

## **Building and Using Evidence to Improve Results**

### **Meeting Our Greatest Challenges: The President's Fiscal Year 2017 Budget**

Under the President's leadership, we have turned our economy around and created 14 million jobs. Our unemployment rate is below five percent for the first time in almost eight years. Nearly 18 million people have gained health coverage as the Affordable Care Act has taken effect. And we have dramatically cut our deficits by almost three-quarters and set our Nation on a more sustainable fiscal path.

Yet while it is important to take stock of our progress, this Budget is not about looking back at the road we have traveled. It is about looking forward and making sure our economy works for everybody, not just those at the top. It is about choosing investments that not only make us stronger today, but also reflect the kind of country we aspire to be – the kind of country we want to pass on to our children and grandchildren.

The Budget makes critical investments in our domestic and national security priorities while adhering to the bipartisan budget agreement signed into law last fall, and it lifts sequestration in future years so that we continue to invest in our economic future and our national security. It also drives down deficits and maintains our fiscal progress through smart savings from health care, immigration, and tax reforms.

The Budget shows that the President and the Administration remain focused on meeting our greatest challenges – including accelerating the pace of innovation to tackle climate change and find new treatments for devastating diseases; giving everyone a fair shot at opportunity and economic security; and advancing our national security and global leadership – not only for the year ahead, but for decades to come.

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The President has made it clear that policy decisions should be driven by evidence so that the Federal Government can do more of what works and less of what does not. Evidence can also identify the greatest needs and opportunities to solve great challenges. There is growing momentum for evidence-based approaches at all levels of government, as well as among nonprofits, foundations, faith-based institutions, and community-based organizations. The Administration's embrace of these approaches has resulted in important gains in areas ranging from reducing veterans' homelessness to improving educational outcomes and enhancing the effectiveness of international development programs. The Budget proposes to take additional evidence-based approaches to scale. It also strengthens the base of available evidence to enable future administrations and the Congress, as well as State, local, and tribal leaders, to drive even more resources to policies backed by strong evidence. The Budget also invests in enhancing government's capacity to build and use evidence, in particular by expanding access to administrative data and further developing Federal, State, local, and tribal data infrastructure.

### **ACTING ON EVIDENCE TO GET BETTER RESULTS**

The Administration is committed to developing evidence about how best to address important challenges and is equally committed to acting on the evidence that is already available. The following

examples are programs that the Budget proposes to invest in, scale up, or change on the basis of strong evidence.

### **Ending Homelessness.**

The Budget sustains funding to support programs dedicated to ending veteran homelessness, while also providing \$11 billion in housing vouchers and rapid rehousing over the next ten years to reach and maintain the goal of ending homelessness among all of America's families by 2020. This significant investment is based on recent rigorous research that found that families who utilized vouchers—compared to alternative forms of assistance to the homeless—had fewer incidents of homelessness, child separations, intimate partner violence and school moves, less food insecurity, and generally less economic stress. Complementing this mandatory proposal, the Budget provides targeted discretionary increases to address homelessness, including 25,500 new units of permanent, supportive housing to end chronic homelessness, 10,000 new Housing Choice Vouchers targeted to homeless families with children, \$25 million to test innovative projects that support homeless youth, and 8,000 new units of rapid re-housing that provides tailored assistance to help homeless families stabilize in housing and then assists them to become more self-sufficient. This investment will further build the evidence base on this emerging intervention. The Budget also provides an additional \$6 million for the Runaway and Homeless Youth programs, including over \$2 million to support prevention demonstration projects.

### **Investing in Child Care and Early Learning.**

High-quality child care and early education provides children with a foundation for success in school and puts them on a path toward realizing their full potential. Research suggests that supporting children during this critical stage of development yields long-lasting benefits, particularly for low-income children who often start kindergarten far less prepared than their peers. Motivated by this strong evidence that quality child care and early childhood education helps parents succeed in the workforce and children succeed in school, the Budget makes major investments in child care and early learning, including:

- **Expanding access to quality child care for working families.** The Budget reflects the President's commitment to quality, affordable child care. The Budget invests \$82 billion in additional funding over the next ten years to ensure that all low- and moderate-income working families with young children have access to high quality, affordable child care, as opposed to the small share of families who receive this help today. This landmark proposal makes significant investments in raising the quality of child care, including investments to improve the skills, competencies, and training of the child care workforce, and a higher subsidy rate for higher quality care. This increased subsidy rate, paired with investments in workforce development, will improve the quality of care children receive, partly by allowing for more adequate compensation of child care workers. Overall, this proposal will expand access to high-quality care for more than 1.1 million additional children under age four by 2026. In addition, the Budget includes \$200 million in discretionary funding above the 2016 level to help States implement the changes required by the new bipartisan Child Care and Development Block Grant Act of 2014 and for competitive pilot projects to help build a supply of high-quality child care in rural areas and during non-traditional hours.
- **Cuts taxes for families paying for child care with a credit of up to \$3,000 per child.** The Budget triples the maximum Child and Dependent Care Tax Credit (CDCTC) for families with

children under age five and makes the full CDCTC available to families with incomes of up to \$120,000, benefiting families with young children, older children, and dependents who are elderly or have disabilities. Meanwhile, the Budget would eliminate tax preferences for flexible spending accounts (FSAs) for child care expenses, which are poorly targeted and complex, reinvesting the savings in the improved CDCTC. The child care tax reforms would benefit 5.1 million families, helping them cover costs for 6.7 million children beginning in 2017.

