

December 20, 2011

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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 important new developments in our work:

1. Congress has provided FY 2012 funding for all six federal evidence-based initiatives that incorporate the core concepts we've promoted through our work with the Executive Branch and Congress. Based on the omnibus spending bill signed by the President on Saturday, these initiatives – enacted into law over 2009-2011 – will actually receive a slight increase in aggregate funding in FY 2012 compared to FY 2011. This is in contrast to the earlier House spending bill, which would have largely de-funded these initiatives. (The six initiatives/funding are shown on our home-page— see the bulleted list.) The fact that these initiatives did well in a difficult budget environment is encouraging, and hopefully a good sign for the future.

We're grateful to the Congressional and Administration officials who worked to include the funds in the final bill. My understanding is that the recent New York Times <u>article</u> on these initiatives, and our Brookings <u>op-ed</u>, were helpful in the process – particularly in showing the bipartisan origin of these initiatives, and explaining why they are especially important in a tight budget climate when cost-effectiveness is at a premium.

2. The Congressional Budget Office (CBO) has stated publicly – for the first time – that it "gives greater weight to demonstrations and experiments that use random assignment ..." when estimating the cost of Congressional legislation. As you'll recall, we worked with former CBO Director Robert Reischauer to encourage CBO to make such a statement, and met with the CBO leadership over the summer to discuss the issue. The CBO statement parallels similar guidance that the Office of Management and Budget (OMB) has provided to the federal agencies on the use of "rigorous experimental evidence" in budget-scoring decisions, based on concepts that we've advanced.

Taken together, these statements signal CBO and OMB's intent, in "scoring" the budgetary cost of a federal program, to credit cost savings the program generates that have been demonstrated in well-conducted randomized experiments. Given budget scoring's central role in the federal budgetary and legislative process, this may create an important new incentive and opportunity for (i) the enactment of legislation to expand implementation of programs rigorously demonstrated to produce partly-offsetting budget savings (such as the Critical Time Intervention to prevent recurrent homelessness); and (ii) federal agencies and others to sponsor rigorous research/evaluation aimed at identifying additional programs that produce partly-offsetting savings. We have developed a short paper summarizing these developments (two pages, with the actual OMB and CBO statements attached).

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.