

# A 2016 POLICY PLAYBOOK

## INVEST IN WHAT WORKS:

*How to Solve Our  
Nation's Great Challenges*

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Invest in  
What Works  
Policy  
Series

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### EXECUTIVE SUMMARY

We have more information than ever about what works to address our nation's great social challenges. Technological advances, research breakthroughs, and the work of bold social entrepreneurs and visionary nonprofit leaders point the way to solutions. Progress is within our reach. Yet too often, governments continue to do what they have always done without using evidence about what works, and the results are disappointingly the same.

To dramatically expand opportunity in America, the next president must harness the growing body of data and evidence to improve the lives of all young people, their families, and their communities. Americans face real obstacles to economic mobility. The next president has a powerful opportunity to remove those obstacles, measurably improve individual lives, and make large-scale progress on our nation's great challenges.

On day one, the next president should announce that improving people's lives through data and evidence will be the centerpiece of his or her domestic policy agenda. Specifically, this means that with every existing program and each new policy proposal, the president would commit to:

1. **Building** more evidence so that government decisions can be based on increasingly sophisticated knowledge, including clarifying evidence to determine what works, for whom, and in what situations.
2. **Investing** federal dollars based on evidence and data, steering public dollars toward programs that improve outcomes, and increasing investments where evidence of effectiveness is clear.
3. **Redirecting** public resources away from interventions that consistently fail to achieve desired results.



The time is right for government to make the shift toward a more evidence-based approach. This agenda builds on progress made by past presidents. However, investing in what works is also a critical new addition and expansion, making data and evidence *core* to decision making and an essential part of the machinery of how government operates.

Given the importance of ensuring that tax dollars are used as effectively and efficiently as possible and the imperative to make progress on our nation's great challenges, public funds—at all levels of government—must be invested in what works. The result will be better economic and social outcomes for all Americans, including those most in need.

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## INVEST IN WHAT WORKS:

### *How to Solve Our Nation's Great Challenges*

We have more information than ever about what works to address our nation's great social challenges. Technological advances, research breakthroughs, and the work of bold social entrepreneurs and visionary nonprofit leaders point the way to solutions. Progress is within our reach. Yet too often, governments continue to do what they have always done without using evidence about what works, and the results are disappointingly the same.

To dramatically expand opportunity in America, the next president must harness the growing body of data and evidence to improve the lives of all young people, their families and their communities. Americans face real obstacles to economic mobility. The next president has a powerful opportunity to remove those obstacles, measurably improve individual lives, and make large-scale progress on our nation's great challenges—from preparing workers to compete in a global economy to ensuring high-quality education for all to reducing income inequality.

While much of the current public debate has focused on the merits of a smaller or larger government, the next president must make it a centerpiece of his or her agenda to get better results with *existing* resources by expanding the use of data and evidence to inform all policy decisions. This is especially true given growing budget constraints,<sup>1</sup> deep public cynicism about the ability of government to solve economic and social problems, and the importance of ensuring that tax dollars are used as effectively and efficiently as possible.

Investing public resources based on data and evidence can improve results, bridge partisan divides, build the will to solve problems, and increase public confidence in government. While a focus on data and evidence may sound dry and technocratic, it is a way to address the problems that raise deep concerns around kitchen tables and boardrooms. After all, the data represents real people, living their lives and working hard every day to give their children a better future. They deserve a government that delivers results.

### THE CALL TO ACTION

In order to improve the impact of government spending and drive measurable progress toward resolving our nation's challenges, the next president should commit to the following three strategies as the foundation of every *existing and new* policy proposal.

1. **Build** more evidence so that government decisions can be based on more sophisticated knowledge, including clarifying evidence to determine what works, for whom, and in what situations.<sup>2</sup> At least 1% of dollars spent on the new initiative should be used to understand what works, identify gaps in knowledge, and support a targeted effort to build the evidence base to address those gaps.



2. **Invest** federal dollars in programs with evidence of success by making better policy, funding, and operational decisions based on evidence and data. That means steering public dollars toward programs that improve outcomes and increasing investment where evidence of effectiveness is clear. And it should include a lookback review of existing programs to determine the extent to which they are using evidence and an action plan for improvement.



3. **Redirect** public resources away from interventions that consistently fail to achieve results. Funds should be moved away from programs not demonstrating desired outcomes within three to five years of receiving funding, unless it can be proven that those programs are implementing major reforms and making some type of progress in response to evidence of what works.



## THE OPPORTUNITY

The time is right for government to make the shift to a more evidence-based approach because of the following factors:

- » **Public cynicism about the ability of government to solve problems is a powerful force** animating the public and media dialogue about federal policy. Public polls show that confidence in government is at an all-time low.<sup>3</sup> Solving actual problems, by making policy and funding decisions based on the best possible information, would be a step toward restoring that confidence.
- » **Demographic shifts and an aging population—on top of existing budget constraints—will create further pressure** on the federal government “to do more with less.” The pressure to improve the efficiency of government could simultaneously lead to improvements in the effectiveness of government.
- » **Rapid advances in technology and data tools have created enormous opportunities** to understand the impact of government investments more quickly and at a lower cost. Additionally, much of the potential of recent technological advances is yet to be tapped by governments. The revolution in big data, analytics, and rapid-cycle evaluation that is currently benefitting the private sector—in retail, medicine and other fields—could transform the impact of the public sector as well.
- » **The body of evidence about what works for young people, their families, and communities is larger than ever before.** There are a growing number of rigorous studies providing strong evidence of the effectiveness (or ineffectiveness) of a wide range of programs. We have more information about what works, what does not work, and what merits more testing and innovation. Social entrepreneurs, academics, researchers, government officials, and even entire communities have been building a backbone of data and evidence about how to increase opportunity, foster social mobility, and improve the lives of Americans most in need.
- » **Members of both parties can get behind the idea of investing in what works.** Investing in what works could help bridge partisan divides and make Washington work better. Conservatives can use data and evidence to demonstrate their commitment to responsibly spending taxpayer dollars and showing where wasteful spending can be cut. Progressives can use data and evidence to demonstrate that government can be effective at improving the lives of the American people and show where successful programs can be scaled to reach more of those in need. While much of the current public debate has focused on the merits of a smaller or larger government, the next

president must make it a centerpiece of his or her agenda to use the resources we have to get the results we need: solving the problems facing our people.

## THE MOMENTUM

This Invest in What Works policy agenda builds on the important progress that past republican and democratic presidents have achieved to improve government performance. President Clinton took steps to “reinvent government.” President George W. Bush reviewed the effectiveness of government programs to inform spending decisions. And President Obama has made data more transparent and increasingly used evidence to guide innovation and federal spending. (See the Appendix for more detail.)

Yet the Invest in What Works policy agenda provides a critical new addition and expansion of previous efforts by creating a relentless focus on impact. It makes evidence and data core to decision making and an essential part of the machinery of how government operates. More than a program or approach, Investing What Works is *the* way government should act every day, regarding all decisions and *every* program. The Invest in What Works policy agenda creates a new norm that applies to all of government: building evidence about what works, investing in what works, and redirecting resources away from what doesn't work.

Over [100 influential, national leaders](#)—from both parties and from all parts of the country—share the commitment to transforming the way government makes decisions, a commitment to getting better results, and a commitment to making real progress on our nation's great challenges.

## THE RESULT

To be sure, this agenda will have a powerful effect. It will help improve economic and social outcomes for all Americans; it will lead to a higher number of students graduating, fewer crimes, more affordable homes, and safer streets and parks.



# THE AGENDA FOR MAKING PROGRESS ON OUR NATION'S GREATEST CHALLENGES

The following playbook outlines specific proposals to help the next president seize the opportunity to make progress on the great challenges facing our nation. The playbook identifies three overarching principles, along with concrete steps the next president can take to use data, evidence, and evaluation to increase the impact of federal investments.