- **Investments to increase the duration of Head Start programs.** The Budget builds on the nearly \$300 million investment made in 2016 by providing an additional \$292 million in 2017 to increase the number of children attending Head Start in a full school day and year program, which research shows is more effective than programs of shorter duration and also helps meet the needs of working parents.
- **Supports universal preschool through the Preschool for All Initiative.** As a new Federal-State partnership, the President's Preschool for All Initiative would provide \$75 billion in funding over the next ten years to give all four-year-olds from low- and moderate-income families access to high-quality preschool, while encouraging States to expand those programs to reach additional children from middle-class families and establish full-day kindergarten policies. The initiative is paid for through an increase in tobacco taxes that will help reduce youth smoking and save lives.
- **Lays the groundwork for universal preschool with the Preschool Development Grants.** The Budget provides \$350 million at the Department of Health and Human Services (HHS) for the Preschool Development Grants (PDG) program—an initiative jointly administered by the Departments of Health and Human Services and Education. This represents an increase of \$100 million from the 2016 enacted level. With the support of Federal funding made available through the Administration's PDG program, 18 States are currently expanding high-quality preschool programs to reach additional children in targeted, high-need communities. This work will continue under the bipartisan congressional authorization of the new PDG program in ESSA, the first program in a major elementary and secondary education statute devoted solely to the expansion of high-quality preschool and early education and a clear recognition of the importance of preschool in ensuring students are successful in school. These grants lay the groundwork for universal preschool as envisioned in the Preschool for All initiative.

### **Other Investments to Improve Outcomes for Children and Youth.**

The Budget invests in evidence-based approaches to help children of all ages, for example by:

- **Reducing hunger.** The Administration strongly supports the Supplemental Nutrition Assistance Program (SNAP) and other Federal nutrition programs as an investment that ensures American families and children have the support they need to build a better future, especially when weathering life's ups and downs, such as loss of a job, illness, or work that pays less than a livable wage. Research increasingly shows links between food security, nutrition, and improved long-term outcomes such as better health, higher educational attainment and greater economic self-sufficiency.

Thus, the Budget maintains robust support for Federal nutrition programs that reduce hunger and help families meet their nutritional needs. Chief among these is SNAP, the cornerstone of

our Nation's nutrition assistance safety net, touching the lives of about 45 million Americans, the majority of whom are children, the elderly, or people with disabilities.

In addition to supporting SNAP, the Budget invests in providing healthy meals to children during the school day. It supports almost 5.5 billion school lunches and snacks for 32 million children and almost 2.6 billion breakfasts served to 15 million children. In addition, the Budget includes \$10 million for grants to expand direct certification of children for school meals using income data from other programs, including SNAP, to ensure eligible students can access these programs and to reduce the administrative burden on schools and districts.

The Budget also seeks to help all children have consistent and adequate access to nutritious food year round to learn and grow. That is why the Budget invests \$12 billion over ten years to create a permanent Summer Electronic Benefits Transfer for Children program that will provide all families with children eligible for free and reduced price school meals access to supplemental food benefits during the summer months. During the academic year, school meals help meet this need for the nearly 22 million low-income children who rely on free and reduced price school meals. However, only a fraction of those children receive free and reduced price meals in the summer months. As a result, low-income children are at higher risk of food insecurity and poorer nutrition during the months when school is out of session. Rigorous evaluations of Department of Agriculture (USDA) pilots have found that providing additional food benefits on debit cards to low-income families with school-aged children during summer months can significantly reduce food insecurity.

- **Investing in voluntary, evidence-based home visiting.** Motivated by strong evidence that quality child care and early childhood education helps parents succeed in the workforce and children succeed in school, the Budget makes major investments in child care and early learning, including continued support for home visiting programs. In home visiting programs, nurses, social workers, and other professionals work with new and expecting parents to help families track child development, identify health and development issues and connect families to services to address them, and utilize parenting practices that support children's health, learning, and development. Research shows that home visiting programs can significantly improve maternal and child health, child development, and children's long-term outcomes. Within HHS, the Budget invests an additional \$15 billion in mandatory funds over 10 years to extend and expand the program. In addition, the Budget includes \$20 million for a new initiative that the Department of Agriculture will administer in coordination with HHS to provide home visiting services in the most remote rural and tribal areas.
- **Improving child welfare services.** New authority in the child welfare system will help ensure child welfare caseworkers and other professionals have the right training and skills to best meet the needs of children, youth, and families. Research shows that children in the child welfare system who have caseworkers with a Bachelor's or Master's Degree of Social Work have better outcomes, including shorter time in out-of-home care, increased adoptions, and a lower likelihood of being removed from their homes.

Additionally, the Budget includes new authority to promote specialized family-based care as an alternative to congregate (group home and institution) care for children with behavioral and mental health needs. Research shows that children fare better in family-based placements. This proposal includes increased oversight of congregate care to ensure that such placements are

used only when necessary and for only as long to meet the child's health and behavioral health needs.

