6. BUILDING AND USING EVIDENCE TO IMPROVE GOVERNMENT EFFECTIVENESS

The Administration is committed to a vision for results-driven government that improves mission delivery and directs taxpayer dollars to the most effective and efficient purposes. Achieving this vision means ensuring accountability for results, having the necessary analytical tools, identifying and investing in effective practices, and accessing and using data to transform it into evidence that informs action. With stronger evidence, we can learn from and improve programs to better serve the American people.

The bipartisan Ryan/Murray Commission on Evidence-Based Policymaking was charged with determining how the Federal government could improve how it builds and uses evidence to improve policies and programs, and overcome the current obstacles to doing so. The Commission's September 2017 *final report* articulates its vision of "a future in which rigorous evidence is created efficiently, as a routine part of government operations, and used to construct effective public policy." The Commission identified many barriers to the effective use of government data to generate evidence, and recommended strategies to improve data access in a secure and accountable manner and strengthen Federal capacity to build and use evidence. These strategies recognize the power of data and evidence to improve government while reducing burden on the American public. The Commission concluded that achieving this vision requires Executive Branch leadership, including that of the White House Office of Management and Budget (OMB). The Administration supports the Commission's vision and believes that evidence-based policymaking is a cornerstone of effective and efficient government. As described in this chapter, implementing this vision requires the infrastructure and capacity to credibly build and use evidence and develop a culture of learning and continuous improvement.

Building the Infrastructure for Evidence-based Policymaking

Effective and efficient government requires understanding how well current policies and programs are working, and identifying alternatives for improvements. A variety of considerations go into decision-making, but incorporating evidence is crucial. Multiple forms of evidence—including evaluations, program monitoring, performance measurement, statistics, and other forms of research and analysis—can inform decision-making. For example, statistical indicators examined over time provide context in which policies are set and programs operate, performance data can be used to measure outcomes, and evaluations can inform understanding of program and policy variations and their impacts. The best forms of evidence to use depend on the questions being asked, the current state of knowledge, the context in which a policy or program operates, and practical and methodological considerations.

Routinely creating and using evidence requires a strong infrastructure and commitment. The *President's 2018 Budget* outlined widely accepted principles and practices for evaluation, which, along with similar principles and practices for Federal statistics, provide the foundation to build and use evidence. The 2018 Budget encouraged agencies to think about evidence-building broadly, highlighting how a range of analytic activities can contribute to building and using evidence. To be successful however, agencies need a strong evidence infrastructure, including hiring and deploying trained staff; ensuring independence and rigor in statistics and evaluations; using cost-effective, cutting-edge methods; and bringing evidence to bear in policy and program decisions. This infrastructure will also support agencies in making better use of existing administrative data by ensuring that there are processes and tools in place to use and share data in appropriate and secure ways. This Budget reaffirms and builds upon these evidence principles and practices, and further articulates the Administration's vision for building and using evidence.

Current Federal Landscape

Building and using evidence: Ensuring that evidence can inform policy or program development and implementation requires coordination, agency leadership, available data, robust information technology and other tools, and relevant expertise, among other factors. Using evidence in decision-making entails ongoing coordination between those implementing and managing the operations of a program, including its data, and those responsible for using analysis to determine program effectiveness, opportunities for program improvement, and future policy options. Evidence-based policymaking requires strong leadership from multiple parts of an agency—agency officials, program administrators, performance managers, strategic planners, policy and budget staff, evaluators, analysts, and statisticians—to ensure that data and evidence are developed, analyzed, understood, and acted upon appropriately. Yet, current capacity in Federal agencies to build and use evidence varies widely. While some agencies have made great progress in integrating evidence into policy development, strategic planning, and day-to-day decision-making and operations, in other agencies, the creation and use of evidence is often isolated or limited.

Program evaluation: An important form of evidence-building is program evaluation. Evaluation involves the systematic application of rigorous scientific methods to assess the design, implementation, outcomes, or impact of a policy or program. Evaluation can answer essential questions regarding program effectiveness and cost-

efficiency—questions that cannot be answered through performance measurement and monitoring, descriptive statistics, or simple analysis of program data alone. It can answer the questions "did it work and compared to what?" and "would these outcomes have occurred regardless of the program or did the program intervention make the difference?"

