The Power of Evidence and Data to Advance an Equitable Economic Recovery

An Implementation Guide for the 2020 DPC Transition Team

October 2020

RESULTS FOR AMERICA

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I. Introduction

This memo outlines how the White House Domestic Policy Council (DPC) working in close coordination with the White House National Economic Council (NEC) and the White House Office of Management and Budget (OMB) can help the next administration develop, implement, and scale economic mobility policies and programs through an evidence- and data-driven approach. Specifically, this implementation guide:

- Recommends how to infuse evidence and data at DPC through structural and process changes;

- Describes evidence-based policymaking in the current federal landscape;

- Proposes how DPC can best prioritize evidence and data within a transformative economic recovery package in early 2021; and

- Outlines how DPC can promote innovation, continuous improvement, and the replication of proven solutions through strategic evidence-building plans.

The very idea of "recovery" has taken on new breadth, depth, and urgency as the United States continues to struggle with unprecedented economic, health, and social justice crises. During the coming period of national recovery, our country has an opportunity to not only repair damage, but to be bolder and more ambitious than ever before by investing in high-impact, results-driven initiatives to advance economic mobility.

Communities of color and low-income communities uniquely bear the burden of complex health and economic harms that have been exacerbated by COVID-19. Meanwhile, there is greater urgency to ensure racial justice and equitable economic mobility for communities of color. Fortunately, unprecedented levels of evidence and data provide the tools to increase the speed and effectiveness of government reforms, and the DPC should play a major role in advancing these goals through policies that get results.

II. Infusing Evidence and Data at the DPC Through Process and People

As the coordinator for the domestic policymaking process, the DPC's mission is to help ensure that programmatic decisions across the federal government are advancing the administration's stated goals. Grounding the DPC's agenda in evidence and data -- and creating structure and processes that prioritize such efforts -- would help maximize programmatic impact and improve the prospects of durable reform.

Evidence should not be viewed as a tedious, compliance-focused requirement imposed by OMB alone, but rather as a powerful tool with which to solve fundamental problems and attract bipartisan support for solutions. In full partnership with the NEC and OMB, the DPC can ensure that evidence and data are used as tools to improve results across all domestic agencies. But infusing evidence and data into decision-making requires an enhanced process and dedicated leadership structure within the White House to support this work.

Enhanced Process

By setting the policy agenda for domestic agencies and monitoring implementation, the DPC can play a unique role in driving an evidence-based policymaking agenda and improving outcomes for people. Policy memos that work their way through the interagency process drive decision-making throughout the federal government. The content of these memos often sets the agenda and focuses the attention of our country's highest leaders, including the President.

DPC Memo Template – Evidence Section

Adding a new evidence section to the DPC policy memo template would elevate data-driven decisions in a powerful way and encourage administration leaders to draw upon evidence-based solutions when making decisions. The DPC leadership (see more below) would work collaboratively with agencies on this new evidence section to highlight existing evidence or identify a plan for developing the evidence needed to support and evaluate the success of major new interventions. This could be as simple as ensuring that the major studies supporting a proposal are identified, their findings summarized, and their connection to the proposal described. In cases where a new program or investment lacks a solid evidence base, DPC leadership would work with agency leadership to present a plan for evaluating and building evidence as part of the proposal. This process would align with the implementation of the Foundations for Evidence-based Policymaking Act, which requires agencies to better coordinate and use evidence in decision-making (see more below in Section III).

Further, by connecting the information in the evidence section of the DPC memo to a larger government-wide strategic evidence-building plan (see Section V of this memo on strategic evidence-building plans), the DPC would be a key partner to OMB in ensuring federal investments deliver real results. In addition to collaborating with OMB, NEC, and agencies, DPC would work closely with the White House staff secretary, who reviews every

piece of paper that is presented to the President, to ensure quality analysis is included in the memos so the President is knowledgeable about the evidence base prior to making decisions.

State governments have been leading the way in using evidence to support policymaking. In particular, Minnesota Management and Budget asks agencies two key questions that could provide the basis for the evidence section of the DPC memo template. The Minnesota template asks state agencies to:

1. Summarize the expected programmatic impact of decisions on improving outcomes; and
2. Identify the existing source of evidence or an evidence-building plan for the proposed course of action.