On day one, the next president should announce that improving people's lives through data and evidence will be the centerpiece of his or her domestic policy agenda. Specifically, this means that with every existing program and each new policy proposal, the president would commit to:

1. **Building** more evidence so that government decisions can be based on increasingly sophisticated knowledge, including clarifying evidence to determine what works, for whom, and in what situations.<sup>4</sup>
2. **Investing** federal dollars based on evidence and data, steering public dollars toward programs that improve outcomes and increasing investments where evidence of effectiveness is clear.
3. **Redirecting** public resources away from interventions that consistently fail to achieve desired results, unless it can be proven that those programs are implementing major reforms and making some type of progress in response to evidence of what works.



More information on each principle and the concrete steps for carrying it out can be found below.

## PRINCIPLE #1: BUILD THE EVIDENCE BASE ABOUT WHAT WORKS

The federal government must continue to build knowledge about what works for young people, their families, and their communities. This is an important responsibility for the federal government to take on, given its broad reach and large pool of resources that can be directed toward the study of issues of national importance. The benefits of investing in this type of research will touch many levels of government across multiple sectors, providing information that can improve the effectiveness and efficiency of the federal government as well as states, cities, nonprofits, school districts, and other stakeholders.

### 1 Launch an Evidence Challenge or prize to spur the creation of better, cheaper, more accessible data and evaluation tools to measure what works.

The next president should create cross-industry, cross-government prizes or challenges with an aim of spurring innovative approaches to evaluation that yield better information about what works at a low expense. The president should create an Evidence Challenge in partnership with philanthropic organizations to help incentivize the next generation of low-cost randomized control trials (RCTs), rapid-cycle evaluations, or predictive analytics that can be used by nonprofits and states and local governments to determine what is working,

how to improve what is working, and where to redirect funds. As part of this challenge, OMB would allocate a small amount of resources to challenge federal departments and agencies interested in strengthening their capacity for using these lower-cost tools. OMB would guarantee funding for low-cost evaluations by federal agencies that answer critical questions that drive policy decisions.

#### **Current Examples:**

Early on in the Obama administration, OMB ran a competition for the best evaluation ideas and put winning proposals into its budget request. The competition stimulated excellent new thinking on the part of the US Department of Labor and other federal agencies. More recently, the Coalition for Evidence-Based Policy, supported by the Laura and John Arnold Foundation, has demonstrated the power of a funded [prize to elicit new ideas for evaluations](#): \$300,000 in prize money in 2014 drew fifty-three prize proposals for low-cost RCTs in important policy areas.

In the past few years, [Nesta](#), a nonprofit charity in England and Wales, launched the [Centre for Challenge Prizes](#). The Centre seeks to leverage challenge prizes to stimulate new ideas that address both short- and long-term social challenges. Past prize competitions have focused on topics such as aging well, reducing waste, and renewable energy. Current open prize competitions focus on topics like open data, inclusive technology, and social innovation. Another new [prize](#) competition challenges young people to use navigational and observational data from satellites for social good.

## **2 Announce the creation of five new Center for Economic Opportunity initiatives in key regions across the United States.**

The key to shifting funds toward what works is first having clear evidence about what is working and how well it is working. Many issues need further research and evaluation, while others already have a clear evidence base. Political leaders need clear, concise, useable information in order to take action. One way to achieve this goal is to create or support intermediary organizations that help sift through research and make evidence-based recommendations for improving government programs.

The next president should leverage public and philanthropic dollars to support the creation of five new Center for Economic Opportunity pilot centers in regions across the United States. The goal of these centers will be to sift through research, identify programs that demonstrate promise in increasing social mobility, and support state and city policymakers interested in implementing and evaluating the impact of these promising programs in their region. Federal dollars marked for research, evaluation, and technical assistance in social programs could be redirected for this purpose, with congressional approval if needed.

#### **Current Examples:**

In 2006, New York City created the [Center for Economic Opportunity](#) (CEO), which works with city agencies to implement and test successful anti-poverty initiatives in New York and partner cities across the United States. CEO oversees rigorous evaluations of each program to determine effectiveness in reducing poverty, encouraging savings, and empowering low-income workers to advance in their careers. CEO has helped to drive systemic change across city agencies. For example, through support from CEO, City University of New York has doubled graduation rates for students in [CUNY ASAP](#) and incorporated elements of the initiative into additional CUNY programs. CEO also led the federal government to adopt the Supplemental Poverty Measure by the United States Census Bureau, providing a more realistic picture of poverty by accounting for both families' resources and their expenses.

On a broader scale, the government of the United Kingdom has created a [What Works Network](#) comprised of seven What Works Centres around the country. Their mission is to “improve the way government and other organizations create, share, and use high quality evidence for decision-making.” Each center is funded by the government but run by a research institution and dedicated to a specific topic of national importance, including: healthcare, education, criminal justice, early intervention, economic growth, improving the lives of seniors, and wellbeing. The centers produce and gather research and work to ensure that policymakers and practitioners can make informed decisions based on impact and cost effectiveness.<sup>5</sup>

### **3 Create a Within Our Reach Fund.**

The goal of the Within Our Reach fund would be to rally research efforts by governments, foundations, universities, and nonprofit organizations around what we still need to learn about how to improve the lives of young people, and develop a concerted effort to tackle these gaps in knowledge. The fund would:

- » identify gaps in knowledge (e.g., what works for increasing college access);
- » target small amounts of additional research dollars and coordinate the work of key partners in specific issue areas where —with a concerted push —we can make great progress in understanding what works; and
- » increase knowledge about how to apply research to practical problems and promote its use by stakeholders in the field.

The framework of the fund could be oriented around key social mobility milestones such as those identified by the [Social Genome Project](#). Research questions could focus on markers along the cradle-to-career continuum: entering school ready to learn; reading at grade level by third grade; graduating from high school ready for college and a career; completing postsecondary education or training; and successfully entering the workforce.

### **4 Create a chief evaluation officer of the United States—and for every federal department and agency—using existing authorities and funds.**

Leadership matters. To drive change and improvement in any large institution, it is critical to have a senior-level leader who “owns” the effort, takes an entrepreneurial approach, and can navigate the federal system to help build greater and better evidence.

With this in mind, the federal government needs a chief evaluation officer who is responsible for leading the new president’s Invest in What Works initiative. A chief evaluation officer could provide expert advice to the Office of Management and Budget (OMB) director and senior department and agency leaders on how to integrate research into decision making. The officer could also coordinate data, evaluation, and performance management to strengthen agency capacity for learning.

The next president should sign an executive order creating a chief evaluation officer who would also serve as a deputy director at OMB. The executive order would create similar positions at each federal department and agency, and charge senior leadership across the federal government with leveraging data, evidence, and evaluation to improve the effectiveness and efficiency of public services.



### Current Example:

The US Department of Labor's Chief Evaluation Office is housed within the Office of the Assistant Secretary for Policy and is led by a chief evaluation officer. The chief evaluation officer anchors the DOL's evidence agenda and coordinates its evaluation program to ensure that all results are used to inform policy, advance its mission, and improve its performance-based management initiatives. Building the capacity of federal officials to collect and use data appropriately, including the creation of data analytics offices, [has gained momentum and attracted bipartisan attention](#).<sup>6</sup>

## 5 “Power of a penny”: direct all federal departments and agencies to invest 1% of program funds in evaluations.

Less than 1% of federal funds are invested to determine how well federally-funded programs are working.<sup>7</sup> Further, according to a recent US Government Accountability Office (GAO) report, only 37% of federal program managers reported that an evaluation of their programs had been completed in the last five years.<sup>8</sup> Because of this lack of evaluation, the federal government lacks even basic information about the effectiveness of federally-funded programs, let alone information on how to improve them.

