

# Center for Results-Focused Leadership

Strategies to strengthen results in public-sector and nonprofit organizations



## Quick Summary

Evidence-based budgeting ensures that public spending goes to credibly-effective approaches, so that those dollars have the most impact possible. It is a process that can be led by a budget office or by a legislature and has three main steps, starting with developing a program inventory.

## Strategy Details

### **Q1. What is evidence-based budgeting?**

Common approaches to trying to making public-sector budgets more results-focused include performance-based budgeting and zero-based budgeting, yet those approaches often haven't produced the desired impact, so states and localities have searched for new approaches. One promising approach is evidence-based budgeting, which we present here, drawing on the useful brief, [A Guide to Evidence-Based Budget Development](#), by The Pew Charitable Trusts.

Evidence-based budgeting involves three key steps:

1. Creating a comprehensive **inventory** of funded programs and **assessing the evidence** of each intervention's effectiveness.
2. Requiring agencies to **justify requests** for new funding with rigorous research on program effectiveness.
3. Embedding **evidence requirements** into agency contracts and grants to ensure that research guides program activities.

Importantly, those steps could be led by a governor's or mayor's budget office or they could be required by a legislature. We walk through each of these steps below.

### **Q2. How does Step 1 work, creating a comprehensive inventory of programs and then assess the evidence of each intervention?**

This step starts with identifying all of the funded programs within a jurisdiction or agency, depending on whose budget it is. While knowing what programs exist might seem trivial, it's

often not: Most jurisdictions or agencies have a large number of programs and simply putting them into a spreadsheet can be illuminating. For each program, it's useful to include a description of the program mission, its goals, the services provided, its target population, the number of clients served, and cost information.

Next, comparing the identified programs to the existing evidence of their effectiveness is about asking, "How much credible research -- such as program evaluations -- exist about whether this program model works and how well it works?" The best way to answer that question is to draw on [national research clearinghouses](#) that summarize evaluation results. The goal of this process is to determine which programs within the inventory are likely effective, likely ineffective, or need more research to determine their effectiveness. That categorization can then inform budget decisions about what to cut and what to continue funding or expand.

For example, states such as Mississippi, New Mexico and Washington State require agencies to inventory their current programs and categorize each by defined standards of evidence. Example categories include strong evidence, moderate evidence, promising practice, and lacking proof of effectiveness.

### **Q3. How does Step 2 work, requiring agencies to justify requests with evidence of effectiveness?**

This step is requiring agencies to justify requests for new or increased funding with rigorous evidence showing that the funding would produce positive results. Mississippi, for example, requires agencies to answer a series of questions around evidence base, plan for monitoring implementation, and plan to measure results. And Utah requires agencies to create business case for new funding, including evidence base.

Moreover, a legislature can require agencies to use evidence-based programs through their funding allocations. For instance, an Oregon law required a gradual increase (from 25% to 50% and then 75%) in amount of funding allocated to evidence-based programs for a range of policy areas, including recidivism prevention as well as drug and alcohol treatment.

### **Q4: How does Step 3 work, embedding evidence requirements into agency grants and contracts?**

This step, which can be led by agencies themselves, is about creating incentives for evidence use outside of the formal budget process, since grants and contracts are an important way in which public dollars get spent. The idea here is to encourage agencies to use their grants and contracts to support evidence-based interventions or programs. An example comes from New York State's Division of Criminal Justice Services. It awarded \$5 million through competitive grants to support alternatives to incarceration, requiring all funded approaches to be backed by credible evidence. Another example is from Hawaii's Department of Health. It created performance standards for youth mental health services, including the use of evidence-based approaches by contractors.



## Additional Resources

- **Brief:** [A Guide to Evidence-Based Budget Development](#), from The Pew Charitable Trusts.



## Customized Assistance

Please [contact us](#) if your jurisdiction or agency needs help in implementing evidence-based budgeting.