Dedicated Leadership Structure

The DPC leadership team and staff must be committed to building and using evidence if our nation is to effectively and equitably recover from the COVID-19 pandemic. Traditionally, the DPC Director is supported by two Deputy Assistants to the President (DAP) who help the DPC achieve the President's policy goals. One of these DAP positions is reserved for the DPC Deputy Director. The other DAP position often goes to another presidentially appointed person who is leading a major effort or initiative within the administration. At the outset of the Obama-Biden Administration, for example, the Director of the White House Office of Social Innovation and Civic Participation (a new office created by the Obama-Biden Administration) served as the second DAP at DPC, which signified the importance of the social innovation initiative.

The next administration should appoint a DAP-level leader within the DPC to serve as the point person for evidence and data across the domestic federal agencies in partnership with the NEC Deputy Director and the Executive Associate Director at OMB. This DAP position would be responsible for the following:

- **Evidence-Based Policymaking:** Ensure that evidence and data are integrated into the DPC's policymaking process, including through the DPC memo template discussed above, and drive the implementation of the remaining recommendations in this memo. This person also would work collaboratively with OMB, NEC, and other White House offices to develop and implement the strategic evidence-building plan discussed in Section V below as well as to spearhead the administrative evidence-building actions described in that section.

- **Interagency Collaboration to Identify, Promote, and Scale Local Evidence-Based Interventions:** Lead a collaborative interagency approach to identifying, promoting, and scaling interventions developed at the state and local level that have preliminary, promising, and strong levels of evidence. This effort could also help identify and ease roadblocks to state and local efforts to build and use evidence to speed recovery, increase equity, and advance economic mobility in communities across the country.

- **Philanthropic Coordination:** Bring together the philanthropic community to identify and coordinate assets that can be leveraged to support the development and implementation of evidence–based solutions aimed at speeding recovery and economic mobility while advancing equity. Learning from experience in previous administrations, charging one person to coordinate communication with philanthropy can also ease the confusion and miscommunication that can arise when multiple people in different offices reach out separately to a relatively small group of philanthropic partners.

Creating a DAP–level position within the DPC entrusted with these responsibilities will ensure the next administration maintains its commitment to building and using evidence to advance economic mobility at the pace and scale our country needs.

III. Evidence–Based Policymaking in the Current Federal Landscape

The principle behind evidence–based policymaking is important: by using the best currently available evidence and data, policymakers can develop policies and direct funding in a way that improves outcomes as quickly as possible for the American people. Policymakers also should adopt a "continuous–learning" approach, using widespread experimentation and evaluation not only to identify effective interventions but to improve government investments over time and thereby address U.S. social problems in an ever more effective manner.

The past few years have seen dramatic shifts toward better incorporation of evidence and data in policymaking processes. Since 2015, Congress has passed landmark bipartisan legislation that is helping to identify and invest in what works in K–12 education ([Every Student Succeeds Act](#)), foster care ([Family First Prevention Services Act](#)), juvenile justice ([Juvenile Justice Reform Act](#)), and opioid prevention, treatment, and care ([SUPPORT for Patients and Communities Act](#)). Congressional leaders also took a major step forward in measuring and improving the impact of federal government programs with the [Foundations for Evidence–based Policymaking Act](#), known as the Evidence Act, signed into law in 2019.

The Evidence Act marks a major milestone in requiring federal agencies to evaluate the impact of their programs; scale the use of data, evidence, and evaluation in the policymaking process; and increase public access to federally held data. Specifically, the law:

- Requires all 24 federal agencies covered by the [Chief Financial Officers (CFO) Act](#) to include evidence–based policymaking in strategic planning;

- Mandates [agency learning agendas](#) and evaluation plans as part of annual performance plans, along with the designation of a career, senior agency employee as the Evaluation Officer;

- Establishes standards for evidence–building and statistical evaluation, as well as

requiring agencies to complete a [capacity assessment](#) of their statistics, evaluation, research, and analysis efforts; and

- Requires the designation of a Chief Data Officer and the creation of open data plans to enable researchers and policymakers to better explore multidimensional solutions to difficult social problems.