- **Supporting the National Guard Youth Challenge (NGYC) program.** The Budget includes \$145 million for the Department of Defense (DOD) NGYC program. Compared to their peers, at-risk youth who participate in the NGYC program have higher rates of employment and higher earnings, and are more likely to earn a GED or college credits. In addition, the NGYC program is supporting the My Brother's Keeper and Job-Drive Training Initiatives. Further, Departments of Labor and Defense are currently partnering to test whether the NGYC program can provide similar benefits for youth who have been involved with the criminal justice system.
- **Simplifying the Free Application for Federal Student Aid (FAFSA).** Rigorous evaluations have found that making it easier for students to apply for federal financial aid can increase college enrollment. On the basis of that evidence the Administration took steps over the last several years to simplify the Free Application for Federal Student Aid, known as the FAFSA, reducing the time required to complete the FAFSA by two-thirds to about 20 minutes by revamping the online form for all families so they can skip questions that are not relevant to them and automatically retrieve needed tax information when filling out the FAFSA. More than 6 million students and parents took advantage of the ability to electronically retrieve their income information from the IRS when completing their 2014-2015 FAFSA, an innovation that improves both speed and accuracy.

Building on this progress, starting in 2016, students and families will be able to fill out the FAFSA three months earlier—in October—so they can understand the financial resources available for them as they are applying to college. Families filling out the FAFSA in October 2016 will be able to fill it out immediately by electronically retrieving information from their 2015 tax returns. Families and students will no longer have to wait until the next year's tax season to finalize their FAFSAs and to learn about their financial aid. The Administration is working with college financial aid officers and State aid programs to ensure that they align their financial aid awards with the new Federal schedule so students have more time to evaluate their college options with as much information as possible when searching for, applying to, and selecting colleges. These changes—coupled with further FAFSA simplification proposals in the Budget—could encourage hundreds of thousands of additional students to apply for and claim the aid they are eligible for.

### **Strengthening Training and Employment Strategies.**

The Budget supports evidence-based approaches to strengthening job training, assisting the long-term unemployed, and supporting and encouraging employment. Examples include:

- Providing an additional \$2 billion to support the expansion of apprenticeships. High-quality quasi-experimental analyses have found that participants in registered apprenticeship programs have substantially higher employment and earnings than similar nonparticipants.
- At the Department of Labor (DOL), scaling up successful reemployment services and eligibility assessments (RESEA) to reach the one-third of unemployment insurance beneficiaries who are most likely to run out of benefits before getting reemployed and all returning veterans who receive unemployment benefits.

- At the Department of Housing and Urban Development (HUD), scaling up the evidence-based Jobs-Plus program, a combination of job training and financial incentives that has been found to boost annual earnings by \$1,300, on average. The Budget provides \$35 million for Jobs-Plus, \$20 million over 2016 and enough to serve approximately 8,750 individuals, including up to \$5 million to implement a demonstration of the Jobs-Plus model in Indian Country.
- Significantly increasing the Earned Income Tax Credit (EITC) for workers without qualifying children, including non-custodial parents, in order to reduce poverty and provide a more meaningful work incentive to low-wage workers without dependent children. Extensive research finds that the EITC for families with children has significantly increased labor force participation among single mothers, but the EITC for workers without dependent children is much smaller. This proposal would allow more workers to benefit from the EITC's pro-work benefits, including a number of groups with low or declining labor force participation rates.

### **Reducing Crime and Recidivism.**

The Administration is committed to a comprehensive strategy to reduce incarceration costs over the long term by facilitating inmates' transition into society in order to reduce recidivism rates, increase public safety, and strengthen communities.

The Budget takes steps to address the cycle of incarceration by investing additional resources in the Bureau of Prisons' (BOP) evidence-based re-entry programs. These investments include \$89 million to increase health and mental health services and expand staffing for Residential Reentry Centers (RRC). It also includes \$91 million to provide innovative reentry programs in BOP facilities, create programming that strengthens familial bonds, increase vocational and educational training, and expand RRC beds. In addition, the Budget provides \$100 million for the Second Chance Act Grant program to reduce recidivism and help those exiting the justice system rejoin their communities and lead productive lives. The Budget provides \$95 million—an increase of \$7 million—for the Reintegration of Ex-Offenders program to prepare justice-involved adults and juveniles for success in the labor market through career assistance, training, and supportive services.

### **Using Data and Evidence to Reduce Global Poverty and Improve Global Health.**

The Budget provides \$1.0 billion for the Millennium Challenge Corporation (MCC)—a \$99 million increase above the FY 2016 enacted level—that will support MCC's evidence-based approach to economic development. MCC forms multi-year agreements with eligible developing countries to stimulate economic growth and reduce poverty. Through its data-driven country selection process and economic analysis of investment opportunities, MCC incentivizes improved governance and generates opportunities in partner countries. The Budget's investment will enable MCC to strengthen the already rigorous evaluations of its projects, the results of which are made public in order to improve future investments by MCC and others.

The Budget also provides \$745 million in base funding, an increase of \$71 million, for the President's Malaria Initiative (PMI) and also proposes to use \$129 million in remaining Ebola emergency funds for PMI for a total increase of \$200 million. PMI focuses resources on evidence-based interventions including insecticide-treated bednets, indoor residual spraying, and malaria diagnosis and treatment, among others. In addition, as part of a larger investment in bilateral HIV/AIDS programs under the President's Emergency Plan for AIDS Relief (PEPFAR), the Budget provides \$300 million to continue

the Impact Fund. The Impact Fund will be awarded to countries that take concrete steps to realign their national HIV/AIDS programs to focus on the highest-burden areas and sites, leveraging improved site-level data. PEPFAR has already realigned its own programs to focus on these high-burden areas, and the Impact Fund will allow further impact by leveraging the actions of partner governments. The State Department will allocate Impact Fund dollars to those countries with the greatest need and ability to realign resources based on evidence to reach epidemic control, increase their own share of HIV/AIDS budgets, and take greater ownership of data collection and expenditure analysis.