However, there is tremendous variation across Federal agencies in their capacity to conduct evaluations, as well as the sophistication and rigor of their evaluation capabilities. Unlike complementary government functions like performance measurement and statistics, there is not a formal, comprehensive infrastructure for Federal evaluation to support consistency across agencies, exchange information, allow for the promulgation of principles and practices, and coordinate and collaborate on areas of common interest. As a result, we lack any evaluation findings for many policies and programs, which greatly limits evidence-based policymaking. A strong infrastructure for Federal evaluation would allow formal coordination and support of evaluation activity across agencies in order to improve evaluation within individual agencies, and enhance the quality, utility, and efficiency of evaluation across government.

Some agencies have impressive evaluation capacity and activity, with independent, centralized evaluation offices working across the agency to conduct rigorous and relevant evaluations. In other cases, agencies have strong evaluation components, but they are in silos that limit their scope and prevent them from leveraging evaluation resources and expertise throughout the agency. Many agencies do not understand or undertake evaluation, or conduct poor-quality evaluation that is of limited utility and may provide misleading or incorrect information. Agencies need to increase their expertise and evaluation capacity to ensure the necessary evidence and understanding to inform program and policy decisions and improvements. One recent successful strategy for increasing agency capacity is the Office of Evaluation Sciences (OES) at the General Services Administration, which pairs experts with Federal agency partners to conduct evaluations that identify cost-effective ways to improve certain policies and programs. OES has had particular success in using existing administrative data at agencies to conduct low-cost evaluations that test no- or very low-cost changes to programs and agency processes. OES complements the evaluation activities at a number of Federal agencies, including bridging gaps at agencies that have limited or no evaluation capacity.

Key Strategies to Strengthen Evidence

A Federal commitment to building and using evidence requires effective strategies. A number of evidence-building strategies are being used across Federal agencies and programs, and new strategies are proposed in this Budget. These strategies vary in their focus and mechanisms, but all serve to enhance how we build and use evidence.

Evaluation principles and practices: The commitment to strengthen Federal evaluation and adhere to key principles and practices was articulated in the President's Budget for 2018. While the process for developing a set of evaluation standards is ongoing, fundamental principles emerge as common themes in established U.S. and international frameworks, as well as several official Federal agency evaluation policies.[1] These principles include rigor, relevance, independence, transparency, and ethics. Principles and practices for evaluation help to ensure that Federal program evaluations meet scientific standards, are relevant and useful, and are conducted and have results disseminated without bias or inappropriate influence. These principles, along with similar ones in place for statistical agencies, provide a foundation for furthering agencies' capacity to routinely build and use high-quality evidence to improve program performance and identify policy options. They also help evaluation offices maintain standards across changes in leadership and personnel. The new guidelines for monitoring and evaluation of foreign assistance, issued in January 2018 as required by the Foreign Aid Transparency and Accountability Act of 2016, also include a set of similar principles.

Designated evaluation officials and offices: For complementary Federal systems, such as performance and statistics, an essential component is having a designated senior official in each agency responsible for coordinating agency activity in the area, providing necessary direction and guiding relevant resources within the agency, serving as a point of contact for other agencies and OMB, and being accountable for agency performance. Agencies with strong evaluation capacity have an independent evaluation office with the organizational standing, resources, independence, and expertise to inform agency leadership, collaborate with policy and program staff, and coordinate with statistical and performance offices. The most effective approach for strengthening Federal program evaluation includes having centralized, independent evaluation offices at agencies, each with a senior career official possessing evaluation expertise and experience given lead responsibility for evaluation at the agency. To minimize budgetary impacts and agency burden, agencies should develop structures most appropriate to their particular context that allow them to make efficient and flexible use of existing resources.

