

Board of Advisors

February 13, 2011

MEMORANDUM

TO: Board of Advisors of the Coalition for Evidence-Based Policy
FROM: Jon Baron
RE: Update on our work

I'm pleased to report two promising new developments in evidence-based policy reform.

1. **This week, the President's budget will propose a \$100 million pilot initiative known as pay-for-success bonds.** As previewed in David Leonhardt's column last week in the *New York Times*, the initiative would enlist nonprofit foundations and/or for-profit groups to fund the delivery of social programs in areas such as job training, education, and juvenile justice. The government would reimburse these organizations several years later, possibly with a bonus, but only if the programs have a positive impact on the desired outcomes. As described in the *Times* article, this concept is also being piloted by the British government, with funders that include the Rockefeller Foundation and other organizations.

As you'll note, the *New York Times* article ([linked here](#)), and Leonhardt's subsequent blog post ([linked here](#)) cite much of the Coalition's work, including (i) the evidence that many existing federal social programs are not effective in improving participants' lives, underscoring the need for reform; and (ii) our call for the new initiative's use of rigorous evidence to guide which programs get funded, and for rigorous evaluations to determine whether the funded programs are working. An earlier, related Administration initiative -- the \$50 million Social Innovation Fund, enacted in 2009 -- included our recommended rigorous evidence/evaluation provisions, and we believe they would be critical to the success of this new initiative as well. The Center for American Progress has released a thoughtful [paper](#) on this new policy concept, authored by Harvard economist and former OMB official Jeff Liebman, which also recommends incorporation of such evidence-based approaches.

We'll learn more about the initiative when the President's budget is released this week, and as the authorizing legislation develops. We will keep you posted.

2. **The Department of Labor (DOL) has launched a four-year, \$2 billion job training program that incorporates the core evidence-based concepts we've promoted through our work with OMB and Congress.**

This program was enacted in March 2010. As described in DOL's program announcement ([linked here](#)), it will award grants to community colleges and other eligible higher education institutions to deliver education and job training to workers who have lost their jobs or are threatened with job loss due to foreign trade. Key evidence-based provisions include:

- The program will make larger-sized funding awards to grantees proposing to replicate program models backed by strong or moderate evidence of effectiveness (with random assignment recognized as providing the strongest evidence); and

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- The announcement recognizes that few evidence-based models currently exist in this program area, and states that DOL is therefore planning a rigorous evaluation of selected grantees to "build knowledge about effective practices so that, in the future, institutions can replicate practices that are effective..." To enable such evaluation, the program is requiring all grantees to agree to participate in a rigorous evaluation, including random assignment, if selected to do so.

I hope this update is helpful. Any thoughts or suggestions you have for our future work would be much appreciated. We're grateful to the MacArthur Foundation and the William T. Grant Foundation for their support of our work.