ECONOMIC EVALUATION OF HOPE

Economic Implications of HOPE from the Demonstration Field Experiment

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Alexander Cowell, Alan Barnosky, Pamela Lattimore, Joel Cartwright, and Matthew DeMichele (2018: 875–899) conducted a strong study of community supervision in the United States that informs our understanding of outcomes and costs associated with Honest Opportunity Probation with Enforcement (HOPE) at the four Demonstration Field Experiment (DFE) sites and of the outcomes and costs of probation more generally. The findings from their study reveal as many questions as they do answers. Most are not resolvable through science; rather, they are core philosophical questions about the role of community supervision, especially for persons supervised on charges related to illicit drug use. In this policy essay, I discuss the lessons learned from the economic evaluation of the HOPE DFE, pose questions that follow from the findings, and note several implications for future research.

Background
HOPE was designed by Judge Steven Alm in Honolulu in 2004 in collaboration with probation-department supervisors. It was targeted at persons on probation who were at high risk of being revoked and returned to prison (typically for long terms, even up to 20 years). The program provided for closer monitoring of supervision conditions, especially of mandates to desist from drug use, with swift responses for noncompliance. A controversial feature of the original implementation in Hawaii, on which the DFE was modeled, was a reliance on a jail sanction (typically 2 days) in responding to violations (many subsequent implementations under the banner of “Swift, Certain, and Fair” have included an emphasis on noncustodial responses). A program like HOPE would be net incarceration-reducing if the short jail stays were more than offset by reductions in prison stays from revocations avoided. There is no question that closer monitoring will increase supervision costs over...
probation as usual. These increases in supervision costs might be justified if they led to cost offsets through reductions in incarceration and associated costs. Supervision-cost increases might also be justified if enhanced monitoring were demonstrated to improve other socially desirable outcomes (e.g., increased employment) or if it reduced other social harms (e.g., involvement in criminal activity or problematic illicit drug use).

Incarceration is expensive. McLaughlin, Pettus-Davis, Brown, Veeh, and Renn (2016) estimated the total economic burden of incarceration that falls on incarcerated persons, their families, and society at large at more than $1 trillion. This estimate includes the cost of corrections (both prison and jail) plus opportunity costs and the cost of incarceration-related harms. The results of opinion polls show strong bipartisan support for reduced incarceration levels and reforms to criminal justice responses to drug violations and nonviolent crimes. For a variety of reasons (shifting public sentiment, budget realities, and philosophical outlooks), there is growing interest in identifying strategies that can help keep people in their communities, safely. A broadly agreed-upon target is how we respond to drug use.

Illicit drug use carries enormous costs to society beyond those associated with the criminal justice system. The U.S. National Institute on Drug Abuse’s most recent estimate (based on data from 2007, excluding the increases in opioid use during the past decade), which includes crime, health care, and lost productivity, puts the annual costs of illicit drug use at close to $193 billion ($234 billion in current dollars; National Institute on Drug Abuse, 2017). In this context, the HOPE DFE offered a test of a program that had the expressed goal of addressing both concerns: simultaneous reductions in rates of incarceration and drug use.

Reconciling Cost Estimates from the HOPE DFE with the Washington State Cost–Benefit Analysis

Was HOPE in the DFE associated with a reduction in criminal justice-system costs? No. Cowell and colleagues (2018) found no economic advantage to implementing HOPE at the DFE sites. By contrast, Hamilton, Campbell, van Wormer, Kigerl, and Posey (2016), in their cost–benefit analysis of Washington State’s Swift and Certain (SAC) program, which was modeled on HOPE, found that the benefits of SAC exceeded the program costs. The Washington State study differed from the HOPE DFE in three important ways that may have affected costs:

1. A policy-shakedown period. Unlike the DFE sites, Washington State made early implementation modifications to its policy based on lessons learned from early data returns (the implementation in Hawaii underwent similar early implementation modifications). The aggressive timelines required to complete the DFE, and the requirement that the implementation closely follow the Hawaii model, precluded the sort of learn–adapt approach used in Washington.