Some agencies already have established centralized evaluation functions, while other agencies are strengthening these functions and are establishing evaluation offices staffed with relevant expertise. For example, the Small Business Administration (SBA) recognized the need to strengthen evidence-based decision-making to support continuous learning and organizational effectiveness and efficiency. The agency recently established a team of evaluation experts in its performance management office, and is building an evidence registry, establishing a community of practice, coordinating an agency-wide learning agenda, and conducting independent evaluations to support their new framework. The SBA will make evaluation results public and incorporate findings into its performance

[1] For example, the Chief Evaluation Office at DOL, the Administration for Children and Families at HHS, the Office of Policy Development and Research at HUD, and Statistical Policy Directive No. 1: Fundamental Responsibilities of Federal Statistical Agencies and Recognized Statistical Units.

management framework. In September 2017, the US Department of Agriculture (USDA) Rural Development Innovation Center established a Data Analytics and Evidence Team that is quickly establishing processes and protocols to conduct independent, rigorous, and relevant program evaluations across rural development programs to build a more robust portfolio of evidence. The 21st Century Cures Act, enacted in 2016, includes provisions to strengthen leadership and accountability for behavioral health at the Federal level and to ensure that mental health and substance abuse programs keep pace with science and technology. The Act requires the Substance Abuse and Mental Health Services Administration (SAMHSA) to disseminate research findings and evidence-based program models to service providers, ensure that grants are evaluated, strengthen the role of the Chief Medical Officer and a new Office of Evaluation, and create a National Mental Health and Substance Use Disorder Policy Laboratory to promote evidence-based practices and services.

Multi-year learning agendas: Learning agendas are a way to allow agencies to plan how to focus evaluation and evidence-building activities over a multi-year period, while enabling them to modify these agendas as needed to reflect changing priorities and new learning. Through collaborative development of such agendas, agencies can identify critical questions and the evidence needed to answer these questions, given agency priorities, available resources, and challenges. Learning agendas should reflect current knowledge and availability of data, identify where new data collection is necessary and how to effectively build evidence, highlight opportunities for cross-agency collaboration and using common tools and resources, and be modified over time to reflect changing priorities and new evidence. The learning that results should be shared with agency leadership, policy and program staff, and key stakeholders in order to facilitate policy and program improvement. For example, the Social Security Administration (SSA) effectively balances comprehensive, long-term research planning in retirement and disability policy with the need to respond to emerging issues and make adjustments given new challenges and information. Through its Retirement Research Consortium and Disability Research Consortium, SSA has cooperative agreements with universities and research organizations. These agreements give SSA access to a pool of independent experts that address priority questions and identify additional issues for consideration, collaborate with SSA researchers to access administrative data and conduct analyses, and quickly respond to unanticipated needs. The resulting portfolio of evidence addresses the priorities of SSA leadership, policy and program staff, Administration officials, Congress, and key stakeholders.

Strengthening interagency coordination: The Federal evidence community is increasingly sharing lessons learned, strategies, tools, and insights from building and using evidence through agency-led trainings, an online Federal community of practice, and dissemination of common standards and metrics. Such coordination is critical for sharing new methods throughout the government and enabling agencies with less experience to learn from more experienced peers. Even for agencies sophisticated in evidence-building, interagency coordination is needed to avoid duplication, highlight service delivery differences, and develop comparable performance measurement systems for analysis and evaluation. A notable example of such interagency coordination is the bipartisan Workforce Innovation and Opportunity Act (WIOA, PL 113-128), which reauthorized the workforce system for the first time in 15 years, improving coordination, collaboration, and service delivery across the six major Departments of Labor (DOL) and Education employment and training programs. For the first time, these core programs were required to conduct joint state planning and report on a standardized set of employment-oriented performance metrics (e.g., participants' placement in a job). In addition to the core WIOA programs, DOL is also aligning performance indicators and data element definitions across most of its other employment and training programs to report on the WIOA performance indicators. States also have the option to fold additional programs or activities into their strategic planning, including the Temporary Assistance for Needy Families (TANF) program, Supplemental Nutrition Assistance Program (SNAP), Community Services Block Grant, and others. In the first round of state planning, 29 states elected to include non-required programs in their plans, indicating states' desire for broader cross-program coordination.

