

A FEDERAL EVALUATION AGENDA FOR THE 1980's:  
SOME SPECULATIONS AND SUGGESTIONS

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This paper is apolitical in the sense that I shall avoid challenging the current direction of federal social program activities. For those of us whose evaluation careers span the O.E.O. and Great Society eras, and whose outlooks were influenced by efforts at centrally-directed social planning, the new scheme of things is difficult to fully grasp and to identify with. So be it. In large measure, Reagan's thrust has both political and popular support. A fair test of the administration's approach to dealing with the human condition requires responsible participation by the evaluation community. In my opinion, sideline protagonism is neither productive nor likely to shift the direction of policies. Sound evaluation efforts, however, could be influential in determining the administration's future social program policies.

#### A BRIEF SKETCH OF FEDERALLY-SUPPORTED EVALUATION ACTIVITIES

In the past decade, the Executive Departments sponsoring and administering domestic social programs have developed strong evaluation capacities. Internal department staffs' increased commitment to and sophistication about evaluation activities, growth in the number of competent contractors, improved contracting and monitoring procedures, and critical examinations of previous work (Bernstein & Freeman, 1975) have contributed to the present evaluation strength of the major operating agencies and the Offices of the Secretaries in the Departments of Health and Human Services; Education; Housing and Urban Development; Labor; Justice; Energy; and Agriculture. The boundaries of the evaluation field remain

elusive and the foci of different government groups vary; but these groups generally have capacities to either internally undertake or externally contract for assessments to identify problem areas and estimate program needs, to mount formative studies to develop and refine programs, to monitor procedures to determine program accountability, and to conduct impact analyses to measure the effectiveness and efficiency of both innovative and established social programs.

Further, there has been serious efforts within these departments and such groups as the General Accounting Office and the Office of Management and Budget to facilitate the dissemination and utilization of evaluation results. Both the immediate and direct utilization of individual studies, as well as the cumulative, conceptual use of sets of evaluations, have been increasingly evident in recent years in the policy and administrative decisions of Executive Departments, in Congressional deliberations, and in the activities of citizen advocacy groups.

Many recently completed and on-going evaluations are relevant to current White House commitments, and the current and projected changes and reductions in social programs. For example, in the health care field, demonstration-evaluation efforts to reduce hospitalization for the chronically and terminally ill through community-based "case management" programs and hospices are directly relevant to cost-containment of medicaid and medicare expenditures. Other examples, such as evaluations of nutrition programs for preschool and school children and support of efforts to develop management information systems also have utility for program accountability, particularly in terms of the new block-grant initiatives.

Thus, there is both a capacity to undertake evaluation studies and a body of completed and on-going efforts that can provide a strong start in setting evaluation objectives and priorities for the 1980's. At the same time, the radically revised federal approach to social programs does require redirection of efforts. I propose in this paper to focus on five activities that require both short and long term investments:

1. Estimation of the net impact, in terms of cost savings and consequences for target populations, of the implemented and projected cutbacks in social programs.
2. Implementation of social experiments to provide services at reduced costs by increasing (1) competition among providers, (2) consumer options, and (3) volunteerism.
3. Examination of the appropriateness of the objectives of current social programs and the priorities among them.
4. Assessment of the effectiveness and efficiency of established programs in comparison with alternative interventions designed to meet defects in the social and human condition.
5. Development of procedures to insure accountability and to maximize impact of programs placed under block grants to states.

#### MEASURING THE NET IMPACT OF SOCIAL PROGRAM COST CONTAINMENT

A clear decision has been made to reduce the federal expenditures for social programs, although the level of these reductions and their extent in different areas may fluctuate. The strategy underlying these reductions is one of redefining eligible target populations and reducing the services provided to the remaining targets. Elimination of over one-million persons from the food stamp program is an example of population redefinition; reduction of federal contributions to locally-administered social service programs is an example of service reduction. In

higher or lower net cost impacts. There are many state, local, and agency-specific differences in practices and administrative procedures surrounding eligibility, as well as variations related to target population characteristics. We have no way of estimating how much target "shopping" among alternative programs may occur or the costs of such shopping. We cannot assess the "domino effect" of persons transferring from a curtailed program into a different program; these transfers may displace other targets who were enrolled and they in turn seek other options, which again may displace still other targets, and so on. Also, the cost reduction consequences may be different for populations using one delivery system compared with another. For example, reduction in the scope of community mental health and mental retardation programs may have little impact on physician visits for persons who use fee-for-service providers (including, importantly, medicare patients) because the co-insurance costs inhibit increased physician visits for such services. Experiences of prepaid Health Maintenance Organizations (HMO), however, suggest that primary-care visits (in the absence of psychological services) are higher in these settings, and savings may be much more modest for those who receive health services in HMOs.

