



HOW STATES CAN UTILIZE AMERICAN RESCUE PLAN FUNDS:

# Evidence-Based Policymaking

As the U.S. emerges from the pandemic and states receive significant one-time federal funds designed to facilitate recovery, investment in evidence-based policies will help ensure these dollars are leveraged efficiently and to greatest effect. As these time-limited federal funds are spent and state budgets inevitably tighten, an enduring need exists for objective data and analysis of program efficacy so programmatic investments are optimized.

**By using the best available data and research to inform decision making, state leaders can ensure federal funding is invested in the most effective programs and policies that will lead to improved state outcomes.** Evidence-based policymaking provides an opportunity for states to promote innovation, strengthen transparency and accountability, and foster a culture of continuous learning and improvement.

**The American Rescue Plan Act (ARP) encourages state leaders to invest in evidence-based programs and practices.**

*This influx of federal funds provides state leaders the opportunity to bolster state economic and fiscal recovery by investing in evidence-based policy, data analysis, improvements to data and technology infrastructure, and impact evaluations.*

The one-time, time-limited nature of this funding can be leveraged for long-term impact by investing in experimentation and discrete costs, such as data collection or evaluations. These funds also provide an opportunity to invest in programs that have a temporary increase in demand during pandemic recovery.

**The ARP encourages states to implement evidence-based education and health interventions, including funding to:**

- Address **students' learning loss** ([Section 2001](#)).
- Implement activities to meet the **comprehensive needs of students** ([Section 2001](#)).
- Implement **summer enrichment and afterschool programs for students** ([Section 2001](#)).
- Provide mental health services and support through **full-service community schools** ([Section 2001](#)).
- Expand **models of healthcare that integrate behavioral health needs** ([Section 2707](#)).
- **Monitor and suppress coronavirus** in accordance with public health guidelines ([Section 2003](#)).
- Implement a national strategy **for testing, contact tracing, surveillance, and mitigation of COVID-19** ([Section 2401](#)).
- Implement training for health care professionals on strategies for **reducing and addressing suicide, burnout, mental health conditions, and substance use disorders** ([Section 2703](#)).
- Carry out a **national education and awareness campaign directed at health care professionals and first responders** to encourage primary prevention of mental health **conditions and substance use disorders** ([Section 2704](#)).



## The Coronavirus State and Local Fiscal Recovery Fund provides state leaders with flexible funding they can use for evidence-based programs and practices.

### The ARP allocates \$195.3 billion to states and the District of Columbia as part of the Coronavirus State and Local Fiscal Recovery Fund.

The Coronavirus State and Local Fiscal Recovery Fund enables states to respond to the COVID-19 public health emergency and the negative economic impact of the pandemic. States have broad discretion over how to spend these funds. This provides state leaders the opportunity to invest funds into evaluations of programs and evidence-based programs and policies that will bolster state recovery. States may use funds to hire staff to identify and build evidence and data capacity and/or conduct evaluations.<sup>1</sup>

The U.S. Department of Treasury outlines evidence-building requirements and opportunities in the [Compliance and Reporting Guidance](#) for the Coronavirus State and Local Fiscal Recovery Fund. The guidance directs states, territories and other jurisdictions to report if they use funds for evidence-based interventions and/or rigorous program evaluations.<sup>2</sup> Recipients also must describe project goals, the evidence supporting funded interventions and the amount of total spending for evidence-based interventions. The guidance waives evidence-based reporting requirements for states that are conducting program evaluations.

### In addition, [the Coronavirus State and Local Fiscal Recovery Fund Interim Final Rule](#) and the U.S. Department of the [Treasury Frequently Asked Questions \(FAQ\)](#) include examples of eligible uses of funds, including the following references to evidence-based programs and data systems:



To respond to COVID-19 by addressing disparities in public health outcomes, states can use funds for **evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic** (Interim Final Rule).



To respond to negative economic impacts by addressing educational disparities, states can use funds for: 1) **evidence-based educational services and practices to address the academic needs of students**, including tutoring, summer, afterschool, and other extended learning and enrichment programs, and 2) **evidence-based practices to address the social, emotional, and mental health needs of students** (Interim Final Rule).



To respond to, mitigate and prevent COVID-19, states can use funds for **enhancement of public health data systems** (Treasury FAQ 2.1.).

#### Footnotes:

1 U.S. Treasury Department, SLFRF-States and Territories Webinar, June 22, 2021.

2 The U.S. Treasury Department defines evidence-based interventions as those with strong or moderate evidence. See Appendix 2 of the [June 17, 2021 guidance](#) for more information.

## For More Information:

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# State Opportunities for Using Coronavirus State and Local Fiscal Recovery Funds for Evidence-Based Policymaking



## 1 State leaders can use Coronavirus State and Local Fiscal Recovery Funds to implement evidence-based policies and programs.

The first step in prioritizing evidence-based policies and programs is identifying existing interventions that have research-based indicators of positive impact. [Federal guidance](#) for the Coronavirus State and Local Recovery Fund encourages state leaders to use resources like the U.S. Department of Education's [What Works Clearinghouse](#), the U.S. Department of Labor's [Clearinghouse for Labor Evaluation and Research](#) and others to assess the effectiveness of their interventions. These interventions can then be incorporated into state policies and programs that can be paid for with ARP funds.

