their evidence-based policymaking efforts from a central entity: Minnesota through the Minnesota Management and Budget Office in the executive branch, and New Mexico through the Legislative Finance Committee. Both states' programs have survived political transition. Partisan control has been divided among the legislative and/or executive branches during most of the time that New Mexico and Minnesota have worked with Results First.

Minnesota integrates evidence into state budget

When Minnesota officials began the routine practice of preparing the governor's budget for the 2020-21 fiscal year, they invited state agencies to do something new: fill out a form backing up some spending proposals with evidence showing how a program delivers provable outcomes.

"Our state is making dramatic strides in our use of evidence to inform which programs we fund and how we implement those programs," wrote Budget Director Britta Reitan. "For evidence-based proposals, agencies should complete this form to identify the underlying research and the plan for implementing the proposal effectively."¹

One by one, the forms trickled in, each documenting how evidence could produce positive outcomes. The corrections department said it could demonstrate that a program that teaches parenting skills to incarcerated mothers and fathers would help prevent them from returning to prison. Higher education officials said they needed money to expand access to financial aid for eligible families to increase postsecondary achievement. The housing agency asked the state to continue providing rent assistance to parents who are homeless or who frequently move, because studies show that housing instability jeopardizes children's success in school.²

Newly elected Governor Tim Walz of Minnesota's Democratic-Farmer-Labor (DFL) Party and his advisers used this information while developing his first proposed budget in 2019. He included 17 evidence-based proposals totaling more than \$150 million, an initial step in the direction Minnesota wants to go with data-driven policymaking.³ Supportive lawmakers said they would like to give funding priority to evidence-based proposals when it makes sense to do so.

"It gives a program an extra boost when you can say there's evidence behind it," said state Representative Tina Lieblich (DFL) of Rochester, who heads a health and human services budget committee. "No one likes to waste money."⁴

Minnesota joined the trend toward evidence-based policymaking in 2015 when the legislature directed the state's central budget office to partner with Results First.⁵ Together the team built a structure under which lawmakers could base certain spending decisions on programs and services with verifiable, beneficial outcomes. The policy areas include adult criminal justice, mental health (children and adult), child welfare, higher education, juvenile justice, and substance use.

First, the team established definitions for evidence, drawing on research findings and perspective from practitioners, so that people both inside and outside government would understand what constitutes evidence.⁶ At the same time, the team developed and applied criteria to guide how officials would rate currently funded programs and services, ranging from "proven effective" to "promising" to "theory based" to "no effect."⁷ The assessed programs are compiled in a database called the Minnesota Inventory,⁸ where officials collect those ratings along with national sources from the Results First Clearinghouse Database⁹ and the Washington State Institute for Public Policy clearinghouse.¹⁰

Accompanying the inventory is an archive of cost-benefit analyses that estimate a program's expected return on investment based on its benefits and costs.¹¹ With this information, policymakers can prioritize funding programs and services that are proven to be effective and have a high expected return on investment. The analyses are completed by two evidence policy specialists in the state's Management and Budget Office, demonstrating Minnesota's commitment to building in-state capacity to administer evidence-based policymaking.

With the inventory and cost-benefit analysis structure mostly in place, officials moved to broaden the scope of the Results First work in August 2018 with the introduction of the evidence-based budget proposal forms. Governor Mark Dayton (DFL) left office in January 2019, and the forms helped his successor, Gov. Walz, understand research-based policy.



A bipartisan embrace of research-based policy

Use of evidence is historically nonpartisan. Although the DFL Party has held the governor's office since Republican Tim Pawlenty left office in 2011, control of the Legislature has varied since then. Most recently, Republicans retained a one-seat majority in the Senate in the 2018 election but lost the advantage in the House after the DFL reclaimed a majority.¹² Despite that split, lawmakers of both parties have backed evidence-based policymaking, which makes it easier to implement.

"Using evidence-based practices to direct policymaking is critical to maintaining trust, especially during political negotiations," said state Senator Michelle Benson, a Republican from Ham Lake who is deputy majority leader. "It is my hope that the public will become increasingly aware of Results First as they approach the Legislature with requests."¹³

The evidence-based budget request forms demonstrate the mutually supporting relationship between the two branches of state government. The forms may have originated in the executive branch, but the elected senators and representatives have the final say on whether to fund the evidence-based proposals.