By contrast, according to one estimate, high-growth industries invest 10 to 20 percent of sales revenues in R&D, while many mature industries invest 2 to 3 percent.<sup>9</sup> In 2010, the Evaluation Roundtable found that philanthropic funders invest, on average, 3.7 percent of their budgets on evaluation.<sup>10</sup> A report by the Hewlett Foundation showed that in 2013, foundations invested anywhere from 1.2 percent on the low end to 7.5 percent on the high end.<sup>11</sup> Hewlett undertook the analysis to bolster their investment in evaluation, and plans to ultimately reach the 2-percent investment mark by 2016. Hewlett provides the following explanation about this increase:

*By providing information about what is or is not working, evaluations can improve not only our funding decisions but also the work of our grantees, with whom we share the results and who likewise learn from them. Beyond even this, by providing evidence of success or failure in areas where others also work, evaluations can help to improve practice generally.<sup>12</sup>*

The next administration should take a cue from outside industries by directing all federal departments and agencies to invest at least 1 percent of their program funding in program evaluations. Evaluations should be planned and executed in a way that builds evidence about what works in practice and guides federal policymakers on how to continuously improve federal programs. Agencies should draw the funds from across each discretionary program on an equal basis and then spend on the highest-priority evaluations, subject to congressional oversight. The idea could be expressed simply to the American people: for every dollar the government spends, it will invest one penny in finding out what works so that the other 99 are spent more wisely.<sup>13</sup>

### Current Examples:

The Obama administration's FY14, FY15, and FY16 budget requests recommended allowing the secretary of the US Department of Labor to set aside up to 1% of all operating agencies' budgets for evaluations coordinated by the Chief Evaluation Office. The US Department of Labor's FY12-15 budgets allowed the secretary to set aside up to 0.5% of operating funds from operating agencies for departmental evaluations coordinated by the Chief Evaluation Office, in addition to the separate evaluation funds that exist in many DOL agencies. In FY15, an estimated \$25-30 million will be transferred under this authority to the CEO for evaluations. The Chief Evaluation Office directly funds evaluations and also combines its own

funds with agency funds to jointly sponsor some evaluations (e.g., within the Employment and Training Administration, Occupational Safety and Health Administration, Wage and Hour Division, Office of Federal Contract Compliance, Veterans Employment and Training Program, Office of Disability Employment Programs, Office of Workers Compensation, and Women's Bureau). In addition to the CEO and transfer funds, many large competitive grants allow up to 10% of grants funding to be devoted to evaluation. For example, three separate rounds of grants (funded by H1-B worker visa fees totaling \$450 million in FY14) support training particular populations, such as high-school students transitioning to work and college, long-term unemployed workers, and apprenticeship programs. Between 3% and 7% of these grant funds (totaling at least \$25 million) was invested in evaluations in FY14.

## **6 Create a common evidence framework across the federal government.**

The word “evidence” means different things to different people. Some take it to mean only findings from randomized control trials, while others maintain that findings from any type of study count. Still others may cite demonstration of a positive impact, including surveys of program participants. Such varying definitions can confuse policymakers working to improve programs. A common understanding of evidence across federal departments and agencies can bring coherence and momentum to improving the effectiveness and efficiency of government.

Such a framework should acknowledge that many types of evidence can increase good policymaking, but that not all evidence should carry the same weight or be used for the same purpose. RCTs that have been subject to strong peer review and public commentary from other experts should be seen as the most determinative. Strong case studies can provide valuable lessons on how to design and implement programs and avoid duplicating past mistakes. Evidence of positive results and expert review without the rigor of an RCT can provide information that encourages careful expansion and further experimentation while a focus on continuing to build more rigorous evidence is maintained. Some evidence will show that a certain intervention is less effective alone, but could perhaps be more effective in conjunction with other efforts. The effort to create a common evidence framework could also benefit the field by engaging outside experts on the design and interpretation of RCTs and how to address conflicting evidence.

The next president should direct OMB to develop a common evidence framework and urge all federal departments and agencies to use it to inform their policy and funding decisions and to communicate standards for research and evaluation methods to potential grantees.

### **Current Example:**

In August 2013, the US Department of Education's Institute of Education Sciences and the National Science Foundation announced the [Common Guidelines for Education Research and Development](#). Originally conceived as cross-agency guidelines for improving the quality, coherence, and pace of knowledge development in science, technology, engineering, and mathematics (STEM) education, the guidelines were identified as having broader applicability to other content areas in which ED and NSF fund research and development. The Common Guidelines, therefore, are intended to provide a broad framework that clarifies research types and provides basic guidance about the purpose, justification, design features, and expected outcomes of various research types. The framework may be adapted by agencies or divisions within agencies in response to their needs and opportunities, and these adaptations, over time, may be elaborated or rearranged according to agency focus and assessments of the needs of education researchers and practitioners.

## **7 Create comprehensive, easy-to-use what works databases for each federal department and agency, and develop a gateway for searching them all.**

It is not enough to evaluate federally-funded programs if no one knows about the results. The evidence about what works needs to be available in a single place online, in a format that is true to the research but accessible to laypeople as well as policymakers and their staff. The what works database should combine research about what works with practical explanations and in-depth descriptions of how programs have been designed and implemented so that policymakers as well as nonprofit and philanthropic leaders can access and understand evidence on what works, as well as practical explanations about how to replicate success and avoid failure.

The next president should issue an executive order directing all federal departments and agencies that fund programs to improve the lives of young people, families, and communities to create a clearinghouse of “what works.” Such clearinghouses could cover a wide range of issues at each department or agency. Alternatively, each agency could invest in multiple clearinghouses based on topics. Regardless, officials should take the following into account:

- » Every government-funded study needs to be accounted for, including studies that are ongoing, so there is no question that results are being shared.
- » There need to be more step-by-step guidelines showing people how to apply successful strategies used elsewhere in their circumstances.
- » Information can be maximized when paired with access to coaching, webinars, or other tools to help community and nonprofit leaders understand successful implementation. This requires a new level of collaboration among policymakers, program managers, and evaluators. The next administration could set aside a small amount of funding for this purpose, then partner with philanthropic organizations to facilitate the development of cross-subject platforms, user-friendly websites, and high-quality support for implementation.

### **Current Examples:**

The US Department of Education’s [What Works Clearinghouse](#)™ (WWC) (\$9.3 million in FY15) identifies studies that provide credible and reliable evidence of the effectiveness of a given practice, program, or policy (referred to as “interventions”), and disseminates summary information and reports on the WWC website. In another example, the US Department of Labor’s [Clearinghouse for Labor Evaluation and Research](#) (CLEAR) is a central source of research and information of labor-related topics for practitioners, policymakers, researchers, the media, and the general public. CLEAR, which became fully operational in 2014, includes structured evidence reviews of the quality and strength of its methodology and analysis, using published standards and guidelines. Evaluations in seven policy areas are currently included in CLEAR (behavioral finance, career academies, community college, disability employment services, reemployment services, opportunities for youth, and OSHA enforcement).

## PRINCIPLE #2: INVEST PUBLIC DOLLARS IN WHAT WORKS

As we build more high-quality evidence about what works, we also need policymakers and elected officials to use that information to make better choices. By using evidence and data to inform policy and funding choices, governments can get better results from investments.

### 8 Focus large federal competitive grant programs on evidence of success.

The next president should require evidence of success in the largest federal competitive grant programs. Building on a G.W. Bush administration idea, the Obama administration created six tiered-evidence programs across the federal government.<sup>14</sup> The tiered-evidence approach has two breakthrough design principles. First, it provides more money to programs with higher levels of evidence (hence the tiers), creating a strong incentive to do what works. Second, it requires evaluations so that programs continue learning and improving.

