**Building Momentum for Evidence-Based Policymaking in State and Local Governments**

*By Quentin Palfrey*

What if policymakers allocated government funding based on scientific evidence of what works, instead of anecdote, status quo, or political belief? In most major policy debates, compelling—but theoretical—arguments can be made on both sides. But despite increasing pressure to "use big data" to inform decisions especially when resources are scarce, it's often challenging for policymakers to disaggregate the impacts of a specific program from broader economic and societal conditions—and to separate good research from bad. By using data they already collect and applying the same scientific tool that transformed modern medicine—randomized evaluations—to social policy, researchers and policymakers can work together to cut through opinion and build an arsenal of rigorous evidence in its place.

Despite the hyperpartisan climate of politics in many areas of the world today, the evidence-based policymaking movement is gaining traction. In the United States, Republican House Speaker Paul Ryan, Democratic Senator Patty Murray and President Obama came together last year to enact legislation creating a federal Commission on Evidence-Based Policymaking, which aims to develop a strategy for increasing the availability and use of data to build evidence about government programs. State and local governments—who are collectively responsible for spending $2.5 trillion each year (about 40 percent of the total government spending)—are also joining in. In Washington State, for example, state human services departments track and report the percentage of funding allocated for evidence-based and/or research-based programs.

Reorienting government decision-making to identify and fund programs that work can be slow and challenging, but can make a real difference in people's lives. We offer five concrete steps state and local policymakers can take to use data effectively and ensure the greatest return on taxpayer dollars.

**1. Facilitate access to administrative data for research and impact evaluation.** Hospitals, governments, school systems, and other institutions gather a wealth of information on individuals for purposes other than research. This data can be an excellent source of information for research when equipped with safeguards for privacy, and can reduce research costs, create more possibilities for long-term follow-up, and improve the accuracy of findings. Several deep dives into administrative data have already transformed what we know about social policy — and helped policymakers make better decisions. Economists Raj Chetty, Nathaniel Hendren, and Lawrence Katz found that young children from families who left high-poverty areas with a housing choice voucher program earned significantly higher incomes, attained more education, and became single parents at lower rates compared to their peers who stayed. In health care, economists Katherine Baicker and Amy Finkelstein learned that gaining access to Medicaid led people to use more healthcare services across the board— preventative care, hospitalizations, emergency department visits, doctor office visits, and prescription drug use—while reducing financial strain and rates of depression. It is hard to overstate the transformational potential this data can have for researchers seeking to determine what works—and what does not—in social policy.

**2. Require that agencies link administrative datasets.** Furthermore, government programs often affect people's lives in ways that are not confined to bureaucratic silos. A housing program can have a profound effect on health, an education program can affect students' job prospects, or a program for substance use disorder treatment can influence the likelihood that patients will get into trouble with the

law. But these outcomes can be hard to detect if data is confined to silos within agencies that do not work together. Policymakers should insist that agencies think collaboratively about how to link data so that policymakers and researchers can observe the true effects of programs. South Carolina, for example, has established an integrated data system to make it easier for government and independent evaluators to study the impact of initiatives such as the Nurse-Family Partnership program.

**3. Add requirements and support for rigorous evaluation into existing funding streams.** When authorizing pilot programs, lawmakers should encourage agencies to roll them out in a way that allows agencies and scholars to compare the effect of the programs on those who receive services from them against a statistically identical population that receives only pre-existing services. Policymakers should seek out technical assistance for agencies to become better producers and consumers of evidence and to create a culture of evaluation across the jurisdiction's executive branch.

**4. When allocating scarce resources to oversubscribed programs, consider determining eligibility by lottery rather than first-come-first-served.** This is a way for agencies to evaluate the impact of a program on recipients and make the case for further funding if it is demonstrably effective. Lotteries can also be the fairest way to select individuals off a wait list. This approach was used to great effect by the state of Oregon when it expanded Medicaid to previously ineligible applicants by lottery, allowing scholars to observe the precise impact of the policy on beneficiaries' financial circumstances and physical and mental health.

**5. Institutionalize best practices by creating independent evaluation offices.** These are tasked with identifying opportunities for randomized evaluations and other rigorous research, linking administrative datasets across state agencies to facilitate these evaluations, and applying existing evidence to improve the efficacy of state programs. For example, the Washington state legislature established the Washington State Institute for Public Policy to carry out policy-relevant research and to use this evidence to advise legislators. In a similar model with a focus on behavioral science, Philadelphia and Washington, D.C., have created behavioral "nudge" units, along the lines of the White House Social and Behavioral Science Team, to apply research from behavioral science to improve the efficacy of their programs.

**6. Take a page from Congress' book by establishing state-level commissions on evidence-based policymaking.** These would be charged with carrying out systematic reviews of existing data and evaluation infrastructure and finding better ways to institutionalize the generation and use of evidence in government policy.

By implementing these kinds of suggestions, state and local government policymakers can build the infrastructure to design and fund programs that work—a win-win for policymakers of all political persuasions and for the citizens they serve.