

## Middle Class Economics: Building and Using Evidence to Improve Results

The President's 2016 Budget is designed to bring middle class economics into the 21st Century. This Budget shows what we can do if we invest in America's future and commit to an economy that rewards hard work, generates rising incomes, and allows everyone to share in the prosperity of a growing America. It lays out a strategy to strengthen our middle class and help America's hard-working families get ahead in a time of relentless economic and technological change. And it makes the critical investments needed to accelerate and sustain economic growth in the long run, including in research, education, training, and infrastructure.

These proposals will help working families feel more secure with paychecks that go further, help American workers upgrade their skills so they can compete for higher-paying jobs, and help create the conditions for our businesses to keep generating good new jobs for our workers to fill, while also fulfilling our most basic responsibility to keep Americans safe. We will make these investments, and end the harmful spending cuts known as sequestration, by cutting inefficient spending and reforming our broken tax code to make sure everyone pays their fair share. We can do all this while also putting our Nation on a more sustainable fiscal path. The Budget achieves about \$1.8 trillion in deficit reduction, primarily from reforms to health programs, our tax code, and immigration.

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There is growing momentum for evidence-based approaches at all levels of government, as well as among nonprofits, foundations, faith-based institutions, and community-based organizations. The Administration's embrace of these approaches has resulted in important gains in areas ranging from reducing veterans' homelessness, to improving educational outcomes, to enhancing the effectiveness of international development programs. To enable future administrations and the Congress, as well as State, local, and tribal leaders, to drive even more resources to policies backed by strong evidence, the 2016 Budget invests in growing the evidence base: by strengthening evidence-building capacity in specific, high-priority areas; strengthening evidence-building capacity across government, in particular by expanding access to administrative data; and creating new opportunities for innovation, coupled with greater accountability for results. The Budget also proposes to take additional evidence-based approaches to scale.

### BUILDING EVIDENCE ABOUT WHAT WORKS

#### Strengthening Evidence-Building Capacity in Specific, High-Priority Areas

##### *Coupling the Budget's Major New Investments with Complementary Investments in Learning*

The two largest new investments in the Budget are not only informed by strong evidence, they are also coupled with significant new investments in learning to support continuous improvement.

**Child care and early learning.** The 2016 Budget includes major new investments in child care access and quality for low- and moderate-income working families and also re-proposes a major investment in preschool. But while there is already strong evidence that these investments will help both parents and children, there is much more to learn about exactly what child care and early learning approaches work best. Therefore, the Budget would also:

- **Double funding for early education research and evaluation** to support:
  - Creation of a new National Education Research and Development Center for early education, which will gather crucial data on children's early life experiences and test different practices to see which are most effective at improving child outcomes.
  - The launch of a new round of the Early Childhood Longitudinal Study gathering information about children's health, development, and school readiness from birth to kindergarten entry. The first study of this kind concluded in 2007 and is still extensively used by researchers.
- **Provide funding to pilot alternative child care models.** The Budget provides \$100 million for competitive pilots in the Department of Health and Human Services (HHS)'s Child Care and Development Fund to develop and test models for meeting the child care needs of working families, including those with non-traditional schedules.
- **Test strategies to improve the transitions of children from preschool into kindergarten through third grade.** The Budget would invest up to \$20 million for a pilot within the Department of Education's Preschool Development Grants to increase understanding about the essential elements of early learning programs, the transition to kindergarten, and early grade experiences that promote readiness and contribute to school success.

**College access and completion.** Motivated by years of research showing that a more educated workforce is key to economic growth and that reducing the cost of college helps students enroll and succeed, the Budget makes major new investments in college access and affordability. These include partnering with States to make quality community college free for responsible students, permanently indexing Pell Grants for inflation, and reforming higher education tax benefits.

But research also shows that tuition reductions need to be coupled with other strategies that help students complete their degrees. While the Budget requires States to adopt existing evidence-based strategies for supporting community college students, we need a longer menu of tested strategies for improving college completion rates. To help create that menu, the Budget triples funding for the First in the World Fund at the Department of Education, increasing it from \$60 million to \$200 million. The Budget also includes an increase of \$20 million for the TRIO programs to support the demonstration and rigorous evaluation of college access and completion strategies.