There are varying definitions of evidence.<sup>15</sup> In this case, evidence would mean data and research on the impact of proposed interventions or programs. In the case of scaling up proven programs, it would also mean the capacity of organizations to execute those programs on a larger scale. Attention must be paid to the capacity and performance of program providers, even successful ones, if greater investment is to yield greater impact.

There is good reason to believe that at current funding levels, the evidence-based programs have a higher return on investment than typical government programs. For example, based on non-experimental research, the average federal job-training program has a modest positive return.<sup>16</sup> By prioritizing approaches proven to work, evidence-based workforce programs are likely to achieve higher average levels of impact. Additionally, the requirement to evaluate results will provide an incentive to improve programs all along the spectrum of effectiveness. Poor results will show which programs should be improved or eventually terminated so that the money allocated for them can be used to fund programs with greater evidence of success.

The next administration should direct all federal departments and agencies to focus at least their five largest competitive grant programs on evidence-based solutions through the use of a tiered funding structure. This recommendation builds on the previous one to create common evidence frameworks that define what “evidence-based” means.

Programs could differentiate the levels of evidence and funding in ways that are appropriate to their long-term goals and the availability of evidence in the field. Funding tiers would correspond to evidence definitions, and awards would be commensurate to the levels and quality of evidence presented, including evidence of effectiveness and organizational capacity to scale. This framework recognizes that evidence-building is not a one-time event for federal departments and agencies or their grantees, and it promotes the development of evidence as an ongoing requirement. It is critical that investments made using this tiered-evidence framework be maintained, especially at the scale-up level, to support continued testing through implementation and to ensure that impacts are sustained when intervention programs are expanded.

#### Current Examples:

The US Department of Education’s [Investing in Innovation](#) (i3) program provides competitive grants to local school districts and nonprofit organizations with records of success in order to help them leverage public/private partnerships to implement education practices that have demonstrated positive impacts on student achievement. The i3 program relies on a tiered-funding framework, which is now available to discretionary programs department-wide

and has served as a model for other agencies and non-federal groups. The framework and resulting investment approach is building the evidence base of what works and promoting a culture of knowledge development and sharing. To date, 75 of 92 i3 projects are on track to meet the department's What Works Clearinghouse™'s evidence standards.<sup>17</sup>

In February 2015, the Leap of Reason Ambassadors Community, a group of nonprofit leaders convened by the [Leap of Reason initiative](#), released "[The Performance Imperative](#)," a document outlining how organizational capacity can improve the impact of their programs. The document provides a common definition of "high performance" and details seven organizational pillars that can help organizations achieve high performance.

## **9 Focus big federal formula grant programs on evidence of success.**

The bulk of federal non-defense discretionary funds are spent on large formula grant programs that are structured around specific input requirements rather than outputs or outcomes. Some program outcomes are evaluated, but many are not. Promoting the use of evidence in large formula programs is more complicated than doing so for competitive programs, but the potential impact is much larger. Changing core programs will take hard work and courage. Programs have built constituencies around one way of doing business. However, change is necessary if we are to make significant progress, given the size of resources flowing from formula grant programs.

The next administration should direct all federal departments and agencies to set aside at least one to five percent of funds within the five largest non-competitive grant programs to invest in programs and practices with demonstrated evidence of success. While this may seem daunting, there is precedent for these ideas, and policymakers should keep in mind how much formula funding is often wasted on ineffective activities. The next administration may need to seek authority from Congress to take action, but there is flexibility in some funding streams now. Regardless of the means, federal departments and agencies could use this authority in a variety of ways to improve outcomes:

1. Require grantees to use a portion of formula funds for proven, evidence-based interventions (e.g., those listed in a What Works Clearinghouse). The starting percentage could be small and grow over time.

### **Current Example:**

The FY14 and FY15 federal appropriations bills allowed the secretary of the US Department of Health and Human Services to set aside at least 5% of funds from its Mental Health Block Grant program to support the most effective evidence-based programs that address the needs of individuals in the early stages of serious mental illness, including those with psychotic disorders.

2. Award a small portion of large formula grants competitively based upon potential grantees' effective use of formula grants—as measured by outcomes, the use of evidence-based practices, or some combination of these metrics. The federal government should consider providing technical assistance to help recipients make the shift toward evidence-based approaches.

### **Current Example:**

The US Department of Agriculture's Food and Nutrition Service operates the Supplemental Nutrition Assistance Program's (SNAP) Employment Training Pilot Program, which tests innovative strategies to increase workforce participation for SNAP recipients. In FY14, USDA planned to fund the implementation and rigorous evaluation of up to 10 three-

year pilot projects that would help workers find gainful employment, increase earned income, and reduce reliance on public assistance. The FY16 budget called for a \$100 million “[Leveraging What Works](#)” competition at the US Department of Education to reward school districts for using existing federal funds for activities that have moderate or strong evidence of effectiveness.

In terms of technical assistance for making a shift in practice, [The Strong Cities, Strong Communities \(SC2\)](#) initiative, first announced in July 2011, is a technical assistance initiative supported by the US Economic Development Administration. SC2 seeks to strengthen neighborhoods, towns, cities, and regions around the country by enhancing the capacity of local governments to develop and execute their economic vision and strategies, providing the necessary technical assistance and access to federal agency expertise, and creating new public- and private-sector partnerships.

3. Require states and localities to use some formula funds to develop their own capacity, as noted in the previous section,<sup>18</sup> for evidence-based decision making.

**Current Example:**

The Obama administration’s FY16 budget request [would provide](#) the US Department of Education an additional \$10 million for section 611 of the Individuals with Disabilities Education Act (IDEA) to support Results Driven Accountability implementation grants. These competitive grants would be awarded to states to help build capacity to implement State Systemic Implementation Plans to improve results for children with disabilities.

4. Require, when metrics are strong, that formula grantees meet baseline performance standards or lose some amount of funding.

**Current Example:**

Recent federal legislation has tried to tackle this issue by structuring some competitive grants with a 3+2 framework. Essentially, grantees receive funds for 3 years and then receive 2-year continuation grants only if they demonstrate progress, based on rigorous evidence of outcomes, on goals established up front in the grant-making process. This approach is new but worth considering for programs where metrics are strong.

## **10 Support Pay for Success efforts in communities across the country.**

In many cases, governments create a program, write rules for how program dollars are spent, and then give money to those that promise to follow the rules. Under “[Pay for Success](#)” (PFS), also called Social Impact Bonds, rather than pay for a service up front, the government enters an agreement to pay only after a program delivers specified results—usually results that save taxpayers money.

Providers raise money from philanthropic or private-sector funders and participate in a third-party evaluation. If the program achieves its targets and generates savings, the government returns a portion of those savings to the funders. In effect, the promise of future savings foots the bill for preventive services now. A [handful](#) of states and local governments have Social Impact Bonds currently in place, with many more in the planning and exploratory phase. Since FY2012, a few federal agencies have helped seed some of these efforts, including the Departments of Labor and Justice and the Corporation for National and Community Service.<sup>19</sup>

The next president should build on the momentum at the city and state levels for PFS and invest in this bipartisan strategy on a larger scale at the federal level. The next president



should call on Congress to support a PFS fund within the Treasury Department to help state and local governments set up PFS arrangements. The Treasury could provide state and local entities, those that demonstrate a track record of success and evidence of impact, with a small amount of start-up funding and technical assistance to develop PFS deals. With an investment of as little as \$300 million, the federal government could incentivize projects that improve the lives of children, families, and communities across the country. The next president should also direct five additional federal departments or agencies to begin investing a portion of their program funds in Pay for Success efforts, seeking congressional approval where needed.