An example of an eligible evidence-based program to address disparities in public health outcomes is lead paint abatement programs. Research shows lead abatement can improve [health outcomes](#) for children and adults by reducing developmental disorders, attention deficit hyperactivity disorder-related (ADHD) behaviors, anemia, hypertension, and kidney and brain damage. Strong evidence also exists that lead abatement programs are successful in reducing lead dust exposure when the lead source is removed. Evidence includes an evaluation of [Maryland's lead law treatments](#) and the U.S. Department of Housing and Urban Development (HUD) lead-based paint hazard control grant program. State leaders can use Coronavirus State and Local Fiscal Recovery Funds to implement similar lead abatement programs to address disparities in public health outcomes resulting from the COVID-19 pandemic.

## 2 State leaders can use Coronavirus State and Local Fiscal Recovery Funds to evaluate existing, altered, and entirely new policies and programs.

States can [use](#) Coronavirus State and Local Fiscal Recovery Funds to evaluate and consequently improve programs that address the pandemic's negative economic consequences. According to federal [guidance](#), states may use funds to analyze data, improve data and technology infrastructure, and conduct [impact evaluations](#). As described above, federal guidance directs states to identify whether funds are used for evidence-based interventions and/or program evaluations. When recipients opt to evaluate programs, the Treasury requires them to describe their methods and to publicly post findings.

Given this guidance, legislative and executive branch leaders could consider using funds to evaluate existing programs or to pilot and evaluate new and innovative programs that address state needs but lack rigorous research support. For example, many state leaders prioritize funding for programs based on tiered grant distributions, evidence continuums and other frameworks driven by the availability of research-based evidence. However, these mechanisms also create opportunities to invest in new or untested programs to develop a research agenda to demonstrate impact. For example, Colorado's evidence continuum and Tennessee's [evidence steps](#) provide a framework for describing the evidence supporting a program currently, and how a program can move along the continuum with evaluation and implementation support.

Other options for strengthening state evaluation capacity include hiring or training staff or collaborating with researchers from higher education institutions to develop and evaluate programs that lack evidence of impact. [The Lab @ DC](#) in the District of Columbia and North Carolina's [Office of Strategic Partnerships](#), for example, include dedicated staff who focus on building government capacity to design and evaluate policies. Cities also present environments for evaluation capacity (e.g. San Antonio's [R&D League](#)), in which states could invest.

### 3 State leaders can use Coronavirus State and Local Fiscal Recovery Funds to adopt a research or [learning agenda](#) to support their evaluation efforts.

Treasury Reporting and Compliance Guidance encourages jurisdictions to consider how a learning agenda could support their evaluation efforts and drive their evidence-building strategy. Learning agendas can help agencies identify and address prioritized research questions that drive their evidence-building practices.

The federal Foundations for Evidence-Based Policymaking Act of 2018 required certain federal agencies to create learning agendas in consultation with stakeholders. It called learning agendas “the driving force for several of the activities required by and resulting from the evidence act.”

States can consult federal resources, including the [Evidence Act Toolkit](#) and [Learning Agenda Toolkit Workbook](#) to learn how to develop a learning agenda and the benefits of doing so. Federal learning agendas, such as the [Office of the Administration for Children and Families](#) learning agenda and the U.S. Housing and Urban Development’s [Research Roadmap](#), may serve as models for state agencies.

### 4 State leaders can learn how to invest in evidence-based policy by looking to successes in other states.

While states have until the end of 2024 to obligate recovery funds, state legislative and executive branch leaders are setting priorities and making budget and policy decisions today and in the coming months that will affect their spending patterns for years to come. As states set priorities and allocate funds, they can learn from other states’ approaches for advancing data and evaluation capacity. For example:



**Connecticut’s [proposal](#)** allocates funds to introduce evidence-based, universal home visiting in certain areas of the state that suffered disproportionate impact, stress and child trauma during the pandemic.



**North Carolina’s [proposal](#)** allocates funds for [Results First evidence-based initiatives](#) that address some of the top risk factors associated with severe COVID-19 outcomes including diabetes, cancer, heart disease, obesity and smoking. Funds also are provided for the evaluation, implementation, and ongoing monitoring of programs.

In addition to examining how states spend flexible ARP funds, it is important to consider how states implemented evidence-based practices before the pandemic. States have [taken](#) a variety of steps to build data and research capacity, evaluate the effectiveness of state services, prioritize funds for research-backed programs and embed evidence into the budgeting process. Their approaches may offer a guide for how states can use evidence to prioritize programs and allocate new recovery funds. For example, some states, including [Mississippi](#), [Colorado](#), [Minnesota](#), and [Rhode Island](#), require new funding requests be supported by research demonstrating their effectiveness or a plan for rigorous research of a pilot program. In 2019, New Mexico lawmakers enacted [legislation](#) requiring agencies to specify how much of the funds they request in their budgets would be spent on evidence-based programs. As states allocate ARP funds, leaders should consider similar procedures to evaluate the research base supporting a funding request, a program’s expected outcomes, and the plan for evaluating effectiveness.

## Additional Resources

A [report by the Pew Results First Initiative](#) outlines a comprehensive framework that policymakers can follow to build a system of evidence-based governing. Learn more about [impact evaluations and how policymakers can build evaluation capacity](#).

To learn more about the common challenges to evidence-informed policymaking and steps policymakers can take to implement an evidence-informed approach to governance, read [NCSL’s report on the ABCs of Evidence-Informed Policymaking](#).

To read about questions policymakers can ask to determine where to allocate funding, including questions about how evidence of effectiveness is incorporated, see NCSL’s brief on [Using Data and Evidence to Make Strategic Budget Decisions: 6 Key Questions](#).

Consult CSG’s [State Recovery Resource Center](#) and NCSL’s [ARP State Fiscal Recovery Fund Allocations tracking resources](#) to learn more about how states are prioritizing and allocating fiscal recovery funds.