3. Net-impact costs may increase or decrease because of agency "skimming" or program overrecruitment. Human service agencies faced with dollar curtailments, particularly if they are paid on a per unit basis, may seek to maximize "profits" by selecting those target populations easiest to deal with and requiring the least cost to treat, or by encouraging targets' use of programs so that the agency has increased

numbers of targets to maintain revenues. For example, a delinquency control program may choose either to eliminate violent adolescents who may require extensive efforts, or to increase its population by recruiting targets with marginal requirements.

Admittedly, there are instances where the concerns voiced above are minimal. In the case of programs of cash payments, where reliable and valid "tests" define eligibility, and where the interventions are technological rather than interpersonal, the kinds of risks I allude to are minimal. In other cases, however, neither the risks nor their attendant costs can be accurately estimated. To the extent that the processes I described operate, pressure for increased expenditures may impede cost-containment efforts and reduce savings.

I believe two directions of work are required. First, for those programs which are particularly vulnerable to the processes outlined and which are markedly curtailed, target populations should be sampled and followed longitudinally (with retrospective information on, say, 1980-1981 participation) so that cost-impact can be estimated adequately and administrative safeguards introduced if required. Second, there is continuing or completed work in various program areas that is directed at estimating target population size and characteristics and which provides procedures to screen targets for "false positives." This work should be examined and, if there is potential payoff, studies continuing this kind of investigation should be initiated. To the extent that programs have overlapping eligibility requirements, cost-containment effects may be hampered

by targets seeking other program options in which guidelines permit their enrollment and thus create pressures for additional funding.

### Consequences for Targets

The rhetoric of social program cutbacks includes expressed concern with the consequences of current policies for the human condition. In some cases, reduction and curtailment of programs may be warranted because of their minimal effectiveness, and, in benefit to cost terms, because of their lack of efficiency. Certainly, some programs have been properly evaluated, and their lack of impact is evidence of their limited utility, despite the persuasiveness and good intentions of sponsors and advocates. In general, however, there have not been sufficient, firm evaluations of established, full-coverage social programs. The difficulty, of course, has been that programs of full coverage leave no adequate comparison populations so that participants can be compared with non-participants. The same situation pertains when trying to estimate, for programs firmly in place, whether their comprehensiveness and intensity are required or whether a less comprehensive intervention would have the same utility. "Pre-post Reagan" studies represent a unique opportunity to do rigorous comparison group(s) experiments. Also, the block grant programs, about which I shall have more to say, provide similar opportunities since individual states will be packaging programs of different content, scope, and intensity.

It is also acknowledged that some of the social program curtailments will result in reduced benefits and opportunities for target populations,



but that the administration requires these quality of life sacrifices in order to achieve national budgetary objectives. In terms of relative value choices, there is no question that such curtailments represent legitimate political decisions. At the same time, unless indirect impacts are estimated, the benefits to costs cannot be reasonably established.

For example, it may be argued that if reduced federal support for schools leads to curtailment or elimination of non-educationally related aspects of school programs, such reduction is a responsible choice and a necessary "sacrifice." But if curtailment of school health programs and after-school activities increases parental obligations in ways that significantly limit full-time employment opportunities for working mothers in low income families, then that is another matter. There may be instances, in contrast, where the indirect effects are positive. Reducing non-educational skills aspects of school programs may result, for example, in increased parental participation in child-related activities, with beneficial impacts on the quality of family life.

From a broad perspective then, efforts to contain and reduce social programs can properly be looked at as "social experiments" in the same sense that various efforts to expand and innovate were seen in previous times. From a practical and political viewpoint, knowledge of the impact of program cutbacks may serve the current administration in both defending their actions and in deciding upon where future reductions are called for. Certainly it is not sensible to argue that all pre-1981 programs, particularly those that mandated full coverage of target populations, were called for in terms of effectiveness and efficiency.