While the Evidence Act lays important groundwork for increasing the use of evidence-based policymaking, more action is required to ensure federal agencies build and use evidence and data to inform their fiscal and policy decisions. In particular, the Evidence Act cannot achieve its intended objectives if state and local governments and program participants are not brought in as partners in identifying key research questions and carrying out the analytics and evaluation activities to learn what works for different communities. To date, federal implementation of the Evidence Act has focused heavily on evaluations that will be carried out at the federal level with federally held data, with little stakeholder engagement or participant feedback. Federal agencies need to prioritize helping local governments promote innovation, continuous learning, and the scaling of proven solutions for their communities.

Evidence-Building Tools

Evidence can move as quickly as the world is changing; a commitment to evidence does not have to mean forgoing speed for a plodding approach. Real time analysis can help a program be more successful and applying different evidence tools at different stages is key. These tools can increasingly help government officials promote innovation, continuous improvement, and the scaling of proven solutions, starting with performance metrics and rapid-cycle tools and building toward strong evidence from randomized controlled trials wherever feasible:

- **Performance Metrics:** Key performance indicators (KPIs) and other forms of data collection that measure short term outputs and illuminate areas of progress and improvement on a regular basis;

- **Rapid Cycle Tools:** Real-time evaluation tools spanning A/B testing (randomized experiments with two variants), quasi-experiments (e.g., matched comparison groups, times series design), machine learning, and rapid cycle evaluation that measure initial effectiveness and identify promising emerging practices to implement and replicate; and

- **Randomized Controlled Trials (RCTs):** Well-designed and implemented RCTs can determine whether an intervention produces a statistically significant and positive, meaningful impact on desired outcomes for a target population. RCTs are a core component of strong evidence (as defined below) because, by incorporating a control group, they are uniquely designed to answer questions about how outcomes would differ in the absence of the intervention.

In addition, participant feedback mechanisms should be built into all programs to provide more immediate data on the experience of impacted communities as well as the programs' reach and operations — something America could desperately use right now, in the context

of large but uneven and inequitable economic relief measures. For example, the Census Bureau's weekly Household Pulse Survey has been a useful, if imperfect, real-time dataset revealing how the COVID-19 crisis is impacting families across the country.

Using Evidence in Policymaking

Evidence is a critical tool to achieve the best results and to generate bipartisan support for durable solutions. Strategies for using evidence in policymaking and funding allocations include the following:

- **Evidence Definitions:** Incorporating the following three definitions of evidence of effectiveness into federal fiscal and policy decisions can help ensure that taxpayer dollars are invested effectively and efficiently by promoting innovation, continuous improvement, and scaling of proven solutions:
  - o **Strong Evidence:** Interventions shown in well-conducted RCTs, carried out in typical community settings, to produce sizable, sustained effects on important outcomes. This category requires replication – specifically, the demonstration of such effects in two or more RCTs conducted in different implementation sites, or, alternatively, in one large multi-site RCT.
  - o **Promising Evidence:** Interventions that have been evaluated in RCTs or rigorous quasi-experimental studies, and found to have positive effects that are sizable, but not yet conclusive (e.g., due to only short-term follow-up, a single-site study design, well-matched comparison groups but not randomization, or effects that fall short of statistical significance).
  - o **Preliminary Evidence:** Interventions that have evidence based on a reasonable hypothesis and supported by credible research findings, including where possible an assessment of participant views to better understand the confidence a community has in the impact of the government investment. Such evidence suggests the intervention may be an especially strong candidate for further research but does not yet provide confidence that the program would produce important effects if implemented in new settings.

- **Tiered-Evidence Funding Frameworks for Grants:** Using the evidence definitions above, tiered-evidence funding frameworks can be used in government social programs to provide different sized grants to help develop and implement innovative pilots that have preliminary evidence; refine and rigorously evaluate interventions and strategies that have promising evidence; and scale up only those interventions that have strong evidence of meaningful impacts on important outcomes. This framework ensures that grant amounts are commensurate with a proposed intervention's level of evidence, directing more dollars towards interventions that have demonstrated evidence of effectiveness.

- **Formula and Entitlement Program Innovation:** Using the following approaches can encourage innovation in formula grant programs and entitlement programs to further deepen their impact:

o **Waiver Demonstrations:** Waiver demonstrations are used in major entitlement programs such as Medicaid, child welfare, and federal student aid, as well as some formula grant programs. They allow jurisdictions or providers to modify existing program rules to test new approaches to achieving program goals. When coupled with strong evaluations, waiver demonstrations can be used to build evidence about what works, for whom, and under what conditions. By including a strong cost analysis, they can also identify interventions that lead to cost savings and a return on investment for taxpayers.

o **Evidence Set-Asides:** Setting aside a certain percentage of formula grant funds for interventions with evidence of effectiveness is another tool to increase the impact of federal funds. For example, the Every Student Succeeds Act (ESSA) requires state education agencies to set aside at least seven percent of their ESSA Title I, Part A funds (representing $1.1 billion in FY19) for interventions that meet the law's three highest levels of evidence.