### **Using Data to Improve Defense Acquisitions.**

The Administration has worked to quantitatively assess the effectiveness of its continuing process improvement initiatives in the area of weapon system acquisition, other products, and contracted services. The resulting annual reports on the Performance of the Defense Acquisition System are generating high-quality studies of these initiatives that address policies ranging from affordability constraints to acquisition workforce needs. These reports are also useful tools to help the DOD see how it is doing, measure the effectiveness of ongoing efforts to improve acquisition, and learn from past experience.

This type of data-driven analysis can be a tool to help guide policy and process reforms that both improve performance and avoid unintended adverse consequences. For example, data shows that incentives are motivating better performance, but they must be used appropriately and carefully to avoid unintended consequences. This is one reason why the DOD is strengthening the linkage between final contract profit margin and performance.

As another example, cost growth on DOD's major programs is generally at or better than historical levels. For example, median biennial change in total needed program funding has been near zero since 2009, and contractors on Major Defense Acquisition Program (MDAP) contracts are doing a better job of meeting cost targets. Also, DOD had a higher proportion of MDAP contracts started since 2009 with price reductions than for those started before 2009. These results may be evidence of early success from Better Buying Power (BBP) initiatives. The BBP "should cost" initiative, which has been in place for almost 5 years, requires managers to actively seek ways to save money and to set targets for doing so, not just to stay within their budgets. This is a major cultural change that seems to be taking hold. Another BBP initiative, supported by the data in last year's report, is increasing the use of formulaic incentive-type contracts (both cost-plus-incentive-fee and fixed-price-incentive) that explicitly tie contractor financial results to performance.

## **BUILDING EVIDENCE ABOUT WHAT WORKS**

To enable future government leaders to drive even more resources to policies backed by strong evidence, the Budget invests in growing the evidence base and create new opportunities for innovation, coupled with greater accountability for results.

### **Coupling the Budget's Major New Investments with Investments in Learning**

Two of the largest new investments in the Budget are not only informed by strong evidence, they are also coupled with significant new investments in learning to support continuous improvement.

#### ***Child Care and Early Learning***

The Budget includes major new investments in child care access and quality for working and middle-class families, increasing the duration of Head Start programs, and also re-proposes a major investment in preschool. But while there is already strong evidence that these investments will help both parents and children, there is much more to learn about exactly what child care and early learning approaches work best. Therefore, the Budget would also:

- **Fund early education research and evaluation by:**
  - Supporting the Institute of Education Sciences' Early Learning Research Network, which seeks to identify the key factors associated with children's school readiness and achievement as they move from preschool to the early elementary school grades.
  - Launching a new round of the Early Childhood Longitudinal Study to gather information about children's health, development, and school readiness from birth to kindergarten entry. The first study of this kind concluded in 2007 and is still extensively used by researchers.
- **Provide funding to develop and test innovative child care models.** The Budget provides \$40 million for competitive pilots within the Department of Health and Human Services (HHS)'s Child Care and Development Block Grant to help States and local communities build a supply of high-quality child care in rural areas and during non-traditional hours. These grants will focus on developing models for the kind of care low-income families need most—high-quality, affordable care that is close to home, available during the hours they work, and available on short notice.

### *College Access and Completion*

Motivated by years of research showing that a more educated workforce is key to economic growth and that reducing the cost of college helps students enroll and succeed, the Budget makes major new investments in college access and affordability. These include partnering with States to make quality community college free for responsible students, permanently indexing Pell Grants for inflation, and simplifying and expanding higher education tax benefits.

But research also shows that tuition reductions need to be coupled with other strategies that help students complete their degrees. While the Budget requires States to adopt existing evidence-based strategies for supporting community college students, we need a longer menu of tested strategies for improving college completion rates. The Budget will encourage on-time completion through year-round Pell Grant eligibility and raising the maximum award by \$300 for Pell students who take 15 credits per semester each academic year. The Budget includes \$100 million for the First in the World Initiative for implementation and rigorous evaluation of promising and evidence-based strategies that can support student success at scale. The Budget also includes a set-aside of up to \$20 million for the TRIO programs to support the demonstration and rigorous evaluation of college access and completion strategies.

### **Piloting and Testing Specific Promising Approaches**

The Budget also proposes specific pilot and demonstration programs to test promising strategies that may warrant expansion. For example, the Budget provides resources for:



- **Strategies to help families in crisis gain stability and move to self-sufficiency.** The Budget provides \$2 billion for a robust round of pilots to test new approaches to providing emergency aid for families facing financial crisis, including both short-term financial assistance and connection to longer term supports for those who need them. Building on the lessons learned from the rapid rehousing approach, a strategy that helps stabilize families' housing and then assists them to become more self-sufficient, these pilots will seek to both prevent families from financial collapse when emergency help is needed and connect families that need them to services and supports—such as TANF, employment assistance, SNAP, child care, or Medicaid—that can help them find jobs, stabilize their families, and become more financially secure. The pilots will be rigorously evaluated to inform future policy and program decisions at the local, State, and federal levels.
- **Helping workers with disabilities remain in the workforce.** The Budget builds on the Bipartisan Budget Act of 2015 reauthorization of the Social Security Disability Insurance (SSDI) demonstration authority that will enable SSA to test innovative strategies to help people with disabilities remain in the workforce. SSA can now test how changes to the SSDI benefit structure could impact employment and earnings among beneficiaries and has authority to conduct other demonstrations, including projects that seek to help those applying for or receiving SSDI to reengage in the labor market. The Budget proposes to build on these efforts by creating an Interagency Council on Workforce Attachment to better coordinate disability activities across the Federal Government, including \$200 million in funding to support a suite of demonstration projects aimed at improving employment outcomes for people with disabilities before individuals apply for SSDI. Early-intervention measures, such as supportive employment services for individuals with mental illness, targeted incentives for employers to help workers with disabilities remain on the job, and incentives and opportunities for States to better coordinate services, have the potential to achieve long-term gains in the employment and the quality of life of people with disabilities. The proposed demonstrations will help build the evidence base for future program improvements.
- **Improving mobility for low-income families.** Based on studies that show that moving to higher opportunity areas can have significant and positive long-term earnings and college attainment outcomes for children, the Budget includes investments in the Housing Choice Voucher program to improve the mobility of low-income families. As part of the \$20.9 billion request for the Housing Choice Voucher program, the Budget provides \$2.1 billion in Public Housing Authority (PHA) administrative fees to not only support fundamental functions needed to operate the program, such as housing quality inspections and tenant income certifications, but to ensure that PHAs have sufficient resources to promote mobility and give low-income families greater access to areas with lower crime, more job opportunities, and better schools. In addition, the Budget provides \$15 million to implement a Mobility Counseling Demonstration program to help families with housing vouchers move to and stay in safer neighborhoods with stronger schools and access to jobs. These investments will be distributed to approximately 10 regional housing program sites with participating PHAs and/or private non-profits over a three-year period. A portion of the funding will also support an evaluation to measure the impact of the counseling demonstration to further inform the policy process and design.
- **Fighting rural poverty.** Recognizing that too many rural communities struggle with persistently high rates of child poverty, the Budget invests in innovative strategies to increase rural families' access to promising and evidence-based programs and services. The Budget

provides \$20 million for two-generation demonstration projects within USDA to fight rural child poverty—intentionally aligning high-quality early childhood education for children with high-quality workforce development for parents to put the entire family on a path to permanent economic security and positive life outcomes. Data from the early-childhood and adult ends of the education spectrum make the case for investment in educational opportunities for both parents and children. Existing research suggests expanding early learning initiatives provides far-reaching benefits for children long beyond childhood; simultaneously, parents' level of educational attainment is one of the best predictors of economic mobility for their children.

- **A Medicaid demonstration to decrease over-prescription of psychotropic medications to children in foster care.** Research suggests that certain evidence-based and evidence-informed psychosocial interventions yield better and longer-lasting outcomes for children and youth than prescribing psychotropic medications. The demonstration will test whether encouraging States to increase access to evidence-based alternatives to treat behavioral and mental health conditions will reduce over-prescription of psychotropic medications and improve outcomes for children in foster care.
- **Continuation of the Promoting Readiness of Minors in SSI (PROMISE) pilot.** The interagency pilot, initiated in 2012, is currently testing interventions that have the potential to improve health, education, and workforce outcomes for youth receiving Supplemental Security Income (SSI).

### **Additional Investments to Build Evidence**

- **Child support.** The Budget proposes \$1 billion over 10 years for a new Child Support Research Fund, which will provide formula and competitive grants to test and evaluate family-centered strategies to improve the effectiveness of child support programs. The fund will focus on strategies that help parents build the capacity and willingness to support their children and that tailor child support enforcement tools to each family.
- **Criminal justice.** The Budget invests \$23 million in research and pilot projects focused on developing appropriate responses for youth exposed to violence.
- **Job training.** The Budget would create a \$75 million American Technical Training Fund at the Department of Education (ED) to support the development, implementation, scaling up and evaluation of job-training models that involve strong employer partnerships.
- **Reducing food borne illnesses.** USDA's Food Safety & Inspection Service (FSIS) is strongly committed to institutionalizing efforts to strengthen and use data and evidence to drive better decision-making and achieve greater impact. The Budget includes three initiatives to further increase the quality and quantity of useful data to reduce food borne illnesses. Together these efforts should greatly decrease illnesses by aiding the inspectors in their mission, improving industry's awareness of their operations, increasing our ability to identify and track antibiotic resistant bacteria, and become more proactive in food safety.
  1. The Budget provides \$4.5 million to implement Whole-Genome Sequencing capability at FSIS. Whole-Genome Sequencing is the next step in laboratory technology and follows the lead key public health partners, the Food and Drug Administration and the Centers for Disease Control (CDC). It is an improvement over current testing methods,

because it provides an enhanced data source on pathogens, including foodborne pathogens such as Salmonella and E. coli, by characterizing bacterial genomes with greater precision.

2. The Budget provides \$3 million for additional sampling and analysis for pathogens, adulterants and contamination. Data analysis shows that sampling food for hazards leads to a drop in contamination rates. Despite FSIS's best efforts there are still areas that are not tested that could help reduce illnesses. The additional capacity requested will be used to close gaps in our testing program and eliminate exceptions to testing.
3. The Budget provides \$1 million to increase FSIS's ability to analyze current and future data to really take advantage of the data available in order to become more proactive in food safety.