Measuring impact in terms of both costs and benefits to target populations requires timely evaluations. In many program areas, extant information from pre-Reagan days is limited, or not retrievable, and unreliable in any event. Immediate review of which programs should be evaluated in terms of net impact, and the data requirements to reach firm conclusions, is called for.

#### IMPLEMENTING AND EVALUATING NEW INITIATIVES

Although the cost containment emphasis has been on budget cuts, program modifications and refinements have also been suggested as an essential part of the Reagan administration effort. These center around three related initiatives, specifically to increase (1) provider competition, (2) available options for services, and (3) volunteerism. These initiatives are not original; they were also advocated in previous administrations. Educational vouchers have been experimented with in the past, as has the idea of "production incentives" (i.e., profit determined by results) in the educational sector; and case-management demonstrations in the health field include the use of volunteer case managers. But it is fair to acknowledge that these concepts, in general, have neither been converted into viable programs nor firmly assessed. Careful program development and evaluation needs to proceed putting national initiatives in place. Initiatives, one should realize from past experiences, are difficult to implement without adequate piloting. Moreover, once installed on a full coverage basis, they can neither be revoked easily nor rigorously evaluated.

in addition to accusations of methodological defects, in advocates claiming that inappropriate outcome measures were employed (although this would have been very unlikely if there had been clear findings of positive impact).

Third, I urge multiple evaluations (Cronbach & Associates, 1980). Too often, social experiments have succeeded or fallen on the basis of single evaluations with no opportunity to take into account how variations in design and the conduct of the evaluations may have influenced the findings. I would argue that the cost of conducting modest efforts at program assessment would not be that much higher than the cost of one "grand" evaluation so as to outweigh the benefits of multiple evaluations.

Fourth, there needs to be careful accounting of the costs of the initiatives so that effectiveness and benefits in relation to costs can be carefully calculated. But the "true" costs of programs are difficult to obtain, particularly when program inputs are under local control, since the parties involved may have vested interests in underestimating costs or laying off other operational costs to the experimental initiative. This problem is part of the general difficulty, discussed earlier in this section, of implementing social experiments where outcomes may affect the self-interests of some of the concerned parties.

In sum, then, there are initiatives in the Reagan scheme that need to be pursued and evaluated. Their potential consequences for magnitude, quality, and structural arrangements of social programs require strong program starts and careful assessment of prototypes before full coverage programs are implemented.

## APPROPRIATENESS OF PROGRAM OBJECTIVES AND PRIORITIES

In addition to the conviction that social program cutbacks are required to reduce overall federal spending, this administration, perhaps even more so than those in the recent past, remains skeptical about the utility of many established programs. However, any effort to go beyond skepticism to proof of failure must confront the fact that in many cases there are no clear, operational performance criteria on which to judge the extent of social program effectiveness. Some of the programs have long histories and, over time, their purposes have become blurred; others were implemented and their general goals were never operationalized into measurable objectives.

The lack of agreed upon, measurable objectives was recognized by Wholey (1979) and led to the implementation of the activity known as "evaluating assessment" in DHHS and other departments. Essentially, what Wholey and his associates advocate is to use formal, reproducible procedures in a "pre-evaluation process," a major purpose of which is to explicate and codify program objectives, including both process criteria (target and delivery system operation) and outcome measures. Further, evaluability assessments lead to identification of the various stakeholders involved in program funding, implementation, and outcomes. In the past administration, while the potential cost-savings and efficiency benefits of evaluability assessments were recognized, they were supported by limited incentives and were only spottedly undertaken.

In order to rigorously examine the utility of programs, to identify

overlapping and redundant ones, and to prioritize social interventions, I suggest that an evaluability assessment requirement should be attached to every social program. Further, unless such an assessment is undertaken by a program, there should be a "sunset" provision with respect to its continued funding. The gains, I contend, would be enormous. First, the requirements would allow for the first time a sound appraisal of program overlap and redundancy, and the opportunity to both reduce the number of programs and re-organize operational arrangements in a more sound basis. Second, it would provide a strong start for impact and benefit to cost studies of programs (which no doubt in some cases at least confirm the current skepticism about social programs). Third, it would allow priority setting to be undertaken in terms of operational program objectives rather than ambiguous statements of program intent.

Many programs, including some of the very politically sensitive ones, are characterized by the kinds of rhetoric and diffuseness that fuel the continuing debates and lead to compromises on support and continuance. In education, bilingual education and Title I are prime candidates for evaluability assessments, as are community mental health centers and environmental health programs in the field of health, and various "recreational" programs and environmental control activities.