Using Evidence to Advance Equity

Equity and inclusion must be at the forefront of fiscal and policy decisions. While data and evaluations can sometimes mistakenly reinforce biases, government decision-makers who have access to more and better information—and who are trained to navigate the nuance and possible bias in this information—can use data to identify disparate racial outcomes, understand the core problems, and target resources to solutions that work to close gaps. A drive toward building and using evidence and data can expand opportunity and inclusion. At the most basic level, federal, state, and local governments must be able to measure, using disaggregated data with strong privacy protections, whether government investments are having the intended effect, closing racial gaps, and accelerating economic opportunity.

A good example of how rigorous evidence can open economic opportunities is the Accelerated Study in Associate Programs (ASAP) program developed by the City University of New York (CUNY). Recognizing the many barriers that community college students face in graduating on time, ASAP provides academic, personal, and financial support to low-income students to help them earn an associate's degree within three years. ASAP was first rigorously evaluated in New York City, with a sample of low-income community college students that were 44% Hispanic, 34% Black, and all were either eligible for a Pell grant or had family income below 200% of the federal poverty level. A well-conducted RCT found, at eight-year follow-up, that ASAP increased college graduation rates by 11 percentage points (relative to the control group's rate of 44%) — thus demonstrating meaningful gains for this low-income, largely minority student population. Furthermore, a second (replication) RCT of ASAP carried out in Ohio has also reported large impacts on college graduation rates.

A strong example of applying an equity lens to evidence-based policymaking is King County, Washington's Best Starts for Kids initiative. In re-evaluating its approach to procurement and delivering health and human services for children and families, King County engaged human service providers, service recipients, and community groups. The county gathered feedback, identified community-defined objectives for improvement, and established outcome goals for each contract. It also invested in technical assistance

and capacity building to break down barriers to applying for government contracts. Data dashboards and qualitative feedback loops ensured that adjustments could be made during implementation that helped providers meet their outcome goals. At the same time, the initiative preferenced evidence-based interventions and incorporated evaluation to build new evidence about innovative approaches. The results were a more diverse provider network, a shift in program focus to early intervention services, enhanced use of data in decision-making, and – most importantly – improved outcomes for a diverse array of children and families. In 2019, for example, 76% of children ages 0–5 served showed progress in using appropriate behaviors to meet their needs, 75% showed progress in acquiring and using new knowledge and skills, and 74% showed progress in positive social/emotional skills and relationships. Best Starts for Kids shows the important role that participant feedback can have in designing programs and developing outcome goals that meet the needs identified by individual communities. A logical next step for this type of innovative approach is to continue to build evidence of effectiveness, including conducting an RCT when ready, so that it can be continuously improved.

IV. Prioritizing Evidence and Data Within a Transformative Economic Recovery Package

The next administration must work together with Congress to pass a transformative economic recovery package that creates millions of jobs while promoting economic mobility and equity for working families throughout our country. Successfully implementing the largest recovery effort since the New Deal in an expedited time frame will require an ability and willingness to shift resources quickly. DPC should work with OMB, NEC, and federal agencies to direct resources toward evidence-based interventions that work.

Evidence-Based Implementation of an Economic Recovery Package

As each pillar of the economic recovery package is implemented, the implementation team should be looking for evidence-based solutions to achieve the targeted goals. A recent study by NORC at the University of Chicago found that 92% of Americans think that policymakers should seek the best evidence and data available when making decisions. Importantly, these results were consistent across party lines: A full 94 percent of Democrats and 92 percent of Republicans supported the notion that politicians should make decisions with the best data and evidence.

Moreover, the 2020 Democratic Party Platform supports evidence-based policymaking, noting "to ensure that federal funds are invested as effectively and efficiently as possible, the federal government should be using the best available evidence when making budget and spending decisions... Democrats support the widespread use of strategies to promote evidence-based policymaking, including more robust evaluations of tax expenditures and allocating funds for program evaluation, to help ensure the American people are receiving the most productive, efficient services from our federal government."

