States have a historic chance to capitalize on funding from the American Rescue Plan Act (ARPA) to further the use of evidence in policymaking. Federal guidance on ARPA encourages states, territories and other jurisdictions to invest in evidence-based programs and practices, and allows states to use these time-limited funds for discrete costs, such as data analysis and collection, program evaluations and improvements to data and technology infrastructure. Investing in evidence work with ARPA dollars could pay off major dividends in the future by funding implementation of evidence based programs, paying for rigorous program evaluations of preexisting programs, creating or enhancing data infrastructure to enable sharing information across agencies/states, and putting ARPA funded programs into a learning agenda to gauge their effectiveness and inform future programs.

Overview: ARPA and Evidence-Based Policymaking

The ARPA Coronavirus State and Local Fiscal Recovery Fund (SLFRF) program provides states and the District of Columbia with $195.3 billion and territories with $4.5 billion to cover increased expenditures, replenish lost revenue and reduce negative economic impacts associated with the pandemic. States, territories and other jurisdictions have broad discretion over how to spend these funds. The U.S. Department of Treasury outlined requirements and opportunities related to evidence-based policymaking in its January 2022 Final Rule and Compliance and Reporting Guidance. For example, Treasury requires jurisdictions receiving these funds to report their use for evidence-based interventions or for rigorous program evaluations.

The January 2022 Rule recognizes “collecting high-quality data and developing community-driven, evidence-based programs requires resources to hire and build the capacity of staff, adopt new processes and systems, and use new technology and tools in order to effectively develop, execute, and evaluate programs.” As such, states and other SLFRF recipient jurisdictions may use funds for the following:

- **Program evaluation and evidence resources** to support building and using evidence to improve outcomes. States may use funds to develop learning agendas, select evidence-based interventions and conduct program evaluations. The Rule encourages recipients to use evidence clearinghouses to assess the level of evidence for interventions and identify evidence-based models that could be used.

- **Data and analysis resources** to gather, assess and use data for effective policymaking and tracking of program performance.

- **Technology infrastructure resources** to improve access to and use of government information technology systems. States may use funds for hardware and software upgrades as well as to improve public-facing websites or data management systems.

- **Community outreach and engagement resources** to collect and share information in ways that improve equity and effective implementation of SLFRF-supported programs.

- **Capacity-building resources** to support using data and evidence in designing, executing and evaluating programs. This includes hiring government staff, academics and consultants with expertise in evaluation, data, technology and community engagement, as well as technical assistance to support effective implementation of SLFRF-supported programs.

Additional information on state use of ARPA funds for evidence based policymaking is available in this 2021 issue brief from the National Conference of State Legislatures (NCSL), The Council of State Governments (CSG) and The Policy Lab at Brown University.
1. Implement Evidence-Based Policies and Programs

Federal guidance 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 Penn State’s Evidence to Impact Collaborative, among others, to assess the effectiveness of programs already being implemented and interventions under consideration. With information on program effectiveness evaluated and gathered in one place, policymakers and agency staff can systematically consider programs based on the strength and quality of the evidence behind them.

Kansas’ SLFRF recovery plan pointed to research clearinghouses as a tool for identifying evidence-based interventions.

New Mexico’s Legislative Finance Committee’s (LFC) Program Evaluation Unit examined the state’s post-pandemic workforce development needs in a 2020 policy report. Pointing to Results First Clearinghouse and evaluation findings, LFC noted Nevada’s reemployment approach has proven effective in reducing the length of time individuals receive unemployment insurance, while generating savings for the state. Based on the LFC’s report, the New Mexico legislature has dedicated $5 million toward evidence-based reemployment case management.

2. Evaluate existing, altered, and entirely new policies and programs

States, territories and other jurisdictions can use funds to evaluate and consequently improve programs that address the pandemic’s negative economic consequences. Federal guidance permits states to use funds to analyze data, improve data and technology infrastructure and conduct impact evaluations.

The evidence-building strategy in Connecticut’s recovery plan involves prioritizing investments in evidence-building; supporting the allocation of resources for evaluation and data analysis; and communicating and connecting projects with existing state efforts to coordinate and leverage capacity.

The District of Columbia embedded experimental evaluations in government programs. Each year’s budget cycle begins with a review of proposals for new or expanded programs and services. Agencies must provide the evidence supporting their budget requests. The Lab @ DC, a dedicated scientific team inside the Office of the City Administrator, identifies opportunities to embed rigorous evaluations in investments and uses the results to inform future budget decisions.

In its 2021 recovery plan report, Massachusetts outlined a framework for evidence-based interventions. The framework emphasizes using project budgets to build state evaluation capacity and directing grant and contract spending to interventions with evidence. Massachusetts will prioritize requests supported by higher tiers of evidence, similar to Colorado’s evidence continuum model. In addition, project budgets may establish a standard funding allocation, such as a 1% cap on the total funded amount, to evaluate programs, according to the plan.

North Carolina’s Appropriations Act of 2021 allocated $500,000 to the Office of State Budget and Management to provide evidence-based and competitive grants to state agencies. Agencies may use grants to partner with research institutions to conduct research projects and evaluate whether programs are achieving intended results. State agencies are required to submit reports on the use of funds to the Joint Legislative Oversight Committee on General Government and the Fiscal Research Division. North Carolina has also budgeted $5 million for program evaluation.

Rhode Island has developed a Project Evaluation Matrix, which outlines major questions policymakers are addressing as they consider how to spend ARPA funds. The framework lists a series of questions policymakers can ask, such as: “How will success or failure of the implementation process be monitored, evaluated and reported?”
Federal agencies are required to complete learning agendas as part of the federal Foundations of Evidence-Based Policymaking Act of 2018 (P.L. 115-435). Learning agendas can help agencies identify and address prioritized research questions that drive their evidence-building practices.

3. Adopt a learning or research agenda to support evaluation efforts

The U.S. Treasury Department’s Final Rule and prior guidance encourage states to use SLFRF money to adopt a learning agenda, sometimes referred to as a research agenda or evidence-building plan. However, states have not been widely adopting this model for supporting policymaking, as only two Recovery Plan Performance Reports mention learning agendas.

Connecticut is proposing a learning agenda focused on five priority areas: 1) defeating COVID-19; 2) investing in the future; 3) creating a more affordable Connecticut; 4) making economic growth work for everyone; and 5) resources to modernize and ease delivery of services.

The District of Columbia plans to expand the use of evidence in policymaking by organizing SLFRF funded programs into a learning agenda focused on high priority policies for D.C. residents. Though preliminary, the primary question of the learning agenda is: “What SLFRF investments are most effective for our disadvantaged residents and should be continued beyond the federal investments?” D.C. plans to use their Launch, Evaluation, and Monitoring (LEM) hub to enable the learning agenda.

Resources

Consult the CSG State Recovery Resource Center and NCSL’s ARPA State Fiscal Recovery Fund Allocations tracking resources to learn more about how states are prioritizing and allocating fiscal recovery funds. CSG has compiled every state’s SLFRF Recovery Plan here.