Laura Oliven's department filled out a form. She is the tobacco control program manager for the Minnesota Department of Health, which proposed a free statewide smoking cessation program to replace one operated by a foundation that was sunsetting. On the form, she highlighted return on investment data showing how similar programs in Minnesota and elsewhere are proven to help people quit smoking. She documented the health care and economic costs of tobacco use in Minnesota, and how a telephone "quit line" was a cost-effective preventive service. Lawmakers approved the request to authorize and fund the new cessation program.¹⁴

"The evidence reinforced the high impact and return on investment of our tobacco quit-line strategy," Oliven said.¹⁵

Melissa Heinen's unit also submitted a form. She is a project director in the health department's suicide prevention program. The department asked lawmakers to fund a comprehensive suicide prevention program with a system of telephone crisis lines and grants and training for local efforts. Officials produced data establishing Minnesota's record rise in suicides, which populations are the most burdened by them, and how the prevention program would reduce risk levels and suicide attempts.¹⁶ The Legislature authorized the funds.

"The Results First Clearinghouse [database] showed that crisis lines have the second-highest-rated level of effectiveness," Heinen said. "Our goal is to build a network of in-state crisis lines."¹⁷

These two examples and nine additional new or expanded investments proposed by the governor and/or Legislature have proved to reduce criminal behavior, improve academic achievement, increase housing stability, and prevent substance abuse and premature death, state officials said.

Myron Frans, commissioner of the Minnesota Management and Budget Office, which houses the state's Results First team, said he finds it rewarding to make possible the use of quality evidence in decision-making processes. One next step, he added, will be to "support state agencies and local partners in using this information when making decisions outside of the biennial budget process."¹⁸

State Rep. Liebling said creating a culture of evidence is essential to Minnesota's long-term fiscal management, particularly because of its value during a downturn. "In situations where we have to make cuts, it will be even more useful," she said. "Having the best evidence in front of us, I hope, will help us prioritize the difficult choices we have to make."¹⁹

New Mexico expands a culture of evidence

New Mexico lawmakers faced an urgent deadline as the 2019 legislative session began in January. A district court in Santa Fe had given them until April 15 to come up with more money to spend on programs and services to prepare most of the state's public school students for college or a career.²⁰

For years, the court said,²¹ the state had violated its constitution by underfunding K-12 education for at-risk children: those who come from low-income families, are Native American, have disabilities, or are learning English. Because 7 in 10 New Mexico students fall into those categories, their academic difficulties largely explain the state's low national standing in education assessments.²²

The Legislature responded swiftly, pouring nearly half a billion dollars into public education under a revised formula benefiting the economically disadvantaged students and boosting teacher and administrative salaries.²³ However, instead of simply throwing money at schools, lawmakers chose to devote a portion of the new funds to evidence-based programs that are proven to lift student achievement. First-term Governor Michelle Lujan Grisham (D) signed the bill in April.²⁴ The state is a national leader in evidence-based policymaking and was one of the first to embrace it.

"New Mexico has a lot of challenges," said Charles Sallee, deputy director of budget for New Mexico's Legislative Finance Committee. "As a relatively poor state, you don't have a lot of leeway in spending money on things that are nice but may not work. You don't have room for error. We've tried to create a culture of evidence in government to where it is not a new or different way of thinking. Evidence-based policymaking should be the normal course of business for us."

In 1999, the Legislative Finance Committee, the Legislature's fiscal and oversight arm, began requiring agencies to define outcomes and performance measures in their budgets.²⁵ The emphasis on evidence continued in the early 2000s with the creation of Legislating for Results, a systematic approach to using research and performance data to inform budget decisions.²⁶

By 2011, when New Mexico began partnering with Results First, the state already had embedded evaluation and cost-benefit analysis into budget decisions, particularly in criminal justice and early childhood education.²⁷ For example, after data showed improved test scores among New Mexico third-graders who had been enrolled in prekindergarten classes, lawmakers expanded the program.²⁸