2. Population under supervision. After policy reforms in 2008–2009, the Washington State Department of Corrections (WADOC) removed low-risk persons, with few exceptions,
from supervision. WADOC focused its efforts on supervising medium- and high-risk persons. Similarly, HOPE was intended for high-risk persons (probation staff in Hawaii were asked to screen caseloads for those most likely to fail on routine supervision and therefore most at risk of revocation). The DFE, as a close replication of HOPE, was also intended to focus on high-risk cases. There were inadequate eligible population sizes to reach sufficient sample sizes within the timeframe of the study, and eligibility guidelines were relaxed. Saline Co., Arkansas (a site with a small supervision caseload), deviated the most from the intended risk profile in assessing eligibility for the DFE. As detailed in the final DFE report (Lattimore, Dawes, MacKenzie, and Zajac, 2018), only 3% of the subjects in Arkansas were classified as being high risk, and more than three quarters were low risk. The risk levels were higher in the other three jurisdictions (approximately 50% were high risk in Texas, 72% in Massachusetts, and 88% in Oregon). The supervised population in SAC was higher risk, on average, compared with those in the DFE (WADOC does not use the designation of “probationer” or “parolee,” but the supervision caseload would be closer to what other state agencies would term parolees). Net widening is consequential. In a large literature on risk–need–responsivity (RNR), scholars have warned of the harms of matching low-risk persons with more intensive supervision than is necessary because of the undue burdens it puts on them (National Center for State Courts [NCSC], 2011).

3. Methodology. As the statewide rollout of SAC precluded an evaluation using an experimental design, Hamilton and colleagues (2016) instead used a quasi-experimental design comparing SAC cases with those in a matched time-lagged comparison group. The DFE, in contrast, had the methodological advantage of a multisite, randomized controlled trial in addition to more granular data from which the cost estimates were derived.

As a four-site demonstration experiment, with access to greater and more detailed record-keeping than is typical in an evaluation of probation practices, Cowell and colleagues (2018) provide the most comprehensive cost assessment of the HOPE model to date, with implications for probation more broadly.

What Did We Learn from the HOPE DFE?
The answer is “more than we expected to.” The HOPE DFE provides a wealth of information on probation practices as well as on associated costs, which is a boon for researchers.

At the DFE sites, HOPE was associated with an increase in incarceration and residential-treatment costs. In Hawaii, three quarters of the HOPE funding appropriated by the legislature was directed to treatment for substance-use disorder, so a rise in treatment costs is expected (critics are unjust in labeling Hawaii’s HOPE a “surveillance-only approach” as it emphasizes treatment and the court actively secures access to care). The increase in incarceration costs for the HOPE subjects in the DFE, compared with routine supervision,
is discouraging. HOPE subjects had fewer arrests in each crime category (reductions in arrest reached statistical significance in two categories: drug arrests and property arrests), so the increase in criminal justice costs for the HOPE cases is driven by an increase in number of incarceration days (incarceration differences were mostly influenced by the Arkansas site). In advance of launching the DFE, Judge Alm visited with all of the judges at the implementing sites to share his philosophy on revocations as a last resort: “[W]e should be sending people to prison who we are afraid of, not who we are mad at” (Alm, 2015, p. 1676). Absent absconding from supervision, threatening public safety, or being convicted on new charges, he would not revoke (even for a dozen or more technical violations). The lesser consequences of revocation in the DFE sites (at one site, probationers faced a maximum of 90 days on a revocation) might have, perversely, made the DFE judges less reluctant to revoke than if the same judges had been in Hawaii. The increase in revocations observed in the HOPE DFE highlights several vulnerabilities of the model: the importance of operator effects and of governing philosophies on the bench and in the probation department.