## **Encouraging Innovation while Measuring Results.**

### ***Increasing Investments in Evidence-Based Grantmaking***

Among the most notable advances in federal grant making are “tiered-evidence” or “innovation fund” grant designs that focus resources on practices with strong evidence while also promoting innovation. Generally, in a three-tiered grant model, grantees can receive a base level of funding under the “proof of concept” tier to begin testing new models that have high potential; additional funding under the “validation” tier to further test interventions that have emerging evidence of effectiveness; or the highest level of funding under the “scale up” tier when they have proven evidence of how their proposed approach delivers impact.

The Budget invests nearly \$700 million in discretionary tiered-evidence programs, almost doubling funding for these programs relative to 2016 enacted amounts. In particular:

- The Budget funds the new Education Innovation and Research program at \$180 million, an increase of \$60 million over the 2016 level for its predecessor, the Investing in Innovation (i3) program. The i3 program funded over 140 innovative Development, Validation and Scale-up projects, and is helping to uncover successful interventions in the areas of teacher and principal effectiveness, turning around low-performing schools, and implementing college- and career-ready standards and assessments.
- The Budget provides \$170 million for the U.S. Agency for International Development's (USAID) Global Development Lab to accelerate progress toward addressing global development challenges and increase the impact of U.S. assistance through science, technology, innovation, and partnerships. This funding supports rigorous evaluation and impact assessment across all Lab programs, including greater use of tiered evidence, pay for success (e.g. development impact bonds), and other innovative evidence-based approaches for investing in disruptive new ideas and technologies that have the potential to change millions of lives in developing countries at a fraction of the current costs. Building on the Lab's efforts and expertise in these areas—such as through the Development Innovation Ventures program—USAID will also support a strategy for advancing and integrating the most effective of these approaches more broadly across the agency to help achieve country-specific development objectives more effectively and efficiently.

- Continued funding (\$180 million) at HHS for evidence-based approaches to preventing teenage pregnancy. Teen pregnancy funding replicates programs that rigorous evaluations have shown effective at reducing teenage pregnancy; invests in research and demonstration grants to develop, replicate, refine and test additional models and innovative strategies; and supports training, technical assistance, and outreach activities. The Budget also includes \$17 million within CDC to conduct research and translate science into practice to reduce sexual risk behaviors and teen pregnancy; develop innovative interventions for 15- to 24-year old young men to reduce their risk of fathering a teen pregnancy; and collaborate with health centers and youth serving organizations to implement evidence-based reproductive health services for adolescents and high risk youth.
- The Budget invests \$50 million in the Social Innovation Fund (SIF) to test promising new approaches to major challenges, leverage private and philanthropic capital to meet these needs, and expand evidence-based programs that demonstrate measurable outcomes. The Budget continues to allow the use of up to 20 percent of SIF funds for Pay for Success projects.

### ***Greater Flexibility Coupled with Greater Accountability***

The Budget expands the use of innovative, outcome-focused grant designs that give States, local governments, and tribes more scope and flexibility to innovate and adapt programs to local needs, in exchange for greater accountability for outcomes. For example:

- **Upward Mobility Project.** The Budget continues to support the Upward Mobility Project, which will allow up to ten communities, States, or a consortium of States and communities more flexibility to use funding from up to four Federal programs for efforts designed to implement and rigorously evaluate promising approaches to help families achieve self-sufficiency, improve children’s education and health outcomes, and revitalize communities. Projects will have to rely on evidence-based approaches or be designed to test new ideas, and will have a significant evaluation component that will determine whether they meet a set of robust outcomes. The funding streams that States and communities can use in these projects are currently block grants—the Social Services Block Grant, the Community Development Block Grant, the Community Services Block Grant, and the HOME Investment Partnerships Program—that share a common goal of promoting opportunity and reducing poverty, but do not facilitate cross-sector planning and implementation as effectively as they could. The Budget also provides \$1.5 billion in additional funding over five years that States and communities can apply for to help support their Upward Mobility Projects.
- **The Budget would also authorize up to 10 new Performance Partnership Pilots for Disconnected Youth.** Building on provisions in FY 2014, FY 2015, and FY 2016 appropriations bills, this authority would create a fourth round of pilots allowing States, tribes, and localities to blend certain discretionary funding and receive waivers under multiple youth-serving programs to improve education, employment, and other key outcomes and build evidence about more effective ways to help vulnerable youth. In FY 2015, a consortium of six agencies awarded the first cohort of nine pilots to give State, local, and tribal communities customized flexibility to make a difference in the lives of local youth. Each pilot is conducting a site-specific evaluation of local outcomes, and the Department of Labor is leading an evaluation to look at cross-site implementation of the initiative overall. In FY 2016, the interagency consortium has grown to include HUD alongside ED, DOL, HHS, the Department of Justice (DOJ), the Corporation for National and Community Service (CNCS), and the

Institute for Museum and Library Services. In the coming year, this consortium expects to select up to 20 new pilots under two competitions.

### *Advancing Pay for Success Approaches*

Pay for Success leverages philanthropic and private dollars to fund preventive and other services, which are first provided by nonprofits and other non-governmental entities up front, with the Government paying investors only after the interventions generate sufficient measurable results. The Budget builds on the Administration's commitment to testing the Pay for Success model in diverse areas through continued execution of existing authorities and up to \$345 million in funding.

