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MEMORANDUM

TO: Board of Advisors of the Coalition for Evidence-Based Policy

FROM: Jon Baron

RE: Update on our work

In a potential breakthrough for evidence-based policy, the Office of Management and Budget (OMB) has launched a major new push for the development and use of rigorous evidence in budget, management, and policy decisions across the federal government – see OMB memo <u>Use of Evidence</u> and Evaluation in the 2014 Budget to the Heads of the Executive Departments and Agencies.

The initiative incorporates many of the core evidence-based concepts we have promoted through our work with OMB, Congress, and the agencies and – because it is led by OMB and tied to the President's FY 2014 budget request – is likely to have far-reaching effects on federal agencies and programs.

Of particular note, the OMB guidance:

- States that "Agencies should demonstrate the use of evidence throughout their FY 2014 budget submissions. Budget submissions should also include a separate section on agencies' most innovative uses of evidence and evaluation, addressing some or all of the issues [outlined in the memo]."
- Describes concrete actions that agencies might include in their submissions, such as:
 - (i) Sponsor low-cost, rigorous evaluations that use administrative data to measure outcomes (the memo links to our recent brief on low-cost randomized trials);
 - (ii) Use agencies' authority to "waive" certain legal/regulatory provisions, in order to rigorously test variations in ongoing programs;
 - (iii) Use rigorous evidence on programs' cost-effectiveness to guide agency funding investments; and
 - (iv) Incentivize evidence-based practices in agency grant-making programs (e.g., through a competitive preference priority in the grant selection criteria).
- Clearly emphasizes evaluations and evidence that meet scientifically rigorous standards (e.g., through use of random assignment).

We strongly support this new effort. As demonstrated in fields such as medicine and welfare policy, such evidence-based approaches can (i) greatly increase government's effectiveness in addressing critical national problems in social policy and other areas (as we've discussed here); and (ii) identify important opportunities for budget savings to help address the long-term deficit problem (as we've discussed here).

The New York Times ran an excellent article this week on the new OMB guidance: "The Dawn of the Evidence-Based Budget." As you'll note, the *Times* article discusses the bipartisan roots of the effort, and cites the Coalition's work.

We will keep you posted as the initiative goes forward.