I believe that states should be encouraged by incentives to adopt the evaluability assessment perspective in developing their own packages of services, and later I will discuss the block grant programs in more detail. In many cases block grants will be funding a range of services of which the objectives and operational criteria are even less well expli-

cated than centrally-directed federal programs. In at least the majority of states, neither legislative nor operating departments have the levels of expertise in policy development, planning, and program design found in the federal departments. For a state-centered approach to social programs to be effective and efficient in the long-term, explication of objectives and operational criteria is essential.

Indeed, in the past decade, the dissatisfaction at a state level with the size and results of human service and regulatory activities has been manifest in the passing of sunset legislation (Adams & Sherman, 1978). While this movement is only emerging as a potent force in determining state budgetary allocations for social programs, I anticipate continued momentum in this direction. Certainly a sunset perspective is consistent with the rhetoric of the Reagan administration. While I understand the current wish to minimize administrative requirements in relation to block grant funding, I also suggest that encouragement of evaluability assessment activities is consistent with the present federal outlook and with the perspective of many of our states as well.

#### TESTING ALTERNATIVES TO ESTABLISHED PROGRAMS

In a previous section, I discussed social experiments in relation to the stated initiatives of the present administration. It is reasonable to extend the Reagan perspective to include demonstrations of alternatives to established programs in terms of their competitive advantages, i.e., in costs to benefits or to effectiveness. Clearly there is a floor be-

low which it is not possible to reduce spending for established social programs; witness the opposition even among relatively "conservative" influentials to additional rounds of domestic budget cuts. At some point, alternative programs must be faced as a solution rather than reductions in services or redefinitions of eligible populations.

The support of "demonstrations" is long established. Unfortunately, some have not been undertaken in ways that provide estimates of costs to outcomes and others were simply means of increasing service funds without any serious efforts at their evaluation. Also, in a relatively large number of cases, there has been inadequate development and formative research prior to program initiation and testing of impact. Programs with minimal robustness, target groups of sizes too small to secure significant differences except under the most favorable circumstances, and studies too short in duration have unfortunately been characteristic of efforts sponsored directly by federal Executive Departments and indirectly by state and local agencies with federal funds.

Thus, consistent with administration objectives, new demonstrations should be initiated only if there is a reasonable chance they will indeed be cost beneficial, and actual demonstrations need to be preceded by cost benefit or effectiveness analysis. There should also be simulation of outcomes so that anticipated yield in terms of changes on criteria measures can be documented as obtainable, given proposed target sizes, duration of the intervention, and potential method effects (e.g., reliability of measures, target losses, and so on). Further, impact studies should be supported contingent upon clear evidence, via monitoring information, that an

intervention is feasible and practicable.

In particular, the block grant programs provide an unusual opportunity for seeking out alternatives to established programs. States should be encouraged to use a small percentage (say one percent) of their block grants with some federal matching of expenditures for such efforts. But in order to maximize the return from these expenditures, there needs to be clear guidelines and surveillance of the demonstrations to avoid the criticisms that I raised in this section about many previous demonstrations. The review process need not be complex and unwieldy, but it should be of sufficient scope and sustained duration to insure useful results--be they positive or negative.

There are numerous areas of demonstration--evaluation that are important and consistent with the current federal posture. Use of incentives and reorganization of work to increase productivity in the public section, including but not confined to the "helping" professions, is called for. So too are programs that provide incentives to increase citizens' involvement in programs to combat crime, to prevent urban decay, and to improve the quality of community life. The list is long: We are told an oversupply of health providers is emerging and that it may result in increased patient encounters so providers can earn fees; that the abundance of attorneys is partly responsible for the extensive use of the courts for litigation; and that the ranks of many other professions are at surplus levels now or will be in the foreseeable future. Demonstrations both on new roles for surplus professionals and on ways



to minimize troublesome consequences of the over-supply are required. Then too, local government retirement policies for employess in public safety, welfare, and education have consequences for the solvency of our cities and counties and for career opportunities for the younger and adult population; regulations on housing density are a major consideration in the current and future ways the population is distributed, energy is conserved, and public services are provided; and current laws and regulations on credentials for deliverers of services, standards of product safety, and licensing of institutions impact on both governmental and consumer costs and access to services.