- The Budget includes up to \$45 million for initiatives at ED, DOJ, and CNCS in the areas of job training, education, criminal justice, housing and other human services as well as the environment.
- The Budget also re-proposes a \$300 million Pay for Success Incentive Fund at the Department of the Treasury, similar to bipartisan legislation introduced in the House and Senate last year, to help State and local Governments implement Pay for Success programs with philanthropies, nonprofits, and other non-governmental organizations.

### **INVESTMENTS IN EVIDENCE-BUILDING CAPACITY**

All of these efforts embody the simple guiding principle that: “Where evidence is strong, we should act on it. Where evidence is suggestive, we should consider it. Where evidence is weak, we should build the knowledge to support better decisions in the future.” In order to integrate this guiding principle in all aspects of government decision-making, it is essential that Federal agencies develop the capacity to credibly build and use evidence—and many agencies are making progress in doing so. The Budget includes a variety of investments to enhance this capacity, for example through:

- **Funding for InformED**, ED's new effort to transform how the Department makes information available—and actionable—for internal users and for the public, building on lessons learned from the new College Scorecard. The InformED initiative would apply these lessons across the education spectrum, from early childhood to adult education. With intuitive tools for decision-making tailored to different audiences, InformED activities such as the P-12 and postsecondary “information hubs” would pull together the Department's diverse array of data and studies on a particular topic and allow open data access to unlock answers to pressing education questions and needs.
- **Using impact evaluations to illustrate how public diplomacy advances U.S. foreign policy objectives.** The Department of State has instituted an evaluation policy for public diplomacy programs that will evaluate the impact of cross cutting, high profile public diplomacy programs and activities. Department of State public diplomacy practitioners will report data on their programs, and conduct impact evaluations of major programs to assess their effectiveness at furthering U.S. foreign policy objectives. The goal of this effort is to ensure that public diplomacy programs are evaluated and use best practices, including the setting of benchmarks and milestones that measure short-term successes and longer-term program alignment to advance U.S. foreign policy, and that public diplomacy practitioners utilize and disseminate evaluation findings.

With the introduction of a new tracking system for public diplomacy reporting, the Department will be able to collect and analyze increased quantitative data on activities, audiences reached, and notable outcomes from public diplomacy programs. With \$6 million requested in the FY 2017 President's Budget, the Department will complete a major study on the outcomes associated with a multiple year, multimillion dollar regional program. Additionally, the Department will begin several substantial impact evaluations on programs that are currently planned, to include a regional youth leadership program and other selected public diplomacy activities. By FY 2017, the Department's goal is to incorporate impact evaluations into the design of any major new public diplomacy initiatives from the outset so that their effect on foreign policy can be measured with a focus on quantitative data.

The Budget also includes a variety of investments to strengthen evidence-related data infrastructure at all levels of government, including:

- **Investing in data infrastructure.** The Budget requests \$10 million in funding for the Census Bureau to continue building on its existing strengths and start developing a more comprehensive infrastructure for linking, sharing, and analyzing key datasets. The funding would allow the Census Bureau to accelerate the process of acquiring additional key datasets, including State-held data, such as for the Supplemental Nutrition Assistance Program (SNAP); expand and improve its infrastructure for processing and linking data; and improve its infrastructure for making data available to outside researchers.
- **Integrating human services program data.** The ability for States to develop data systems from a family-centered—rather than program-specific—perspective can not only vastly improve the participant experience and reduce administrative inefficiencies, it also allows States to better use that data to learn what works to improve participant outcomes. The Budget makes investments to advance human services interoperability by establishing a Statewide Human Services Data System grant program, which would provide funding and related technical assistance to States in support of the design, development, and implementation of Statewide integrated longitudinal data systems and related analytic tools. This effort is complemented by the creation of a Systems Innovation Center that would design and build IT elements to be shared with States and tribes in support of integrated health and human services eligibility and enrollment systems.
- **Empowering workers, training providers, and employers through better data.** The President is proposing the creation of a new \$500 million Workforce Data Science and Innovation Fund. DOL would recruit and deploy a best-in-class team to help States find new ways to use technology and data analytics to improve training programs and consumer choice. And similar to HHS's Open Health Data Initiative, DOL would partner with the Department of Commerce to develop new open source data on jobs and skills to spur the creation of new products to help match workers to better jobs. The Budget also includes a \$40 million investment to build State and local capacity to track the employment and educational outcomes of WIOA program participants, including those with disabilities, to give those seeking training meaningful information—including past participants' success in finding jobs—so they can make good choices about which programs will best prepare them for the labor market.

The Budget would also invest in the ED's student aid data infrastructure and in State education and workforce data systems.

- **The Bureau of Indian Affairs (BIA).** Tribes and tribal organizations have expressed long-standing concerns about the need for accurate, meaningful, and timely data collection in American Indian/Alaska Native (AI/AN) communities. Tribal leaders and communities need access to quality data and information as they make decisions concerning their communities, economic development, and land and resource management. It is also critical that the federal government collect and analyze quality data to ensure that federal agencies and programs are delivering effective services to meet tribal needs and deliver on federal responsibilities. To address the quality of data for AI/AN communities, the Census Bureau and BIA signed a memorandum of understanding in January 2016 to promote communication and collaboration between the two agencies and improve the dissemination of accurate data for American Indians and Alaska Natives. The Census Bureau and BIA agreed to work together to gain an accurate count of American Indians and Alaska Natives, to share files that show boundaries for reservations and off-reservation trust and restricted lands, and to establish a workgroup to discuss and resolve data issues.