Funding flexibilities and set-asides: Rigorous, independent evaluations and statistical surveys are essential for building evidence. Yet, this inherently complex, dynamic work can span several fiscal years, encompass timing uncertainties, and involve cost variances. For example, the announcement of a new program or policy priority may be delayed, which could postpone procurement of an independent evaluator to study the program's implementation and effectiveness. Similarly, a study's design may need to be altered to respond to natural disasters or factors that were not anticipated. Further, although estimates based on prior work can inform timelines necessary to obtain a sufficient number of study or survey participants, the actual time needed can fluctuate. Many other factors can influence timing and schedule changes during implementation of an evaluation, research, or statistical project such as technological advancements for collecting and analyzing data that may yield significant project efficiencies. Additionally, funding parameters and available Federal procurement strategies and processes often lack the flexibility and agility needed to address the dynamic nature of evaluation and statistical projects. Inflexible appropriations and agency processes may also limit agencies' ability to coordinate on studies of mutual interest and combine funding sources, even though there are important benefits to doing so, including cost efficiencies, burden reduction, and shared learning. In order to improve efficiency of these projects and use of funds, the Budget proposes to leverage existing flexibilities and give agencies the ability to spend funds over longer periods of time. Another proposed flexibility rewards agencies who

efficiently and effectively use funds by allowing them to put unused contract funds towards other priority evaluation or statistical activities.

Specifically, the Budget includes a previously enacted general provision (PL 115-31 K, Title II, Sec. 232) allowing the Department of Housing and Urban Development (HUD) to deobligate and then reobligate—in the same fiscal year or the subsequent fiscal year—funds that are unexpended at the time of completion of a contract, grant, or cooperative agreement for research, evaluation, or statistical purposes. A general provision in the Budget will provide this flexibility for other agencies and extend the period of fund availability to five years for funds appropriated or transferred for evaluation, research, and statistical activities in the Department of Labor's Chief Evaluation Office and Bureau of Labor Statistics and Health and Human Services' (HHS) Assistant Secretary for Planning and Evaluation and Administration for Children and Families' (ACF) Office for Planning, Research and Evaluation. These flexibilities will allow agencies to better target evaluation and statistical funds to reflect changing circumstances as a study unfolds.

The Budget also uses set-asides to ensure that agencies have adequate resources to undertake rigorous evaluations. For example, the 2019 Budget enhances research and evaluation on child care supply, demand, and quality through the utilization of the full statutory research and evaluation set-aside of one-half of one percent of funding for the HHS Child Care and Development Fund. As another example of the importance of set-asides, the 2017 Consolidated Appropriations Act included a 0.33 percent set-aside of the TANF program to be used for research, evaluation, and technical assistance. This enabled ACF to develop a demonstration to rigorously evaluate state and local interventions to help low-income persons achieve employment and economic security, with an emphasis on interventions that address opioid dependency, substance abuse, and mental health. The set-aside also allowed ACF to launch a project to improve state-level TANF programs through enhanced use of TANF and related human services data, as well as to develop (in collaboration with the Department of Labor) a database of proven and promising approaches to move TANF recipients into work.

Improving Data Access and Governance for Evidence-Building

Data are a central element for building and using evidence to improve government effectiveness. In order for the Federal government to successfully leverage data as strategic assets, we must address the silos across Federal agencies that can stymie collaboration and result in fragmented services and efforts. Greater coordination is needed among and within agencies, including OMB, to improve how we manage and use data. The government needs a coordinated strategy to ensure that high priority data are collected, and that already-collected data are used to their full extent. A comprehensive data strategy will acknowledge both external and internal needs for data access, recognizing that both have a role to play in addressing the big questions and challenges of the day, such as solving the opioid epidemic or fueling economic growth.

Congress has already provided OMB with many of the tools needed to implement a coordinated data strategy across agencies. These include the authority to designate single collection authorities for shared data needs, set data quality and classification standards, and manage and coordinate across interagency bodies, among others. These tools rest with multiple statutory offices across the institution. In response, OMB is organizing itself to use these tools together in service of building evidence. This will serve as a model for how agencies can maximize their use of data to build evidence across their own organizational silos. When agencies improve their own use of data for evidence-building, the American people will see improved service delivery, more effective programs, and a more responsive and efficient government.

Data as strategic assets: In undertaking its mission, the Federal government collects large amounts of data, whether for administering a program, assessing or enforcing a regulation, or monitoring contracts and grants. Federal and state administrative data include rich information on labor market outcomes, health care, criminal justice, housing, and other important topics. These data are strategic assets that can be used to meet a number of needs within and outside of government, including to build evidence as the President's 2018 Budget and the Commission on Evidence-Based Policymaking noted. On their own, these data can be used to answer important questions about service delivery, the population served, and the outcomes for an individual program. Yet, these data are often underutilized and do not reach their full potential to evaluate program effectiveness, measure day-to-day performance, and inform the public about how society and the economy are faring. Integrating data systems and linking administrative data across programs or to survey data, where appropriate, provides another opportunity to maximize the power of data for evidence-building and program improvement. Many notable efforts have demonstrated the potential that government data offer to improve internal government operations and increase efficiency, effectiveness, transparency, and accountability, all while reducing the burden on the public and limiting costs from new data collections.