#### **Current Example:**

This proposal already has bipartisan backing in Congress. In March 2015, US Representatives Todd Young (R-IN) and John Delaney (D-MD) reintroduced the [Social Impact Partnership Act](#), along with a group of seven democratic and republican co-sponsors. The bill would authorize a \$300 million fund at OMB to assist state and local governments create Pay for Success deals. In 2014, US Senators Michael Bennet (D-CO) and Orrin Hatch (R-UT) introduced the [Pay for Performance Act](#), which would also authorize a federal fund for helping state and local governments enter into pay-for-performance contracts; this act is expected to be reintroduced in 2015. The bipartisan Workforce Investment and Opportunity Act of 2014 authorized state and local workforce investment boards to invest in [Pay for Performance](#) projects. Additionally, the FY16 budget request called for up to \$364 million to support Pay for Success [initiatives](#) across six departments and agencies. Now is the time to seize on the bipartisan momentum around Pay for Success and take it to a larger scale. More information on Pay for Success efforts at the federal, state, and local level can be found [here](#).

### **11 Announce a State and City Solutions initiative that provides states and cities greater flexibility in exchange for being more results-oriented.**

The big leverage point of federal funding lies in large formula programs, as well as in some of the larger competitive programs. This is the bulk of assistance that brings states and local governments into the orbit of federal priorities. These programs, however, often have numerous requirements on how funds are spent, what grant applications should look like, and lengthy reporting requirements that rarely focus on results or outcomes. In addition, little attention is paid to encouraging grantees to take a data-driven, evidence-based approach to their work, and often evaluations of grantees—if they exist at all—yield little valuable information for improving the program and determining what works.

The next president should announce a State and City Solutions initiative that heralds a shift in the way federal requirements and strings are attached to money. At least 5 federal departments or agencies would agree to work together to pilot this approach in 25 communities (5 for each agency) around the country. The initiative would give state and local governments greater flexibility in using (and blending) funds as well as reporting requirements, while tightening the focus on outcomes, their measurement, and rigorous data collection and evaluation that drives ongoing improvements.

#### **Current Example:**

The [Performance Partnership Pilots](#) (P3), authorized by the FY14 and FY15 appropriations bills, are a good example of such a shift. P3 is designed to provide flexibility to states, local communities, and tribes to more effectively serve disconnected youth. To focus on what works, the administration will be using outcome-focused criteria rather than placing up-front restrictions on pilot design or content. Interested parties will submit proposals that detail their strategy and clear metrics of success. Communities will be able to blend

together competitive and formula grant funding that they receive from the Departments of Education, Labor, and Health and Human Services, as well as the Corporation for National and Community Service. Pilots also will be able to seek waivers for specific program requirements that may inadvertently hamper effective services for youth. This flexibility will be granted only to 10 high-performing jurisdictions that will then be held accountable to a set of cross-agency, data-driven outcomes.<sup>20</sup>

## **12 Launch a Ten-Year Challenge.**

The next president should announce a [Ten-Year Challenge](#) to solve ten social problems in ten communities in the next ten years.<sup>21</sup> Problems and solutions must be clearly defined and measurable in order to set a baseline against which to chart progress. Through a grant competition, ten communities could be selected for each problem—addressing 100 challenges in all. Each would agree to use data and evidence to focus relentlessly on the task. A federal department or agency could oversee the work on each problem, though cross-agency cooperation would be crucial. Communities would be selected based on evidence that they are poised to make progress, their potential to build evidence about what works, and their ability to spread findings to other communities. After all, attention should be paid not only to the problem to be solved but the capacity of communities to address them. Funding for the initiatives could come from repurposing existing grant and formula funding or from a congressional appropriation. Alternatively, the president could call on the private sector to match public funding for such an endeavor. Regardless of the mechanism, we recommend \$250,000 for each grant to cover planning and start-up costs, with future costs to be covered by flexibility within existing programs and funding streams.

In addition, the federal government would waive program rules (e.g., rules related to governance, eligibility requirements, reporting, and more) so that these communities could take existing funding streams and use them in more flexible ways to fundamentally redesign systems. Existing law allows for some flexibility already, but in some cases, new authority will be required from Congress. Communities would be expected to supplement the federal assistance with resources raised locally.

### **Current Example:**

At the heart of the What Works initiative is solving the concrete problems Americans face: children's low reading scores, the loss of jobs and necessity for retraining, and obesity and chronic illness. These problems may seem intractable, but there are examples across the country of programs and communities making real progress. For example, Milwaukee cut its teen pregnancy rate in half in five years through a concentrated, data-driven, [collective impact approach](#).<sup>22</sup> The federal government can incent other communities to do the same.

## **13 Create an Opportunity for All Fund.**

The next president should create an Opportunity for All Fund. The fund would be housed at the US Department of Treasury, but would coordinate with various federal departments and agencies that address issues of economic mobility. The fund would be modeled on other innovation funds that have proven successful, such as the Investing in Innovation (i3) Fund and the Social Innovation Fund (SIF). Treasury would set certain high-level priorities for helping low-income people and families build economic mobility. Grantees would then apply to address these priorities, with demonstrated evidence that their ideas could achieve those goals. Grantees with higher levels of evidence would receive more support, while grantees with promise or potential might receive less until they develop and grow. Strong evaluations would be required of all grantees in order to build the evidence base and to spread knowledge of what works.

### Current Examples:

The [Social Innovation Fund](#) (SIF), operated by the Corporation for National and Community Service, combines public and private resources to grow the impact of innovative, community-based solutions that have compelling evidence of improving the lives of people in low-income communities throughout the United States. SIF invests in three priority areas: economic opportunity, healthy futures, and youth development. The FY15 appropriations bill provided \$70 million for SIF, allowing up to 20% (\$14 million) to be focused on Pay for Success initiatives.

The FY16 budget request [proposed](#) \$1.5 billion over 5 years in new funding and flexibility for an Upward Mobility Project that would allow up to 10 communities, states or consortia of states and communities to combine funds from 4 existing block grant programs designed to promote opportunity and economic development. Projects must utilize evidence-based strategies, track program performance, and evaluate intervention effectiveness.

## PRINCIPLE #3: REDIRECT FUNDS AWAY FROM WHAT CONSISTENTLY FAILS TO ACHIEVE DESIRED OUTCOMES

As the evidence base grows more robust, policymakers and administrators will inevitably increase their confidence in funding what works. They will also adjust and improve promising programs as they learn valuable lessons over time. In some cases, they will use evidence to shift resources away from those programs that are not having the desired impact. Programs that are consistently shown not to work should be improved or eliminated because they are not serving populations in need and are wasting precious taxpayer money. At the same time, such populations should not be left without alternatives to help them climb the ladder of opportunity and become self-sufficient. The process of redirecting funds will inevitably cause some friction, and wise policymakers will need to take a thoughtful, measured approach to support the shift so it causes as little disruption as possible. But upholding the status quo, when the status quo is not working, is also not a responsible approach.

### 14 Create moneyball scores—showing not just what works, but what works best for the money—and use them to get more bang for the buck.

Using evidence is a solid step forward, but policymakers and practitioners also need to know if the program they are evaluating provides value for the funds that are invested, or if an alternative program might be a better choice. Such a simple (albeit in some cases complicated) pairing of data would yield valuable information for making policy decisions. It would subtly change incentives, fostering an environment that prizes greater impact with limited resources. It would also illuminate where tough decisions need to be made about shifting resources away from what chronically fails to achieve desired results and toward what does.

The next president should direct OMB to look across federal departments and agencies to identify five pilot programs where it is possible to compare cost and outcome data. OMB would make such data public, as appropriate, and direct departments and agencies to begin justifying increased spending with clear “return on investment” information. Inversely, departments and agencies would identify chronically underperforming, inefficient programs that do not merit ongoing investment. Because of the complexity and controversy inherent in cost-benefit analysis, the federal government may need a non-political, expert entity to design principles for carrying out cost-benefit analyses, with substantial public input. However, once the principles were in place, this effort could be led by the federal chief evaluation officer described above.