The 2017 Budget supports this effort with an increase of \$12 million for BIA to enable the Department of the Interior to work with tribes to improve federal data quality and availability, to create a reimbursable agreement with the Census Bureau to address data gaps in Indian Country, and to create an Office of Indian Affairs Policy, Program Evaluation, and Data to support effective, data-driven, tribal policy making and program implementation.

- **Open Water Data Initiative.** The Budget provides \$2 million for the Open Water Data Initiative at the Department of the Interior. The Open Water Data Initiative is an example of the U.S. Geological Survey (USGS) and the Bureau of Reclamation (Reclamation) and other agencies' efforts to open up government data to fuel entrepreneurship, drive innovation, and foster scientific discovery by making Reclamation and USGS water and related data better managed, more comparable across locations, and more accessible. This initiative proposes to aggregate disparate federal, State, local, and tribal government water data throughout the Western United States into one, centrally located, publically accessible, web-based portal, initially focusing on efforts in California and the Colorado River Basin. Reclamation will also apply already-developed decision support tools that graphically display these data to help individuals understand the effect of drought on rivers, streams, lakes, and reservoirs. All data will be open, public, and machine-readable, and all software and tools will be open-source and available for re-use.

### **Improving Access to Administrative Data.**

Administrative data are data collected by government entities for program administration, regulatory, or law enforcement purposes. Federal and State administrative data include rich information on labor market outcomes, health care, criminal justice, housing, and other important topics. The use of administrative data has tremendous potential to make it cheaper and easier to build evidence across a wide range of program and policy areas. But they are often greatly underutilized in evaluating programs' effects, as well as for performance measurement and informing the public about how society and the economy are faring.

The Budget includes a package of proposals that would make additional administrative data from federal agencies and programs legally and practically available for policy development, program

evaluation, performance measurement, and accountability and transparency efforts within a strong framework of privacy, confidentiality, and data security protections.

**Expanding access to data.** The Budget proposes to improve access to employment and earnings data. Consistent with bipartisan Congressional proposals, the Budget would allow select federal statistical and evaluation units to access the HHS's National Directory of New Hires dataset of Unemployment Insurance earnings data for statistical purposes, consistent with strong privacy and confidentiality protections. It would also eliminate the ban on creating a national database that could be used to assess the quality of job training service providers. These proposals will make it possible to create consistent employment outcome “scorecards” for Federally-subsidized job training providers, a goal of both the Administration's job training review and the bipartisan Workforce Innovation and Opportunity Act. Earnings data can also be used to rigorously evaluate the effects of other program changes and interventions on employment, wages, and earnings growth.

**Creating a commission to lay the groundwork for future improvements.** The Budget embraces the bipartisan proposal from Representative Paul Ryan and Senator Patty Murray to create a commission focused on realizing the potential of administrative data. The commission would make recommendations for how to make additional administrative data available for evaluation and other statistical uses by federal and outside researchers, what legislative changes are needed to facilitate such access, and how to expand access while ensuring data security and fully protecting privacy and confidentiality, as well as how to improve data quality. The Budget proposes to fund the commission as part of the Census Bureau investment described above, and to base the commission at the Census Bureau to take advantage of its unique expertise.

### **Other Cross-Cutting Investments in Federal Evaluation Capacity.**

#### *Social and Behavioral Sciences Team*

The Budget continues to support the Social and Behavioral Sciences Team (SBST), an interagency team charged by Executive Order 13707 to use behavioral insights to help the Federal Government better serve the American people, coordinated by the Office of Science and Technology Policy (OSTP) with a central team based at the General Services Administration. SBST is helping over a dozen Federal agencies test the impact of behaviorally informed interventions on program impact and efficiency using rapid, rigorous, and low-cost evaluations. For example, SBST collaborated with the DOD on a campaign to promote enrollment in the Thrift Savings Plan (TSP) by military servicemembers. Messages informed by behavioral insights (relative to a business-as-usual message) led to roughly 4,930 additional enrollments and 1.3 million dollars in additional savings in just the first month of the campaign. The most effective message nearly doubled the rate at which servicemembers enrolled in TSP.

#### *Evaluation Funding Flexibilities*

High-quality evaluations and statistical surveys are essential to building evidence. But the available procurement vehicles for these activities can be overly cumbersome and can lead to inefficiencies and waste. In order to streamline these procurement processes, improve efficiency, and make better use of existing evaluation resources the Budget proposes to provide certain agencies—including HHS's Assistant Secretary for Planning and Evaluation and the Office for Planning, Research and Evaluation in the Administration for Children and Families; DOL's Chief Evaluation Office and Bureau of Labor



Statistics; DOJ's National Institute of Justice and Bureau of Justice Statistics; the Census Bureau; and HUD's Office of Policy Development and Research—with expanded flexibilities to spend funds over a longer period of time. These flexibilities will allow agencies to better target evaluation resources to reflect changing circumstances on the ground.

### ***Evaluation Set-Asides***

The Budget also seeks authority to set aside funds for evaluation and other evidence-building activities within certain programs. Specifically, the Budget requests:

- Authority to set aside up to 1.5 percent of HHS's Social Services Block Grant for research and evaluation.
- An increase in the DOL set-aside authority from 0.75 percent to 1 percent of affected accounts.
- New set-aside authority for older Americans nutrition programs, to fund evidence-based, innovation projects to enhance the quality and effectiveness of nutrition programs.