### ***Additional Investments in Evidence-Building Capacity***

The Budget also invests in other areas where there is a strong need for better research to inform policy decisions, including:

- **The Bureau of Indian Affairs (BIA).** Tribal leaders and communities need access to quality data and information as they make decisions concerning their communities, economic development, and land and resource management. The collection and analysis of data by the Federal government is also critical to ensuring that Federal agencies and programs are delivering effective services to Tribes to meet tribal needs and deliver on Federal responsibilities. The Budget includes an increase of \$12 million for BIA to help address long-standing concerns Tribes have expressed about the quality of data in Indian Country. This funding will enable the Department of the Interior to work with tribes to improve Federal data quality and availability, to work with the U.S. Census Bureau to address data gaps for Indian

Country, and to create an Office of Indian Affairs Policy, Program Evaluation, and Data to support effective, data-driven, tribal policy making and program implementation. The goals are to improve program performance and deliver more effective services in Indian Country through important initiatives such as Generation Indigenous, which seeks to address barriers to success and opportunity for Native youth.

- **Conservation programs.** The Budget invests \$10 million over two-years to determine the effect incentive payments and outreach efforts have on farmers' willingness to adopt conservation practices and to improve the efficiency of private lands conservation programs. This multi-year effort will leverage administrative data as well as census and survey data within the Department of Agriculture (USDA) (and potentially across other agencies) to build rigorous evidence and strengthen conservation implementation at low cost.
- **Services for workers with disabilities.** Early-intervention measures – such as supportive services for individuals with mental impairments, targeted incentives for employers to help workers with disabilities remain on the job, or opportunities and incentives for States to better coordinate services – have the potential to achieve long-term gains in the employment and the quality of life of people with disabilities. The Budget builds on the bipartisan support for these efforts in the Consolidated and Further Continuing Appropriations Act, 2015, by providing demonstration authority and \$400 million in funding for the Social Security Administration (SSA), in partnership with other Federal agencies, to test innovative strategies to help people with disabilities remain in the workforce.
- **Criminal justice.** The Budget invests \$23 million in research and pilot projects focused on developing appropriate responses for youth exposed to violence. In addition, it supports a new multidisciplinary program evaluation and policy analysis capability within the Department of Justice (DOJ) to inform policy options and track and monitor implementation of policy decisions in areas such as the Smart on Crime Initiative, criminal and civil law enforcement, and enforcement of civil rights (\$1.7 million).
- **Child support.** The Budget proposes \$1 billion over 10 years for a new Child Support Research Fund, which will provide formula and competitive grants to test and evaluate family-centered strategies to improve the effectiveness of child support programs. The fund will focus on strategies that help parents build the capacity and willingness to support their children and that tailor child support enforcement tools to each family.
- **Job training.** The Budget would create a \$200 million American Technical Training Fund at the Department of Education to support the development, implementation, scaling up and evaluation of job-training models that involve strong employer partnerships.

### *Piloting and Testing Specific Promising Approaches*

The Budget also proposes specific pilot and demonstration programs to test promising strategies that may warrant expansion. For example, the Budget provides resources for:

- **Evaluation of the newly enacted Veterans' Choice Program.** A continued program evaluation of the newly enacted Veterans Choice Program (P.L. 113-146) will inform the feasibility and advisability of continuing the program, as required by the law. The Budget

invests in VA's further development of health care research to support evidence-based decision-making, which directly contributes to the evaluation by helping to develop standards to measure various components of the program (e.g., access to care). The evidence gathered through this evaluation could inform future budget decisions, as VA continues improving timely access to health care.

- **A Medicaid demonstration to decrease over-prescription of psychotropic medications to children in foster care.** Research suggests that certain evidence-based and evidence-informed psychosocial interventions yield better and longer-lasting outcomes for children and youth than prescribing psychotropic medications. The demonstration will test whether encouraging States to increase access to evidence-based alternatives to treat behavioral and mental health conditions will reduce over-prescription of psychotropic medications and improve outcomes for children in foster care.
- **Continued testing of summer Electronic Benefit Transfers.** The Budget provides \$67 million, more than double the current investment, for summer Electronic Benefit Transfer (EBT) pilots, which support the reduction of food insecurity and hunger for children during the summer months. Preliminary results suggest that this approach may be successful at reducing childhood hunger and improving nutrition in the months when school meals are unavailable.
- **Continuation of the Promoting Readiness of Minors in SSI (PROMISE) pilot.** The interagency pilot, initiated in 2012, is currently testing interventions that have the potential to improve health, education, and workforce outcomes for youth receiving Supplemental Security Income (SSI).
- **Testing alternative cost-sharing designs.** The Budget would invest \$30 million to initiate study design, review relevant literature, and begin implementing a randomized controlled research study to develop evidence about the effects of alternative cost sharing and other health insurance designs on health care utilization, costs, and outcomes.
- **Incremental expansion of the Moving to Work (MTW) program.** Through MTW, the Department of Housing and Urban Development (HUD) will partner with high-capacity public housing agencies to rigorously evaluate innovative models for improving self-sufficiency, mobility, academic performance and other outcomes for HUD-assisted families.