I am not advocating demonstrations that expand services, that raise government costs, and that further increase the role of the federal government in the personal and community lives of our citizens. To the contrary, I am arguing that substitute and modified social programs are necessary to decrease governmental costs and domination. The alternative is simply to estimate the floor and bring social programs down to that level --an option that I contend is unwise for this administration.

#### ACCOUNTABILITY AND IMPACT OF BLOCK GRANTS

I have argued earlier in this paper that block grants provide opportunities for program evaluation and experimentation. Even though one of the intents of block grants is to diminish federal control, I argue there is a need for evaluation inputs in at least two areas.

First, there is the issue of accountability. Social program funds

provided via block grants have considerable flexibility; nevertheless, there are broad areas mandated and, furthermore, states themselves need to explicate programs and set objectives. Accountability for program activities is required not only because of generally accepted norms of public responsibility for government funds, but in order for states and the federal departments to gauge appropriate levels of support and program operations in the future.

Monitoring systems that provide program managers and stakeholders with adequate information on operations and, if possible, on outcomes has been an important area of recent development. Such systems are not only valuable in terms of day-to-day activities and decision making, but also in dealing with broader policy matters, litigation, and advocacy group pressures. We should remember that a major press for effective management of social programs came early after World War II, in days of more conservative fiscal policies than we have recently experienced (and sometimes in Republican administrations).

The issue of whether monitoring systems should be mandated or encouraged is an open one. Given the posture of the current administration, I would opt for some set of incentives to encourage states to develop adequate systems. This may take the form of federal-state cost sharing for developing and maintaining such systems; or federal "purchase" of program information providing its collection met minimum standards of reliability, completeness, and accuracy; or the federal departments could sponsor the development of model monitoring systems for various block grant areas.

Second, and a related point, is the more general issue of technical assistance to states. Few state legislative committees, let alone state legislators, have professional staffs, and the state equivalents of our federal Executive Departments, in general, are not staffed with persons whose professional training and expertise are equal to those in federal departments. For example, a private foundation provided support for legislative assistants in health to selected state legislatures. While they were used and deemed valuable, they were not retained after the demonstration (Aiken et al., 1980). There were two reasons for this: first, the matter of funding; second, the lack of similar staff in other human service areas created a staff "imbalance" that was deemed inappropriate by legislators. A clear finding was the persistent lack of staff resources and the need for them.

I would like to advance two propositions. First, as a short-term effort, I believe federally-employed planning, program, and evaluation staff persons should be made easily and continually available to both the executive and legislative branches of government in those states requiring such assistance. Second, as a long-range effort, block grants should include incentives that increase state staff resources, including training programs that prepare and retread persons for evaluation activities. Further, for at least the smaller states, encouragement should be provided for developing and expanding regional organizations that have the necessary expertise and experience to provide both technical assistance and continual inputs into planning, implementation, and

evaluation of block-grant programs.

To some degree, of course, state-administered block grant programs are simpler to execute and evaluate than federally-mounted programs. But the matter of scale does not make the tasks that must be undertaken or the expertise required to carry them out substantially different. The evaluation of health programs that affect 3 million persons or 130 million, or special educational programs for 130,000 or 8 million children are not qualitatively different activities. Some states, of course, are well prepared for the changed policy; others, either because of dependence on federal programming or economic and political reasons, have not developed the needed capacities.

Perhaps the first step is a review of existing information in this regard and assessment of what new data are needed. But it seems a well-grounded conjecture that both accountability and innovation at a state level in many states require the development of organizational and human resources to successfully conduct the programs subsumed under block grants. The cogency of the expansion of the block grant approach, in my opinion, will not be fairly tested without attention to the existence of required organizational structures and staff competencies.

#### EPILOGUE

The agenda, however incomplete, that I have set forth requires both a commitment and a fiscal investment of some scale on the part of the Reagan administration. But in relative terms, when compared with federal

social program expenditures even at the current and projected reduced scales, the investment is quite small. Certainly no business or industrial corporation, particularly in a period of marked reorganization, would neglect its R and D and accountability responsibilities. I am neither arguing for nor supporting evaluation activities as they were directed in the past; nor did I write this paper simply to promote the evaluation enterprise. Rather, my position is that a strong start and long-term success of the administration's program depends on developing an appropriate evaluation agenda; perhaps the views provided here will stimulate such an effort, and soon.

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