Lawmakers' solution to the district court's order in 2019 followed a similar strategy. In adding school funding, legislators devoted a large share of the money to expanding an existing evidence-based early childhood education program aimed at low-performing, at-risk students in kindergarten through third grade. Now, under the education bill, the program increased the eligibility to include fourth- and fifth-graders, who can go to school at least five more weeks in the summer.²⁹ A 2015 Utah State University study of New Mexico's early childhood education program showed that those students improve their academic performance, particularly if they stay with the same teacher from the summer to the regular school year, as is required under the legislation.³⁰

This education program—now called K-5 Plus—is homegrown, an example of evidence inspiring reform. In 2002, Mimi Stewart, then an elementary school teacher and state representative from Albuquerque, had come across research cited by American Federation of Teachers President Sandra Feldman showing that economically disadvantaged children, on average, lag behind others before they go to school. Once they are in school, that gap narrows.³¹ Stewart said her experience with at-risk students proved that they would benefit from additional time in the classroom. In particular, she said, students learning English as a second language develop cognitive skills to advance quickly when they enter school. "I taught school for 30 years, and I saw up close that those kids needed some more time," said Stewart, now retired and a Democratic state senator.³²

In 2003, Stewart persuaded her colleagues in the Legislature to launch a voluntary pilot program in four school districts that made New Mexico the only state to add a month to the beginning and end of the kindergarten year in hopes of narrowing the achievement gap between at-risk and other students. The results of quantitative test scores were so positive that lawmakers expanded the program, then called Kindergarten Plus, into a statewide program, first with K-3 Plus in 2007 and culminating in K-5 Plus in 2019. "The judge said we have great programs, but we never fund them well enough to reach all the students who qualify," Stewart said.³³

The court ruling also prodded New Mexico lawmakers to fund extended learning time for low-income students, who, evidence shows, experience a learning gap compared with higher-income students, who are more likely to have access to thousands of hours of additional instruction a year outside school.³⁴ The school-finance legislation offers money for participating school districts and charter schools to increase the number of days from 180 to 190 for schools on a five-day week, or from about 150 to 160 days for districts on a four-day week.³⁵ Added up, students whose parents sign them up for the state's prekindergarten, K-5 Plus, and the extended learning programs would receive the equivalent of 2½ additional years of school.

"The evidence is promising that a combination of these programs can nearly eliminate the achievement gap," said Sallee.³⁶



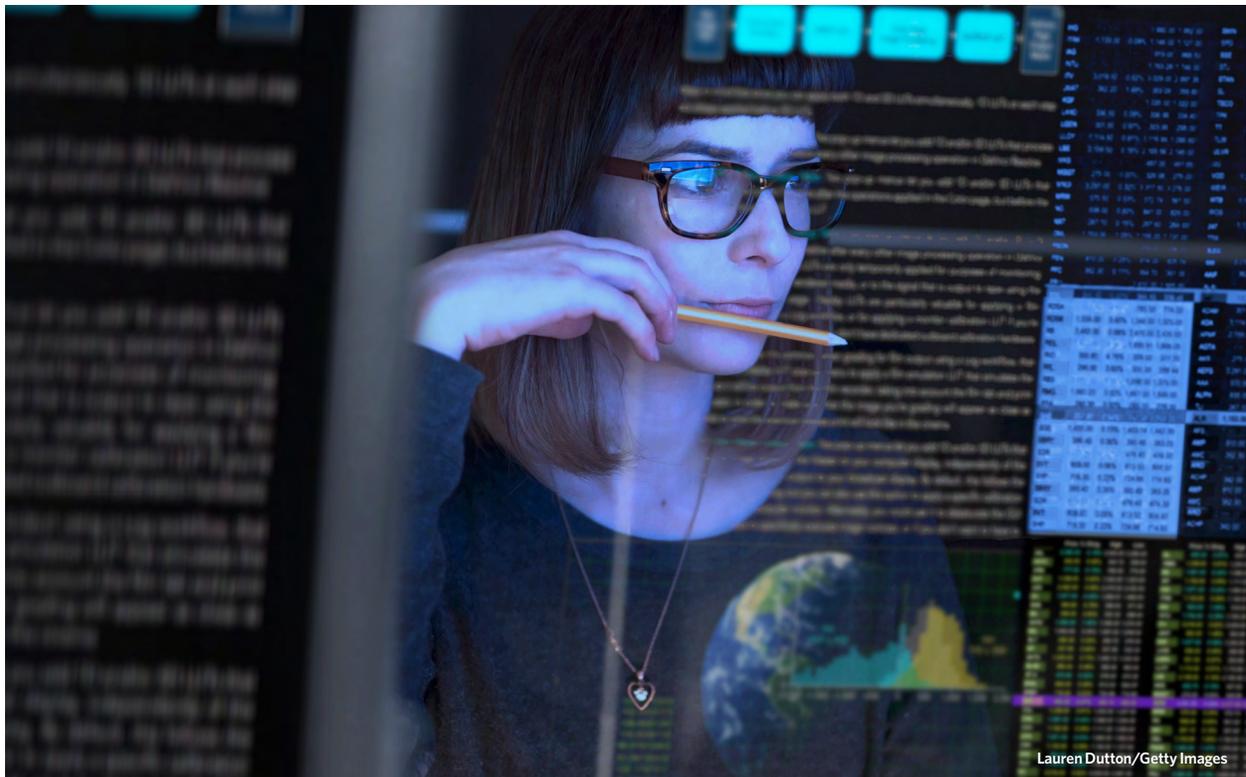
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Legislative, executive branches will work together