Ultimately, with some trusted measures in place, the Congressional Budget Office could regularly include cost-benefit analyses in its scoring of legislation, and federal agencies could create moneyball scores to evaluate different grantees or to justify decreasing funding for underperforming programs or requests for funding increases.

#### **Current Example:**

In 2011, the Center for American Progress [released](#) the first-ever attempt to evaluate the productivity of almost every major school district in the country. That project developed a set of relatively simple productivity metrics in order to measure the achievement that a school district produces relative to its spending. The report was [updated](#) in 2014. The measures are not perfect, but they are based on current research on educational productivity and can serve as a starting point for understanding how to pair outcome and cost data in ways that are illuminating for policymakers and the public.<sup>23</sup>

### **15 Convene a Tough Choices panel to review the effectiveness of programs and to make recommendations for redirecting funds toward programs that work.**

In general it is much easier to create a new government program than it is to reform or discontinue an underperforming program. But this is precisely the work that must be done to ensure that government actually solves problems and improves outcomes. Otherwise, we feed the notion that government is incapable of making an impact.

The next president should convene a blue-ribbon panel of experts in data analytics, evaluation, and continuous improvement to review the way federal programs operate in terms of performance management. The panel would report to the chief evaluation officer (see above). As a central charge, the panel would conduct an evidence lookback of existing programs. The lookback would apply to the five largest discretionary grant programs and five largest formula fund programs in each federal department or agency. It would report the extent to which the programs are using evidence to inform funding, policy, and operational decisions, and would provide an 18-month action plan for improvement or better use of existing data and evidence.<sup>24</sup> The panel would examine current evaluations to identify chronically underperforming programs and make recommendations for improving them. Eventually, if improvement is not made, it would also make recommendations as to how funds should be redirected or repurposed to ensure public dollars are spent on programs that work.

#### **Current Example:**

In 2011 the Office of Information and Regulatory Affairs at OMB led a [government-wide regulatory lookback process](#) requiring agencies to “reexamine their significant rules and streamline, reduce, improve, or eliminate them on the basis of that examination.”<sup>25</sup> The lookback process yielded scores of measures to update regulatory regimes. Virtually every grant program could use such a lookback—a review of all the current rules to see if they have the right balance between mandating a baseline of services supported by evidence and incentivizing excellence. In some cases, legislation would be needed, but in others, regulations could achieve significant reforms.

### **16 Require the bottom 10% of low-performing grantees to re-compete for ongoing funding.**

Too often, recipients of federal grants continue to receive funding, regardless of whether or not they get results or improve over time. Achieving outcomes takes time, and grantees should not live in fear of losing funding based on one-time or anomalous evaluation results. However, those that consistently underperform over time are not serving our population well. Thankfully, inertia is not inevitable.

The next president should direct all federal departments and agencies to develop and implement a set of clear, concise performance measures for its five largest competitive grant programs that reflect the outcomes the program should achieve. At the same time, departments and agencies should free providers from other outdated or irrelevant performance standards so that they can try different approaches to achieving desired results. Grantees should demonstrate capacity to collect data, build evidence, learn from failure, and make course corrections. Additionally, all programs should have new incentives to adopt more evidence-based practices, such as better curricula. Those that consistently fail to achieve desired results or improve over time should re compete for funds or eventually lose funding. This should be done with a focus on ensuring that baseline services for citizens are not lost. Of course, such changes may require congressional approval, but where authority exists, it should be used.

#### **Current Example:**

Republican and democratic members of Congress came together in the 2007 reauthorization of Head Start to try this strategy, requiring grantees who receive poor ratings to compete to keep their grants. In FY2012, the Administration for Children and Families at the US Department of Health & Human Services established the Head Start Designation Renewal System requiring Head Start grantees to compete for grants moving forward if they failed to meet criteria related to service quality, licensing and operations, and fiscal and internal controls. Programs are rated based on expert observations of classrooms, using procedures that have been shown to predict student outcomes. The combination of ratings and recompetition represents real progress in driving public dollars using evidence. The process is not perfect, and much can be done to [improve it](#).<sup>26</sup> But the re-competition approach has realigned incentives to make Head Start more outcomes-focused and a step in the right direction to improving the quality of services children and families receive.

### **17 Direct funds away from chronically underperforming programs and toward programs that work.**

Previous recommendations focus on redirecting funds away from low-performing grant recipients within programs. This recommendation seeks to redirect funds away from whole programs that have consistently failed to deliver desired outcomes. It is always politically difficult to eliminate programs, but some federal programs have limped along for decades producing anemic results. This is no way to solve problems, and people affected by underperforming programs deserve a government that actually improves their lives.

The next president should direct all federal departments and agencies to compile evaluation findings of their five lowest-performing programs that have run for longer than five years, in tandem with identifying five successful programs. Information from the Tough Choices panel (described above) could help inform this effort. Each department and agency should submit an improvement plan to OMB for overhauling the chronically ineffective programs, or a plan to phase out the program. Programs failing to improve after several additional years would be eliminated, with funding directed toward those successful programs with strong or moderate evidence of effectiveness. Only programs in existence for several years, with multiple evaluations, should be included in the review, otherwise new or untested programs will be victims or victors of hasty decision making.

## 18 Produce an Annual Invest in What Works Review.

The next president should require that the Director of OMB produce an annual review of the efficacy and efficiency of key federal programs that improve the lives of citizens. The report would highlight how the government is working to solve social problems, what it has learned, how it has improved outcomes, and what steps it has taken to ensure public resources are spent wisely.

Key elements would include:

- » **Brevity.** Make the report 10-15 pages in length, written in a concise, understandable manner. Make the report accessible to policymakers and the public, and specifically not designed for budget wonks or federal employees.
- » **Timing.** Release the report in November of each year to highlight the successes, failures, key lessons learned from evaluations, and innovations that can inform the president's next budget.
- » **Focus.** Organize the report not around the silos of existing federal agencies or programs but around key goals to improve the effectiveness and efficiency of government. Highlight examples of where the federal government is making progress in accomplishing the three principles of the What Works initiative:
  1. building evidence about what works;
  2. investing public dollars in what's proven to work; and
  3. improving what doesn't work or redirecting funds to other programs.
- » **Details.** Ask OMB to list evidence-based practices by agency and report the portion of each agency's grants that were made using evidence-based approaches.<sup>27</sup>

To make real progress on our nation's great challenges, the next president must make it a national priority—a centerpiece of his or her agenda—to **get better results with all taxpayer resources**. The president must use data and evidence to solve our communities' great challenges and instill confidence in the public that we are pursuing the best ways to do so.



# APPENDIX

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## BIPARTISAN EFFORTS TO IMPROVE THE IMPACT OF GOVERNMENT

For decades, national leaders—both Republicans and Democrats—have taken steps to improve the performance of the federal government by trying to get departments to track the right information and use it to inform government’s decision making and management.

### FIRST STEPS

The beginning of the last century saw blue-ribbon commissions to strengthen government performance and get better results. The 1912 Taft Commission recommended an executive budget, and the 1937 Brownlow Commission recommended ways to improve efficiency through reorganization and better management practices. Two Hoover Commissions in the 1940s and 1950s sought to reduce the number of government departments and increase their efficiency. The Grace Commission in the 1980s reported that one-third of all income taxes were consumed by waste and inefficiency, and another third escaped collection altogether.

The most recent three presidential administrations have made significant efforts to improve government performance across departments and within specific programs.

### CLINTON ADMINISTRATION EFFORTS

The Clinton administration emphasized the need to “reinvent government” to make a system that “works better, costs less, and gets results Americans care about.” Through the National Performance Review, led by Vice President Gore, the administration developed and implemented hundreds of recommendations to reduce overhead and regulatory costs and improve government operations.