Efforts to better access and use data: Federal agencies are making greater use of their own administrative data for program operations and analytic and statistical activities, including evaluation. Many agencies have data that would be useful to other agencies, other levels of government, and outside researchers, citizens, and businesses. However, systemic legal, policy, and procedural barriers frequently prevent Federal, state, and local agencies from maximizing whether and how they use data. The range of challenges are broad, and include appropriate concerns about confidentiality and privacy, but also restrictive legislative authorities and policies, unclear administrative processes and hurdles, the inability to share data, and, in some cases, lack of sufficient analytic, evaluation, and/or information technology capacity.

Federal law rightly protects some of the most valuable data for building evidence about some of the nation's largest programs, and access must be provided in a secure and confidential manner with appropriate transparency and accountability. Nonetheless, as the Commission's recommendations recognized, the country's laws and practices are not currently optimized to support the use of data for evidence-building, or in a manner that best protects the data. To correct these problems, it recommended using secure technology and cutting-edge statistical methods to blend data in a highly protective manner, building on the tradition of data stewardship and tradition of strong confidentiality of the nation's principal statistical agencies, as discussed in the Strengthening Federal Statistics Chapter of the Budget. The Commission also recommended revising laws, where needed, to enable more consistent, efficient access to data for evidence-building, with appropriate confidentiality and privacy protections in place based on the sensitivity of the data. For example, the access and use of Department of Education (ED) data collected to administer ED student aid programs are governed by a complex, overlapping patchwork of laws that result in inconsistent privacy protections and use restrictions. In addition to inconsistently protecting student privacy, these restrictions make it unnecessarily burdensome for ED to use the data it currently collects to improve the government and public understanding of student loan program costs and improve student aid program effectiveness. A reauthorization of the Higher Education Act should clarify and simplify student aid administrative data use and access restrictions to ensure that student privacy is strongly and consistently protected while allowing the Federal government to efficiently and effectively administer the student aid programs.

To begin to address other statutory barriers, the Budget proposes to provide access to valuable employment and earnings data for certain agencies and programs to achieve government efficiencies. The National Directory of New Hires (NDNH)—a Federal database of new hire, employment, and unemployment insurance data used for administering HHS' Office of Child Support Enforcement programs—is governed by statute that specifies authorized uses of the data and mandates tight controls to protect the data from unauthorized use or disclosure. Entities with the authority to access NDNH are able to use the data to support program administration (e.g., eligibility verification) and evidence-building, subject to the necessary data protections required by law and HHS. In particular, NDNH access allows some programs to eliminate duplicative efforts to collect the same employment and earnings data already in NDNH, improve program integrity, access reliable outcomes data, and create important government efficiencies.

The Budget proposal enables access to NDNH for units within Federal agencies that conduct research, statistical activities, evaluation, and/or performance measurement associated with assessing labor market outcomes. Access to NDNH would enable research and performance measurement that would otherwise require costly surveys or state-by-state or other one-off agreements to obtain wage data. For example, the proposal would enable the Departments of Labor and Education to use NDNH data to conduct program evaluations on employment and training programs including for WIOA. The proposal would also enable state agencies (designated by each governor with WIOA responsibilities) with the authority to match their data with NDNH for program administration, including program oversight and evaluation of WIOA and other Departments of Labor and Education employment and training programs. Additionally, the proposal would authorize data exchanges between state child support agencies, state agencies that administer workforce programs, and state agencies that administer Adult Education and Vocational Rehabilitation to improve coordination between the programs.

Beyond the evidence-building proposals described, the full proposal on NDNH access includes good government provisions to enable efficiencies for program integrity and eligibility verification. The Budget allows the Department of the Treasury's Do Not Pay Business Center to serve as a pass-through between NDNH and Federal agency programs that are authorized NDNH access for improper payment purposes. The proposal also permits USDA's Rural Housing Service to verify eligibility and validate the income source information provided by means-tested, single family housing loan applicants and multifamily housing project-based tenants. Lastly, the Budget proposes the use of NDNH to establish eligibility for processing Railroad Retirement Board disability benefits in a more efficient manner.