**But What About That Reduction in Drug Use?**

Cowell and colleagues (2018) assume the perspective of the criminal justice system, limiting the calculation of costs to those borne by criminal justice agencies (courts, probation, law enforcement, jails, and prisons). But although much attention has been paid to the DFE’s discouraging incarceration outcomes, the difference in drug-use outcomes across the two study conditions has been hardly noticed. Previous studies of HOPE and similar programs were reliant on administrative data to assess drug-test results (a poor indication of comparative use as officers in the supervision-as-usual condition may test principally for cause). A strength of the DFE was the inclusion of an independent drug test for research purposes, collected using an oral swab during 6-month and 12-month follow-up interviews—this ensured that everyone was tested the same way and at the same time. At the 6-month follow-up interview, HOPE participants were significantly less likely to test positive for an illicit drug than were members of the control group (16% vs. 30%). This trend was even more pronounced at the 12-month interview, with 13% of the HOPE group testing positive compared with 31% of the control group—again, a statistically significant contrast. This finding indicates large differences in drug use by condition, increasing with time. Reduced drug use may account for the significant reductions observed for drug- and property-crime arrests for the HOPE group compared with those who were supervised under probation-as-usual.

The HOPE DFE economic evaluation excludes the costs that fall on other than criminal justice agencies. Drug use incurs significant individual and public costs, beyond criminal justice. For example, reducing drug use is associated with improvements in productivity (Cowell et al., 2018, indicate that HOPE probationers were more likely to earn formal wages) and health-care costs were not accounted for. Although non-criminal-justice–related
cost savings associated with reduced drug use fell outside of the scope of the economic evaluation of the DFE, they should be considered when assessing broader cost implications.

Significant reductions in drug use, paired with significant reductions in number of drug arrests among those supervised under HOPE at the DFE sites, indicates that closer monitoring of drug use, along with referrals to treatment, may be effective in controlling drug use, but at what cost?

**As Many Questions as Answers**

With 72% of HOPE cases and 83% of control cases entering the study as “low risk,” Arkansas was an outlier in case characteristics. HOPE was not designed for low-risk supervision, and oversupervising is not without consequence. Arkansas drove a disproportionate share of the criminal justice costs attributed to HOPE (a substantially higher increase in the revocation rate, with associated increases in number of prison days, and the only site that observed an increase in the number of convictions among the HOPE group). In practice, how do we prevent net-widening of supervision strategies that involve more intensive supervision?

HOPE was associated with significant reductions in drug use, but those probationers also faced a far greater supervision burden. They were more likely to experience a jail stay, and they were drug tested, on average, 4.7 times as often as probationers on routine supervision. HOPE paints in broad strokes. This has the advantage of ensuring that all cases are treated consistently, which is appealing in a criminal justice system fraught with race/ethnic disparities. Better recordkeeping will ultimately yield insights into what works best and for whom, and in that environment targeted interventions will likely trump a broad brush. Meanwhile, we continue to learn about incarceration-related harms, from even short stays. Programs in which “flash incarceration” is relied on should revisit their practices and consider alternative responses. Policy makers will have to weigh the relative burdens and benefits of supervision and grapple with the following question: What are the goals of community supervision for drug-involved people?

Among behavioral approaches to reducing drug use, contingency management generally produces the largest effects—at least during the active phase of the intervention (Dutra et al., 2008). Just as monitoring drug use and reinforcing negative drug-test results can shape behaviors, the findings from the DFE report by Cowell et al. (2018) have shown that monitoring drug use and sanctioning positive tests can also reduce drug use. This, in itself, is a useful finding and may shed some light on how best to achieve drug-use reduction or cessation. The economic evaluation shows that, at the same time, there can be an increase in incarceration costs and therefore associated net harms. If reducing drug use fails to produce commensurate reductions in some other types of crime, we are forced to consider the awkward question of whether criminal justice sanctions are the appropriate tool for achieving public health objectives.
References


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