

## Congress Should Use Cost-Effectiveness to Guide Social Spending

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Although the focus in Washington lately has been on the deficit super committee and dashed hopes for “going big,” a new drama is playing out now in Congressional spending decisions for 2012. With Congress and the president having agreed to trim 2012 discretionary spending by \$7 billion, our leaders have a unique opportunity to focus funding on programs that produce results, and thereby build a leaner, more cost-effective government. Can they seize the moment, or will it be business-as-usual and continued erosion in the people’s confidence?

We support program cuts as part of long-term deficit reduction, and realize that the magnitude of reductions needed over the next decade will require sacrifice from many Americans. However, the sacrifice could be minimized—and government performance maximized—if Congress uses evidence of effectiveness to decide where to spend and where to cut. In other words: Do what works!

Unfortunately, in the 2012 Congressional appropriations process, the House Appropriations Committee is taking the opposite approach in its main social spending bill. It would ramp up funding for programs that are politically popular, yet have been shown—in convincing scientific evaluations—to produce little or no improvement in people’s lives. To help pay for the proposed increases and still meet Congress’ deficit reduction targets, the committee would eliminate funding for newer federal programs that fund activities showing strong evidence of effectiveness, some of which may even save taxpayers money.

Only in the topsy-turvy world of Washington would programs that do not work get major funding increases, while programs that do work get cut.

Several of the programs slated for major funding increases are Great Society programs that many House Republicans have long opposed, but now propose to expand. The Department of Labor’s \$1.7 billion Job Corps program would see an increase of about \$1 billion. The \$7.6 billion Head Start program would get an additional \$540 million. Both programs have been shown in large, federally-funded evaluations—using the scientific “gold standard” method of randomly assigning individuals to a program or control group—to produce few or no improvements in participants’ lives. In other words, those *not* enrolled in these programs do about as well as those who are.

Similarly, the Department of Education's \$14.5 billion Title I Grants and \$11.5 billion Special Education Grants would each see billion-dollar increases. These programs award funding to school districts through formulas or other criteria that give no weight to whether the funded projects have evidence of effectiveness. Thus, we have no credible way to judge whether these programs are working, making them poor candidates for billion-dollar increases in a time of fiscal austerity.

There is a different way forward for Congress. It begins with realizing that funding programs shown to be ineffective is a species of government waste. By contrast, over the past four years, Congress has enacted a new type of social program—one which awards funding to state and local applicants based on the evidence of effectiveness underlying their proposals. Here the funding principle is exactly what is needed: evidence of success determines which projects get expanded, and which get reduced.

There are six new evidence-based initiatives across the Departments of Health and Human Services (HHS), Education, and Labor, and the Corporation for National and Community Service. The House Appropriations Committee would eliminate or sharply reduce funding for all but one. Here the funding principle appears to be: if it works, cut it.

One initiative that would be ended is HHS's evidence-based Early Childhood Home Visiting Program, launched as a pilot under President Bush and expanded by President Obama. This initiative funds program models such as the Nurse-Family Partnership, which provides nurse-visitation services to low-income, first-time mothers. The model has been found highly effective in three rigorous randomized studies, producing sustained reductions of 20 to 50 percent in child abuse, neglect, and injuries. Moreover, one of the studies found an average reduction in the mothers' use of welfare, Food Stamps, and Medicaid of \$13,000 over 12 years—more than offsetting the program's cost.

This program model is an ideal investment, improving the lives of children and mothers *and* generating savings in other government programs. Yet it is on the chopping block.

Another evidence-based initiative in jeopardy is the Department of Education's Investing in Innovation Fund. This initiative funds program models such as Success for All—a whole-school reform program for high-poverty elementary schools. Evaluated in a national randomized study in grades K-2, Success for All increased schoolwide reading ability in second grade by 25 to 30 percent of a grade level, at a very modest cost per school—roughly the equivalent of hiring one additional teacher.

When the House and Senate reconcile their spending bills this fall, they should fully support these new evidence-based initiatives. As for larger programs like Job Corps and Title I—these should be reformed so that they, too, use evidence in their funding decisions. For example, whereas Title I funding is now allocated to school districts based on how many poor students they serve, a half percent of the funds could be used to reward these districts for adopting program models shown to *actually work* for poor students—or for trying new models that would be rigorously evaluated.

The new evidence-based initiatives are cost-effective investments—exactly what is needed to optimize benefits for individuals and the nation in a tight budgetary climate. Distributing social spending the old-fashioned way—with maximum regard for political gain and minimum regard for evidence of effectiveness—is a luxury we can no longer afford.