Integrated data systems: Federal agencies also recognize the potential that integrated data systems, which link individual- or household-level data across different programs and services, offer to support evidence-building activities and improve programs. Integrated data systems allow for richer analyses across programs and outcome areas, and enable the use of data for case management and effective service provision, ensuring that programs allocate funds effectively and efficiently. Integrating data systems and linking administrative data often requires that disparate data systems must communicate with one another. Supporting the development of interoperable data systems, which can communicate and exchange data with one another while maintaining the appropriate privacy and security protections, is critical to realize the full potential of shared administrative data. For example, the National Information Exchange Model is a Federally-supported tool that enables interoperability and data exchange at all levels of government across program areas and does so in partnership with private industry stakeholders and state/local partners. This work is done to ensure that technical solutions for data sharing follow the legal requirements.

The Federal government is in a unique position to leverage the data it already collects for a range of evidence-building activities. Using data as strategic assets allows Federal agencies and state, local, and private sector partners to continuously monitor and improve programs, develop evidence on effective approaches and interven-

tions, and ensure that programs and services reach their intended targets.

Using Evidence to Learn and Improve

Evidence should be used as a regular part of decision-making processes. Using the full range of evidence for learning and improvement is especially important for addressing the most pressing policy challenges facing our nation. For example, substantial numbers of individuals with disabilities or serious health conditions have dropped out of the labor market, and in many cases receive disability benefits that consume substantial Federal resources. The Administration is pursuing an ambitious set of demonstration projects to build an evidence base for reforming disability programs to promote employment and self-sufficiency among persons with a disability and to reduce future costs. SSA and DOL are partnering to develop the Retaining Employment and Talent After Injury/Illness Network (RETAIN) demonstration, which will test early interventions to help workers maintain employment after experiencing a work-threatening injury, illness, or disability, thus avoiding the need for disability benefits. The Administration is requesting demonstration authority to test time-limited disability benefits for claimants whose conditions are most likely to be temporary and to enable return to employment. Expanded demonstration authority that allows for universal participation would allow SSA to test new interventions and modified program rules in order to identify effective strategies for helping persons with a disability return to employment. Evaluation findings would be considered by an expert panel in developing recommendations for permanent changes to Federal disability programs.

Another example of an agency building evidence to learn and make critical decisions and improvements in policy is the Health Resources and Services Administration (HRSA), which is beginning a process for a coordinated impact assessment of HRSA programs. Beginning with its largest programs, HRSA will conduct a systematic review of the available research, evaluation, and performance measures—with a focus on comparative effectiveness, patient and population outcomes, and costs—to inform policy decisions, undertake program improvements, prioritize future research and data collection, and better integrate planning, performance, program administration, and evaluation. It is also critical for states to learn and improve their operations, as many Federal dollars pass through to states and localities for administration. As an example, WIOA now requires states to use a portion of their state set-aside funds to conduct evaluations of their programs so that they can learn about effective program strategies and service delivery models. WIOA also requires states to cooperate with Federal evaluations, which will facilitate cross-agency and cross-state learnings.

Conclusion

Policymakers and the American people are rightly concerned with the effectiveness and efficiency of many government programs, yet the evidence base and understanding of these programs are uneven. Some Federal agencies have strong capacity to build and use evidence, while in others that capacity is minimal or the work is siloed. There has been exciting progress in using administrative data for program accountability, learning, and improvement; however, some of the most valuable data sources remain off limits to those who could most benefit from secure access. There is a way forward. A bipartisan consensus has emerged regarding the need to embrace evidence-based policymaking by using available evidence to make decisions and building evidence where it is lacking. Doing so requires leadership and capacity within agencies, adherence to key principles and practices, agency learning agendas, coordination across government, the tools and flexibility necessary for rigorous evidence-building, and strategic use of valuable administrative data. The Administration supports this vision and is prepared to work with Congress to advance evidence-based policymaking. Using evidence to improve government is what taxpayers deserve—carefully and wisely using limited resources to address national priorities and solve pressing problems.