For all of these reasons and more, the evidence definitions and evidence-building tools described in Section III should be incorporated into the 2021 recovery package to help meet the higher education, workforce, caregiving, early childhood education, housing, and re-entry policy goals highlighted below:

WORKFORCE AND HIGHER EDUCATION

- **Policy Goal: To create and expand community college workforce training programs and invest in community-based and proven organizations that help women and people of color access high-quality training and job opportunities.**

    Examples of Evidence-Based Interventions

    - The City University of New York's Accelerated Study in Associate Programs (ASAP) is a comprehensive community college program that provides academic, personal, and financial support to low-income college students who need remedial education, with the goal of increasing college graduation rates. A well-conducted RCT found that ASAP increased college graduation rates by 11 percentage points at eight-year follow-up. (Strong Evidence)

    - Per Scholas provides employment and training to low-income workers focused on the information technology sector. Two well-conducted RCTs found that Per Scholas increased average earnings by 20%–30%, or $4,000–$6,000, two to six years after random assignment. (Strong Evidence)

    - Project Quest offers tuition subsidies and support to low-income San Antonio residents for pursuing high-demand community college degrees. A well-conducted RCT found that Project Quest increased average earnings by $5,000 per year, nine years after random assignment. (Promising Evidence)

    - Nevada's Reemployment and Eligibility Assessment (REA) is a mandatory program for Unemployment Insurance (UI) claimants, which provides an in-person review of their UI eligibility, and personalized reemployment services. A well-conducted RCT found that REA increased earnings by $2,988 per claimant, increased the employment rate by four percentage points, and generated net savings to the UI system of $765 per claimant 18 to 26 months after random assignment. (Promising Evidence)

CAREGIVING AND EARLY CHILDHOOD EDUCATION

- **Policy Goal: To provide all 3- and 4-year-olds access to free, high-quality pre-kindergarten and invest in wraparound services for parents.**

    Examples of Evidence-Based Interventions

    - Project Upgrade's Breakthrough to Literacy intervention was designed to improve the language and pre-literacy skills of low-income preschoolers in Miami-Dade

County child care centers. An RCT of [Breakthrough to Literacy](#) found that four years after the end of the intervention (i.e., spring of 2nd grade), the intervention moved the average child from the 50th to the 67th percentile in reading and from the 50th to the 61st percentile in math. (Preliminary Evidence)

- [Montessori](#) preschools provide a flexible education curriculum in multi-age classrooms, providing children with freedom to choose which educational activities they engage in and whether they work alone or with peers. A [well-conducted RCT](#) of two public Montessori preschools in Connecticut found, at three-year follow-up (i.e., the end of kindergarten), that these preschools moved the average child from the 50th to the 66th percentile on a standardized measure of math and literacy outcomes. (Promising Evidence)

- [Nurse-Family Partnership](#) is funded in part by the federal [Maternal Infant and Early Childhood Home Visiting](#) (MIECHV) program, which supports evidence-based home visiting programs across the country. It is a nurse home visitation program for first-time mothers — mostly low-income and unmarried — during their pregnancy and children's infancy. Well-conducted RCTs have found: (i) reductions in child abuse/neglect and injuries (20%– 50%); (ii) reduction in mothers' subsequent births (10%–20%) during their late teens and early twenties; and (iii) improvement in cognitive/educational outcomes for children of the most at-risk mothers (e.g., six percentile point increase in elementary school reading/math achievement). (Strong Evidence)

- Head Start and Early Head Start, the largest federal programs that provide comprehensive early childhood development services to low-income children from birth to five-years old, could also be an important element of expanding early childhood care, especially by incorporating evidence-building definitions and tools into a renewed Head Start Act.