Weeks before approving the school funding package, lawmakers took another step to solidify New Mexico's reputation as a laboratory for evidence-based programs and services. They approved the Evidence and Research Based Funding Requests Act, a title its sponsor admitted was a bit complicated, which had a simple purpose: to gain long-term support for evidence from the executive branch agencies. The bill requires the agencies to indicate how much of the money they request in their budgets will be spent on evidence-based programs. The law also compels New Mexico agencies to give priority to evidence-based programs and helps lawmakers decide whether to shift dollars to programs and services that are more effective than others not validated by research.³⁷

Adopting elements of the Results First approach, the legislation requires the executive branch budget division and the Legislative Finance Committee to collaborate for the first time on producing an annual inventory of programs and services. The list would identify programs that are evidence-based and those that are not and demonstrate whether a program could be "cost beneficial"—meaning the projected or expected benefits over time would exceed the cost of implementation.

Beyond cost beneficial, the legislation also defines other key terms, helping state and local officials to concur on their understanding of evidence-based policymaking. For instance, according to the legislation, "evidence-based" refers to a program or practice that incorporates methods demonstrated to be effective for the intended population through scientifically based research, including statistically controlled evaluations or randomized trials; can be implemented with a set of procedures to allow successful replication in New Mexico; and, when possible, has been determined to be cost beneficial.³⁸



By requiring the administration and Legislature to cooperate, the bill underscores the importance of objective, nonpartisan research. Since the 2018 election, New Mexico Democrats control the governor's office, House, and Senate. Before that, control of the House shifted twice since Results First began to partner with the state in 2011. The governor was a Republican until the 2018 election, when Lujan Grisham was elected.³⁹

"By embedding the use of evidence in the state's budgeting process, and by creating a pathway for collaboration between the legislative and executive branches, we are moving the state towards a culture of evidence-driven funding that prioritizes what is most important: positive outcomes for New Mexicans," said state Senator Sander Rue, a Republican from Albuquerque who sponsored the evidence legislation.⁴⁰

For all the progress New Mexico is making, a few snags remain. "The biggest challenge I see going forward is implementation," Sallee said.⁴¹ Change is slow, especially for career civil servants accustomed to one way of preparing a state budget that, until now, did not demand as much emphasis on results. Employees in their respective agencies will need more training.

New Mexico has struggled with implementing the K-5 Plus program before the start of the 2019-20 school year. Teachers in some school districts have objected to the requirement that they work additional days during the summer, leaving school administrators to say that they could not guarantee that students would have the same teacher in the extended and regular school year. Gov. Lujan Grisham says the state must make quicker progress with K-5 Plus, recently replacing her education secretary with a new choice,⁴² whom she gave a mandate to make faster change. "I share New Mexicans' sense of urgency about our schools," she says. "It's our responsibility to deliver the transformation our students and schools deserve."

Conclusion

Policymakers who are considering ways to implement evidence-based decision-making could learn from Minnesota and New Mexico. Working across partisan lines, legislators, governors, and agency leaders in both states are expanding their use of evidence to inform budget decisions in key policy areas, successfully using tools to determine funding for programs and services that deliver positive results.

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