#### Government Performance and Results Act

The Government Performance and Results Act (GPRA), originally passed in 1993, was aimed at improving federal government management by building something new into the structure of government—that is, a system to focus federal departments and agencies on results and provide actionable information to executive-branch managers and members of Congress. It required federal agencies to develop:

- » **Multi-year strategic plans** that identify the fundamental mission of the agency, general goals that would be used to achieve the mission, and resources needed to accomplish the mission;
- » **Performance plans** with 1) annual goals that are generally objective, quantifiable, and measurable, 2) measurable indicators to be used to determine if programs are meeting the goals, and 3) a summary of necessary resources used to meet the goal;
- » **Performance reports** on prior year performance within six months of the end of the fiscal year. In cases where the program is not meeting the goals, the reports must describe further action required, including revising unrealistic goals.

GPRA has been credited with establishing a solid foundation of results-oriented planning, measurement, and reporting in federal government, including more specific performance measures and results-focused management.

However, analysis suggests that the performance information collected is not regularly used in decision making. Managers reported that they had more access to performance data, but it was not clear that managers were making greater use of the data to improve performance. Additionally, GPRA did not address the need for more cross-agency coordination that could make programs more effective and break down program isolation.

### **GPRA Modernization Act (GPRAMA)**

In 2010, Congress reauthorized and modernized GPRA to provide a larger government-wide framework for planning and reporting purposes, improve agency-level planning, and improve cross-agency collaboration for specific policy areas.

The government-wide planning and reporting requirements are meant to improve long-term goals for the federal government within selected crosscutting policy areas and to identify management improvements needed across the government. They are developed every four years, beginning in a president's second year, and are informed by Congress every two years.

The GAO's most recent review of GPRAMA concluded that federal managers continue to struggle to effectively use data to make decisions or work across agencies as the act intended. They encouraged the administration to examine these difficulties across agencies, including identifying and sharing any promising practices from agencies that have overcome difficulties in measuring program performance.

## **BUSH ADMINISTRATION EFFORTS**

President George W. Bush, the first president with an MBA, was focused on making federal programs more accountable for results. His Office of Management and Budget established an innovative new rating tool called PART.

### **Program Assessment Rating Tool (PART)**

The Program Assessment Rating Tool (PART) was a set of questionnaires developed as a component of President Bush's Management Agenda to assess the effectiveness of federal executive branch programs. In 2002, OMB issued PART to executive branch agencies to be used in the FY2004 budget cycle to assess programs collectively using approximately 20% of the federal budget each fiscal year. PART assessed these programs every fiscal year for five years; in FY2004 & 2005, OMB assessed over 400 programs, totaling roughly \$1.1 trillion.

OMB designed a series of questionnaires for PART to be used for different types of programs. Each had approximately 30 questions that were divided into four sections. Each section provided a percentage of "effectiveness," and these numeric scores were averaged to create a single PART score according to the following weights: purpose and design (20%); strategic planning (10%); program management (20%); and program results/accountability (50%).

**The PART score was intended to affect and inform budget decisions but not result in automatic decisions about funding;** it served as a diagnostic tool to help improve program performance. However, there was little consensus on how to assess agency program performance via long-term and annual performance measures.

PART proponents viewed it as a necessary enhancement of GPRA. Department staff and OMB worked together to assess individual programs and create short- and long-term performance measures focused on results. PART posed useful questions highlighting program management and design flaws common in federal executive branch programs. For example, PART helped spot weaknesses in program performance, capitalize on program strengths, provide Congress with direction for re-authorizing legislation, and assist with strategic management. GAO stated that PART was crucial to structuring and disciplining how OMB used performance information for program analysis and budget development. However, because only 18 percent of FY2004 PART recommendations had a direct link to funding matters, PART's greater role was to provide support for recommendations on program design, assessment, and management. PART also brought a measure of transparency to performance information because OMB made PART assessments available to the public.

**PART reviews influenced budget decisions, but not all budget decisions were in alignment with PART reviews.** By FY2007, of the 141 programs that were recommended for cuts by the administration, only one-third had gone through the PART process. Of those, 12 were rated “adequate,” and three received the second highest rating of “moderately effective.” Additionally, nearly 40 percent of those programs slated for cuts were rated “results not demonstrated,” meaning the PART review was unable to develop acceptable performance goals.

Additionally, PART reviews tended to have more influence on budget decisions related to small- (less than \$75 million) or medium-sized (between \$75 and \$500 million) programs, compared to large programs (more than \$500 million).

**Critics of PART** argued that the one-size fits all approach (i.e., its limited number of questionnaires) overlooked the nuances involved in federal program design and implementation. PART also depended on program evaluations to demonstrate effectiveness, but many departments did not participate in such rigorous evaluations due to cost and time. For example, more than half of Department of Education programs were rated “results not determined.” The most common critique of PART was that assessments were viewed as subjective, inconsistent, and subject to political pressure/bias. It was seen to unfairly impact certain departments, and was accused of having the potential to be used as a political tool to shift power from Congress to the Executive Branch, because unlike in the case of the GPRA, there was no stakeholder or congressional participation.

## OBAMA ADMINISTRATION EFFORTS

Over the past six years, President Obama and his administration have increased the use of data and evidence to inform policy and funding decisions. The Obama administration created six tiered-evidence programs across the federal government.<sup>28</sup> The tiered-evidence approach has two breakthrough design principles: First, it provides more money to programs with higher levels of evidence (hence the tiers), creating a strong incentive to do what works. Second, it requires evaluations so that programs continue learning and improving.

The Obama administration has also launched three social-sector innovation funds that use evidence in the awarding and execution of grants to test promising ideas and to scale up proven solutions. Social-sector innovation funds are funds that focus on developing and scaling promising and potentially transformative community-based approaches that solve critical social problems. They include the Social Innovation Fund, the Investing in Innovation Fund (i3), and the Workforce Innovation Fund (which was subsumed by the Workforce Innovation and Opportunity Act of 2014).

In May 2013, the administration issued an executive order establishing a government-wide [open data policy](#). In July 2013, OMB issued a [memorandum](#) encouraging government agencies to 1) draw on existing credible evidence in formulating their budget proposals and performance plans and 2) propose new strategies to develop additional evidence relevant to addressing important policy challenges. Agencies were told that their requests for funding increases would be viewed more favorably if they demonstrated commitment to evidence and innovation.

On February 2, 2015, the Obama administration released its FY16 budget request, which included a large number of proposals for using data, evidence, and evaluation to improve federal programs, along with related material including:

- » White House Website [Evidence and Evaluation page](#) highlighting the administration's evidence and evaluation efforts to date;
- » White House Fact Sheet “[Building and Using Evidence to Improve Results](#)” and FY16 budget request chapter “[A Government of the Future](#),” which summarize the administration's evidence and evaluation agenda;
- » FY16 Budget Analytical Perspectives chapter “[Building Evidence with Administrative Data](#),” which describes the administration's efforts to make better use of administrative data for budget, management, operational, and policy decisions; and
- » White House Pay for Success Fact Sheet, “[Improving Outcomes through Pay for Success](#),” which highlights the administration's Pay for Success efforts to date.

## THE NEXT ADMINISTRATION

Regardless of all that has been done in the past few decades, much more remains to be accomplished in the years that lie ahead.

Past presidents have introduced new tools to improve government performance and focused on significantly improving the quality of services and efficiency. However, none has focused on **using evidence of impact as a way to reorient and improve funding and policy decisions**. That is, they have not assigned priority to using impact evidence up front to make better spending decisions, orchestrated a campaign to build evidence of impact about solutions critical to our nation's problems, or put in place tools to redirect money away from programs that are failing to produce outcomes based on evidence. Creating efficiency around an approach that is wrong or unnecessary in the first place is not the path to greater impact. A critical element of making sure government is more effective must be using evidence to figure out whether we are doing the right things.