HOUSING

- **Policy Goal: To bolster programs that improve housing affordability for renters.**

  Examples of Evidence-Based Interventions

  - [Critical Time Intervention](#) (CTI) is a case management program to prevent recurrent homelessness in people with severe mental illness leaving shelters, hospitals, or other institutions. [Two well-conducted RCTs](#) found that CTI led to a 60% reduction in the likelihood of homelessness 18 months after random assignment. (Strong Evidence)

  - [Housing First](#) is a housing placement and services program for homeless individuals with serious mental health issues, which prioritizes placing them in stable housing through rental subsidies before then providing additional case management assistance. A [well-conducted RCT](#) in Canada found that Housing First doubled the percentage of individuals who were stably housed, from 30% in the control group to 60% in the Housing First group, at the two-year follow-up. (Promising Evidence)

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SUPPORT FOR PEOPLE RE-ENTERING THE WORKFORCE

- **Policy Goal: To bolster programs that provide a pathway for people re-entering the workforce, including formerly incarcerated persons.**

    Examples of Evidence-Based Interventions

    - The Center for Employment Opportunities (CEO) offers a life skills course, followed by placement into a transitional job and post-placement services at a cost of $4,800 per participant. CEO increased employment by 24.5 percentage points in the first year, however, there were no differences in any employment outcomes for the participants in years two and three, according to MDRC's 2012 RCT. (Preliminary Evidence)

    - Goodwill's Transitions San Francisco offers an assessment, two weeks of job-readiness training, and placement into subsidized jobs, costing about $8,460 per participant. A well-conducted RCT found that Goodwill's Transitions program increased earnings by $2,160 in the last year of a 45-month follow-up. (Preliminary Evidence)

V. Promoting Innovation, Continuous Improvement, and Scaling Proven Solutions Through Strategic Evidence-Building Plans

To meet the needs of the moment, any effort to invest in economic recovery must include making big gains in our largest federal programs, including major entitlement programs. Building on the prioritization of evidence and data within the administration's economic recovery package in early 2021, the DPC has an opportunity to prioritize evidence and data to promote innovation, continuous improvement, and the scaling of proven efforts through the strategic use of evidence.

Beginning in 2021, the DPC should work with OMB to prepare a comprehensive Strategic Evidence-Building Plan that leverages provisions in the Evidence Act to promote innovation, support continuous improvement, and scale proven solutions across programs — from small grant programs to large highly impactful entitlement programs, such as the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF). By including both administrative actions that could be implemented without Congressional approval and legislative options to cement more structural changes, the Strategic Evidence-Building Plan would cover a variety of political scenarios while embedding evidence-based policymaking into the longer-term culture of the federal government.

Administrative Actions and Coordination

Through administrative actions and coordination, the next administration can create the infrastructure with which to make better evidence–based decisions without the necessity of congressional action, including:

- **Create Impact Funds for State and Local Government Partnerships:** Ensure focused and dedicated funding for evaluations of economic mobility efforts by directing the largest federal social services agencies to create new State and Local Government Impact Funds that help city, county, and state governments build their data, evidence–building, and evaluation capacity aligned with each agency's own evidence–buildings plans.

- **Establish a Racial Equity Accountability Training Fund:** Engage community voices to define priority problems and desired outcomes by providing training and technical assistance funding to local governments that want to prioritize racial equity in their operations and close racial gaps in outcomes. Working with community–based partners and their relevant federal agency partners, local governments would build strategic plans, such as this one in King County, Washington, to use evidence and data to deliver better results and promote racial equity in their community.

- **Strengthen Evidence–Building with Service Providers:** Build the evidence–base and improve understanding of how to scale what works by prioritizing funding in the President's budget for tiered–evidence programs like the Department of Education's Education Innovation & Research initiative and the Corporation for National and Community Service's Social Innovation Fund, as well as creating other programs that promote innovation, continuous improvement, and scaling of proven solutions in key federal agencies. Evaluation capacity also should be built by issuing regulations for competitive and noncompetitive grant programs that require grant recipients to participate in agency–led evaluations as a condition of receiving funding. In entitlement and formula programs, waiver demonstrations should require a rigorous evaluation to assess the impact of the program changes, including cost savings or return on investment if these are measurable.

- **Set Aside Funds to Support Learning and Evaluations:** Increase the government's evidence–generating capacity by directing agencies to use their existing administrative authority to set aside no less than 1% of discretionary competitive grant program funds for evidence–building, which includes evaluations, data systems, and capacity building.

- **Define and Prioritize Evidence of Effectiveness:** Make the federal government more effective and efficient by defining and prioritizing evidence of effectiveness in all discretionary competitive grant programs as described in Section III of this memo.