## **Strengthening Evaluation Capacity Across Government**

### ***Improving Access to Administrative Data***

Administrative data are data collected by government entities for program administration, regulatory, or law enforcement purposes. Federal and State administrative data include rich information on labor market outcomes, health care, criminal justice, housing, and other important topics. But they are often greatly underutilized in evaluating programs' effects, as well as for performance measurement and informing the public about how society and the economy are faring.

The 2016 Budget includes a package of proposals that would make additional administrative data from Federal agencies and programs legally and practically available for policy development, program

evaluation, performance measurement, and accountability and transparency efforts within a strong framework of privacy, confidentiality, and data security protections.

- **Expanding access to data.** The Budget proposes to improve access to employment and earnings data. Consistent with bipartisan Congressional proposals, the Budget would allow select Federal statistical and evaluation units to access the HHS's National Directory of New Hires (NDNH) dataset of Unemployment Insurance (UI) earnings data for statistical purposes, consistent with strong privacy and confidentiality protections. It would also eliminate the ban on creating a national database that could be used to assess the quality of job training service providers. These proposals will make it possible to create consistent employment outcome "scorecards" for federally-subsidized job training providers, a goal of both the Administration's job training review and the bipartisan Workforce Innovation and Opportunity Act. Earnings data can also be used to rigorously evaluate the effects of other program changes and interventions on employment, wages, and upward mobility.

In addition, the Budget would provide targeted access to Medicare data by health research organization to spur improvements in health care quality and targeted statistical agency access to business tax data to improve economic statistics.

- **Investing in data infrastructure.** The Budget requests \$10 million in additional funding for the Census Bureau to build on its existing strengths and start developing a more comprehensive infrastructure for linking, sharing, and analyzing key datasets. The additional funding would allow Census to accelerate the process of acquiring additional key datasets, including State-held data, such as for the Supplemental Nutrition Assistance Program (SNAP); expand and improve its infrastructure for processing and linking data; and improve its infrastructure for making data available to outside researchers.

The Budget would also invest in the Department of Education's student aid data infrastructure and in State education and workforce data systems.

- **Creating a commission to lay the groundwork for future improvements.** The Budget embraces the bipartisan proposal from Representative Paul Ryan and Senator Patty Murray to create a commission focused on realizing the potential of administrative data. The commission would make recommendations for how to make additional administrative data available for evaluation and other statistical uses by Federal and outside researchers, what legislative changes are needed to facilitate such access, and how to expand access while ensuring data security and fully protecting privacy and confidentiality, as well as how to improve data quality. The Budget proposes to fund the commission as part of the Census investment described above, and to base the commission at Census to take advantage of the Census Bureau's unique expertise.

### *Other Cross-Cutting Investments in Federal Evaluation Capacity*

**Social and Behavioral Sciences Team.** The Budget supports the expansion of the White House Social and Behavioral Sciences Team (SBST), which is coordinated by OSTP and based at the General Services Administration (GSA). SBST is already helping over a dozen Federal agencies test the impact of behaviorally informed interventions on program impact and efficiency using rapid, rigorous, and low-cost randomized control trials. For example, SBST collaborated with the Department of Defense

to test new approaches to help service members re-enroll in a Thrift Savings Plan. Preliminary results show that a redesigned email communication resulted in a 22% higher re-enrollment rate among service members relative to a standard email. The expansion will allow the team to recruit additional experts and expand services to more agencies.

**Evaluation funding flexibilities.** High-quality evaluations and statistical surveys are essential to building evidence. But the available procurement vehicles for these activities can be overly cumbersome and can lead to inefficiencies and waste. In order to streamline these procurement processes, improve efficiency, and make better use of existing evaluation resources the Budget proposes to provide certain agencies – including HHS's Assistant Secretary for Planning and Evaluation and the Office for Planning, Research and Evaluation in the Administration for Children and Families; the Department of Labor's Chief Evaluation Office and Bureau of Labor Statistics; DOJ's National Institute of Justice and Bureau of Justice Statistics; the Census Bureau; and HUD's Office of Policy Development and Research – with expanded flexibilities to spend funds over a longer period of time. These flexibilities will allow agencies to better target evaluation resources to reflect changing circumstances on the ground.