By following the recommendations laid out in this playbook, the next president has the unique opportunity to learn from past efforts while making her or his own mark on the way government functions to improve the lives of Americans.

# END NOTES

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1. See Peter Orszag, “Don’t Get Too Excited About the Budget Deal,” in Bloomberg View, December 10, 2014, accessed at <http://www.bloombergsview.com/articles/2014-12-10/dont-get-too-excited-about-the-budget-deal>.
2. For a fuller treatment of what evidence means in the context of policy making, see Glenn Hubbard, “The Pursuit of Evidence,” in Jim Nussle and Peter Orszag, *Moneyball for Government* (Washington, DC: Results for America, 2014).
3. Numerous polls attest to public distrust of government. For one recent example, see Justin McCarthy, “Americans Losing Trust in All Branches of Gov’t: Confidence hits six-year low for presidency; record lows for Supreme Court, Congress,” (Washington, DC: Gallup, 2014), accessed at <http://www.gallup.com/poll/171992/americans-losing-confidence-branches-gov.aspx>.
4. We can all agree that it does not make sense for the government to do something more efficiently if it isn’t doing the right things in the first place. Nor does it do any good for the government to be doing something efficiently if it does not need to be done at all. A critical element of making sure government is more effective must be to use evidence of impact to figure out whether the government program in question is a factor in actually making a difference in improving lives, and if not, what can be done to learn and improve or redirect money to a program that can make a difference.
5. See “What Works Network” accessed at <https://www.gov.uk/what-works-network>.
6. See Charles S. Clark, “Could Obama’s Push for Evidence-based Program Evaluations Cross Party Lines?” in *Government Executive* October 8, 2014, accessed at <http://www.govexec.com/management/2014/10/could-obamas-push-evidence-based-program-evaluations-cross-party-lines/96122/>.
7. Bridgeland and Orszag, “Can Government Play Moneyball?” And see note #2 above.
8. Government Accountability Office, “Program Evaluation: Strategies to Facilitate Agencies’ Use of Evaluation in Program Management and Policy Making,” (Washington, DC: Author, 2013), accessed at <http://www.gao.gov/assets/660/655518.pdf>.
9. See Jim Shelton, “Testimony of Assistant Deputy Secretary for Innovation and Improvement Jim Shelton” for “Raising the Bar: How Education Innovation Can Improve Student Achievement” hearing before the US House of Representatives Committee on Education and Workforce, Subcommittee on Early Childhood, Elementary, and Secondary Education, February 14, 2013, accessed at <http://edworkforce.house.gov/uploadedfiles/shelton.pdf>.
10. See The William and Flora Hewlett Foundation, “Benchmarks for Spending on Evaluation” (Menlo Park, CA: Author, 2014), accessed at [http://www.hewlett.org/sites/default/files/Benchmarks%20for%20Spending%20on%20Evaluation\\_2014.pdf](http://www.hewlett.org/sites/default/files/Benchmarks%20for%20Spending%20on%20Evaluation_2014.pdf).
11. Ibid.
12. Ibid.
13. The phrase “power of a penny” comes from Robert Balfanz, who published a paper for Results for America demonstrating how a 1 percent investment in evaluation could improve US Department of Education programs. See Robert Balfanz, “The Power of a Penny: Building Knowledge to Invest in What Works in Education,” (Washington, DC: Results for America, 2014), accessed at <http://results4america.org/policy-hub/power-penny/>.
14. Ron Haskins, *Show Me the Results: Obama’s Fight for Rigor and Evidence in Social Policy* (Washington, DC: Brookings Institution Press, 2014).

15. See Hubbard, “The Pursuit of Evidence.”
16. Carolyn Heinrich, Peter R. Mueser, Kenneth R. Troske, Jacom M. Benus, et al., Workforce Investment Act Non-Experimental Net Impact Evaluation, IMPAQ International, [http://wdr.doleta.gov/research/FullText\\_Documents/Workforce%20Investment%20Act%20Non-Experimental%20Net%20Impact%20Evaluation%20-%20Final%20Report.pdf](http://wdr.doleta.gov/research/FullText_Documents/Workforce%20Investment%20Act%20Non-Experimental%20Net%20Impact%20Evaluation%20-%20Final%20Report.pdf).
17. What Works Clearinghouse Procedures and Standards Handbook Version 3.0 [http://ies.ed.gov/ncee/wwc/pdf/reference\\_resources/wwc\\_procedures\\_v3\\_0\\_standards\\_handbook.pdf](http://ies.ed.gov/ncee/wwc/pdf/reference_resources/wwc_procedures_v3_0_standards_handbook.pdf)
18. For a discussion of organizational capacity to use evidence to improve impact, see Leap of Reason Ambassadors Community, “The Performance Imperative,” (Cleveland, OH: Morino Institute, 2015), accessed at <http://leapofreason.org/performance-imperative/>.
19. For an introduction to Pay for Success, see Results for America, “Invest in What Works Fact Sheet: Pay for Success,” (Washington, DC: Author, 2015), accessed at <http://results4america.org/policy-hub/invest-works-fact-sheet-social-impact-bonds/>.
20. Information in this section comes from US Department of Education, “Performance Partnership Pilots” Homeroom Blog, accessed at <http://www.ed.gov/blog/2014/03/performance-partnership-pilots-an-opportunity-to-improve-outcomes-for-disconnected-youth/>.
21. The ideas in this section stem from Jeffrey Liebman, “Building on Recent Advances in Evidence-based Policymaking” (Washington, DC: Results for America and Brookings Institution, 2013) accessed at [http://www.brookings.edu/-/media/research/files/papers/2013/04/17%20liebman%20evidence%20based%20policy/thp\\_liebmanf2\\_413.pdf](http://www.brookings.edu/-/media/research/files/papers/2013/04/17%20liebman%20evidence%20based%20policy/thp_liebmanf2_413.pdf).
22. For more information, see United Way of Greater Milwaukee, “Teen Pregnancy Prevention,” accessed at <http://www.unitedwaymilwaukee.org/TeenPregnancyPrevention>.
23. For an introduction to educational productivity and the development of productivity metrics, see Ulrich Boser, “Return on Educational Investment: A district-by-district evaluation of US educational productivity” (Washington, DC: Center for American Progress, 2011), accessed at <http://cdn.americanprogress.org/wp-content/uploads/issues/2011/01/pdf/dwwroi.pdf>.
24. In 2011 the Office of Information and Regulatory Affairs at OMB led a [government-wide regulatory lookback process](#) requiring agencies to “reexamine their significant rules and streamline, reduce, improve, or eliminate them on the basis of that examination.” The lookback process yielded scores of measures to update regulatory regimes.
25. “Executive Order 13563—Improving Regulation and Regulatory Review,” on the website of the White House Office of the Press Secretary, January 18, 2011, <http://www.whitehouse.gov/the-press-office/2011/01/18/improving-regulation-and-regulatory-review-executive-order>.
26. See Sara Mead, “Renewing Head Start’s Promise: Invest in What Works for Disadvantaged Preschoolers” (Washington, DC: Results for America, 2014) accessed at <http://investinwhatworks.org/policy-hub/renewing-head-starts-promise-invest-works-disadvantaged-preschoolers/>.
27. See Jeffrey Liebman, “Building on Recent Advances in Evidence-based Policymaking” (Washington, DC: Results for America and Brookings Institution, 2013) accessed at [http://www.brookings.edu/-/media/research/files/papers/2013/04/17%20liebman%20evidence%20based%20policy/thp\\_liebmanf2\\_413.pdf](http://www.brookings.edu/-/media/research/files/papers/2013/04/17%20liebman%20evidence%20based%20policy/thp_liebmanf2_413.pdf).
28. Ron Haskins, Show Me the Results: Obama’s Fight for Rigor and Evidence in Social Policy (Washington, DC: Brookings Institution Press, 2014).



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