- **Support Research and Development Projects that Increase Shared Prosperity:** Support partnerships between federal social services agencies that currently lack sufficient science and technology capacity and agencies with expertise and excess capacity like the National Science Foundation (NSF) and use flexible hiring authorities to recruit people with expertise in science, technology, and innovation (such as human–

centered design, data science, machine learning, and open innovation) to apply that expertise to our nation's most pressing social challenges.

- **Bolster Evidence Act Implementation:** Support aggressive implementation of the Evidence Act by ensuring that agencies incorporate findings from learning agendas, information from agency capacity assessments, and other evidence into the agency strategic plans due in February 2022 in order to inform future budget requests.

Legislative Pathways

Since new federal legislation is likely necessary to be able to define and prioritize evidence within the largest federal grant programs, the next administration should work with Congressional leaders to implement the following priorities in the federal budget:

- **Support State and Local Governments to Increase the Impact of Federal Investments:** Create incentives in formula funded or block grant programs to spend dollars in a new and equitable way by inserting into any new authorizations for block grant programs the requirement that state and local governments invest at least 5% of their funds in interventions meeting the highest level of evidence. This percentage should increase in future years. This set–aside approach was used by Congress in ESSA, and Nevada is a successful example of how a state took advantage of this federal approach to improve the impact of both federal and state dollars.

- **Create Economic Mobility Tiered–Evidence Funds:** Promote innovation, continuous improvement, and the scaling of proven interventions across economic mobility issue areas by: (1) creating a new Economic Mobility Scaling Fund at the U.S. Treasury Department that only funds programs and interventions with the strongest evidence of effectiveness in advancing economic mobility and (2) creating new and funding existing tiered–evidence programs at the Departments of Education, Labor, Housing, and HHS that would both grow the body of evidence that exists about what works and scale programs demonstrated to work to achieve the administration's policy commitments in these areas.

- **Increase Evaluation, Oversight, and Transparency of Tax Expenditures:** Conduct more and better evaluations of tax expenditures by expanding the capacity of federal government agencies to undertake such evaluations. Tax expenditures, spending–like subsidies and special preferences given to individuals or corporations embedded in the tax code (e.g., differential tax rates), cost taxpayers roughly as much as domestic discretionary programs, yet receive very little scrutiny from government evaluators. Many large tax expenditures have existed for decades with limited oversight, despite independent research often finding them to be inefficient at achieving their purported goals. The next administration should start by directing funding evaluations by policy offices within the Executive Branch, namely by the Office of Tax Policy (OTP) within the Treasury Department, to evaluate tax expenditures.

- **Develop Bipartisan Evidence Act II with Congress:** Develop legislation that implements the other recommendations that were unanimously approved by the bipartisan Commission on Evidence–based Policymaking. The Evidence Act provided an important initial foundation for growing the evidence and data capacity of federal agencies. A bipartisan Evidence Act II that implements the remainder of the commission's recommendations, especially the National Secure Data Service, would further build this foundational capacity and provide an important example of bipartisan agreement in the first year of a new administration.

- **Increase the Capacity of Federal Agencies to Harness Evidence and Data to Advance Economic Mobility:** Build the culture, talent, and skills within federal social service agencies to use evidence and data while respecting and investing in career development for civil servants. Use flexible hiring authorities to recruit people with expertise in science, technology, and innovation (such as human–centered design, data science, machine learning, and open innovation) to apply that expertise to our nation's most pressing challenges.

A federal government–wide Strategic Evidence–Building Plan will take time to develop. Some of these administrative and legislative measures will help get better results in the near term, while others will take a while to build the evidence needed for real impact. By prioritizing these recommendations during its first year, the DPC has the opportunity to learn from the innovative policies it will be implementing through the economic recovery package and create long–lasting impact from those lessons.

VI. Conclusion

The challenges and uncertainties that await the next administration are enormous. As our country moves beyond immediate COVID relief, we must launch into a recovery effort that focuses on advancing economic mobility as a top priority. This is the greatest opportunity to transform our nation's economic and social framework since the New Deal, and we have to ensure the investments we are making will provide fair and equitable opportunity while advancing racial equity in real and measurable ways. Policy plans outlined today might need to look very different in January 2021 in order to meet the gravity of the moment. But whatever the policy agenda and legislative landscape looks like, the DPC's leadership in implementing a recovery package in an evidence– and data–driven manner will help get better near–term results for the American people while investing in long–term prosperity and opportunity.

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results4america.org

info@results4america.org

@Results4America

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