ARPA FUNDS

Investing in What Works Series:

Partnering to Evaluate Workforce Development Programs and Build Evidence Capacity

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Policymakers can leverage the American Rescue Plan Act to invest in and scale up workforce programs and policies that are proven to work—to address both short-term workforce needs and long-term workforce development priorities. To date, about half the states have allocated funds to workforce development programs to bolster worker skills and reemploy workers, according to NCSL tracking.

How can states build their evidence capacity considering the time-limited nature of these funds? As described in this brief, strategic partnerships can help to launch and sustain evidence-building efforts. Through partnerships with research institutions, nonpartisan policy resources and funding entities, such as philanthropic organizations, policymakers and other government stakeholders can develop their internal capacity to collect and use data, while building relationships that can sustain evidence-based reforms beyond 2024, when states are required to obligate ARPA funds.

How ARPA Can Build Capacity and Support Research Partnerships

As described in the first brief in this series, Treasury Department guidance permits states, territories and other jurisdictions to use ARPA funds to pay for impact evaluations. Fund recipients may use State Fiscal Recovery Funds to address, among other objectives, the data, evidence and program administration needs of recipients. These include program evaluations and the development of evidence, data analysis and capacity-building resources, along with technology infrastructure and community outreach and engagement.

Federal guidance permits states and other jurisdictions to fund the use of data and evidence in designing, executing and evaluating programs, including hiring public sector staff and others with expertise in evaluation, data, technology and community engagement, as well as technical assistants and community partners to help implement funded programs.



About This Series

This is the third in a series of three reports from NCSL to explore options for states to use American Rescue Plan Act funds to build a strong workforce. As described in this series, many states are prioritizing workforce development initiatives and strategically investing these time-limited resources for long-term impact. The series explores options for using ARPA funds to:

- Scale evidence-based workforce development solutions (Brief 1).
- Evaluate workforce development programs and pilot projects (Brief 2).
- Partner to enhance workforce data and evaluation capacity (Brief 3).

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Partnering to Evaluate Workforce Development Programs and Build Evidence Capacity: 4 State Options

States are taking a variety of steps to bolster the use of evidence to drive workforce and other social policy decisions. As described below, these include partnerships within government, such as cross-branch collaboration between legislative and executive branch stakeholders, as well as external partnerships with researchers, funders and state policy resources and organizations.

1: BUILD INTERNAL CAPACITY TO GENERATE AND USE WORKFORCE EVIDENCE AND DATA.

As described in this series, states have used or plan to use funds to build internal capacity to perform program evaluations, or to connect government stakeholders with external researchers, or both. States' efforts, including prior to ARPA, demonstrate options for developing government capacity to evaluate programs and coordinate evidence-building activities. For example:

- Alabama lawmakers passed legislation in 2019 to create a Commission on the Evaluation of Services.
 Co-chaired by executive and legislative branch leaders, the commission evaluates the effectiveness of state services and advises the Legislature and governor on program evaluation and resource allocation. In 2021, the commission reviewed state investments in medical provider shortages in rural, underserved areas.
- In 2021, Minnesota lawmakers created the Opiate Epidemic Response Advisory Council, which consults with the state Department of Management and Budget to select opioid grant projects that qualify for impact evaluations. The budget agency partners with grantees and other stakeholders, including external research advisors, to complete the evaluations. The advisory council and the budget agency then report project outcomes to the Legislature, including the ability of programs to be scaled to achieve statewide results.
- New Mexico's Legislative Finance Committee provides the Legislature with objective fiscal and policy analyses, recommendations and state agency oversight. As described in the second brief in this series, based on the commission's recent report on the state's post-pandemic workforce development needs, the Legislature dedicated \$5 million to evidence-based reemployment case management, one of the programs reported to be effective in the policy report.
- Washington State Institute for Public Policy conducts nonpartisan research at the direction of the Legislature or board of directors. The institute works with legislators, legislative and state agency staff, and experts in the field to ensure that studies answer relevant policy questions. Researchers analyzed benefits and costs of employment counseling programs for individuals in the adult criminal justice community seeking employment.



PROMOTE RESEARCH PARTNERSHIPS THROUGH EVALUATION GRANTS.

States have also promoted partnerships through competitive grant programs that seek to build evidence for new and promising programs. Colorado and North Carolina have created innovation funds to pay for promising programs and pilot projects and to support research and evaluation to demonstrate their results.

For example, since 2017, Colorado's Office of State Planning and Budgeting has awarded about \$500,000 annually in grants to state agencies. Staff work with agencies to help programs build their evidence and progress along a continuum. 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 the intended results.



3: PARTNER WITH EXTERNAL RESEARCHERS TO STUDY PROGRAM EFFECTIVENESS.

States regularly partner with academic, private or nonprofit research and policy organizations to study policy issues and evaluate programs. Policymakers can use ARPA funds to contract with external researchers to conduct research and address pressing policy questions.

North Carolina's Office of Strategic Partnership develops relationships between state government, the state's research institutions and philanthropic organizations. With philanthropic funding, the office hired an evidence advisor who works with state agencies to integrate evidence into decision-making. To foster collaboration between government and researchers, the office hosts a regular cross-sector webinar series called Monthly Connect on topics relevant to state government, research institutions, philanthropies and others.

State policymakers can learn from other states' experiences with implementing evidence-informed practices by participating in convenings, joining peer learning networks or reading case studies on evidence-informed policymaking from NCSL and other nonpartisan organizations. For example, NCSL, in partnership with The Council of State Governments and The Policy Lab at Brown University, manages a multistate peer-learning network aimed at sharing best practices for generating and using evidence and data to inform policy decisions.

4: PARTNER WITH PHILANTHROPIC AND OTHER POLICY RESOURCES TO RESEARCH AND EVALUATE WORKFORCE DEVELOPMENT AND OTHER PROGRAMS.

In addition to opportunities afforded under ARPA for program evaluation, states may also consider how other funded resources can support their evidence goals. Arnold Ventures' Evidence-Based Policy team invites grant applications to conduct randomized controlled trials of social programs. Arnold Ventures funds the trials, and government or another entity funds the program's delivery. The main goal in funding such trials is to build the body of programs rigorously shown to produce sizable, sustained effects on important life outcomes.



J-PAL North America's State and Local Innovation Initiative supports state and local leaders in using randomized evaluations to produce lessons about which programs work best and why through flexible funding, technical assistance, and fostering connections with researchers. For example, the New Mexico Public Education Department is partnering with J-PAL North America to evaluate the effectiveness of a program addressing frequent school transfers on school attendance, achievement and dropout rates. More examples of J-PAL's work with state and local leaders can be found here.

Conclusion

By using the best available evidence and research to inform these investments, policymakers can ensure federal funding is invested in the programs that are most likely to achieve positive results for workers and state economies. Partnerships with research, philanthropic and state policy organizations can help to guide decisions, strengthen government capacity to collect and use data and evidence, and build relationships that are critical to long-term sustainability.

The National Conference of State Legislatures is the bipartisan organization dedicated to serving the lawmakers and staffs of the nation's 50 states, its commonwealths and territories.

NCSL provides research, technical assistance and opportunities for policymakers to exchange ideas on the most pressing state issues, and is an effective and respected advocate for the interests of the states in the American federal system. Its objectives are:

- Improve the quality and effectiveness of state legislatures.
- Promote policy innovation and communication among state legislatures.
- Ensure state legislatures a strong, cohesive voice in the federal system.

The conference operates from offices in Denver, Colorado and Washington, D.C.

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