**Evaluation set-asides.** The Budget also seeks authority to set aside funds for evaluation and other evidence-building activities within certain programs. Specifically, the Budget requests:

- New set-aside authority for the higher education, career and technical and adult education, and rehabilitation services accounts at the Department of Education.
- Authority to set aside up to 1 percent of HHS's Social Services Block Grant for research and evaluation.
- An increase in the Department of Labor set-aside authority from 0.5 percent to 1 percent of affected accounts.

### **Encouraging Innovation While Measuring Results**

#### ***Greater Flexibility Coupled with Greater Accountability for Outcomes***

The Budget expands the use of innovative, outcome-focused grant designs that give States, local governments, and tribes more scope and flexibility to innovate and adapt programs to local needs, in exchange for greater accountability for outcomes. For example:

- **Upward Mobility Project.** A new initiative, the Upward Mobility Project, will allow up to ten communities, States, or consortia of States and localities to combine funds from four existing block grant programs (the HHS Social Services Block Grant and Community Services Block Grant, and the HUD's Community Development Block Grant and HOME Investment Partnerships Program) designed to promote opportunity and economic development and reduce poverty to test and validate promising approaches to help families become more self-sufficient, improve children's outcomes, and revitalize communities so they can provide more opportunities for their residents. Projects must utilize evidence-based strategies, track program performance, and evaluate intervention effectiveness. In addition to these funds, participating communities will be eligible to receive a total of \$1.5 billion in new funding over five years, in addition to flexibility with currently provided resources.

- **Performance Partnerships.** The Budget would also authorize up to 10 new Performance Partnership Pilots for Disconnected Youth. Building on provisions in FY 2014 and FY 2015 appropriations bills, this authority would create a third round of pilots letting States, tribes, and localities blend certain discretionary funding and receive waivers under multiple youth-serving programs in order to improve education, employment, and other key outcomes and build evidence about more effective ways to help vulnerable youth. Based on the promise of this model—which initially included the Departments of Education, HHS, and Labor, the Corporation for National and Community Service (CNCS), and the Institute for Museum and Library Services—the Administration worked with Congress to expand pilot authority in FY15 to DOJ. The first pilots will be selected this spring or summer.

### *Increasing Investments in Evidence-Based Grant Making*

Among the most notable advances in Federal grant making are "tiered-evidence" or "innovation fund" grant designs that focus resources on practices with strong evidence while also promoting innovation. Generally, in a three-tiered grant model, grantees can receive a base level of funding under the "proof of concept" tier to begin testing new models that have high potential; additional funding under the "validation" tier to further test interventions that have emerging evidence of effectiveness; or the highest level of funding under the "scale up" tier when they have proven evidence of how their proposed approach delivers impact.

The Budget invests more than \$1.5 billion in discretionary tiered-evidence programs, nearly doubling funding for these programs relative to 2015 enacted amounts and constituting an increase of approximately 550 percent relative to 2010 enacted amounts, adjusted for inflation. In particular:

- The Budget invests \$300 million in the **Investing in Innovation Fund (i3)**, more than double the investment in 2015. To date, i3 has funded over 130 innovative Development and Validation studies, as well as six larger Scale-up projects, and is helping to uncover successful interventions in the areas of teacher and principal effectiveness, turning around low-performing schools, and implementing college- and career-ready standards and assessments.
- The Budget provides \$165 million for the US Agency for International Development's (USAID) **Global Development Lab** to accelerate progress toward addressing global development challenges and increase the impact of U.S. assistance through science, technology, innovation, and partnerships. This funding supports rigorous evaluation and impact assessment across all Lab programs, including more than \$35 million for tiered-evidence approaches – such as the **Development Innovation Ventures (DIV)** program – to invest in innovations that have the potential to change millions of lives in developing countries at a fraction of the current costs.
- The Budget invests \$70 million in the **Social Innovation Fund (SIF)** to test promising new approaches to major challenges, leverage private and philanthropic capital to meet these needs, and expand evidence-based programs that demonstrate measurable outcomes. The Budget continues to allow the use of up to 20 percent of SIF funds for Pay for Success projects.

The Budget also experiments with ways to encourage a greater focus on experimentation and evidence-based practices in larger, more traditional grant programs. For example:

- The Budget proposes a \$100 million **Leveraging What Works grant competition at the Department of Education** to reward school districts that use existing Federal funds for activities that have an evidence-base. The competition will increase the impact of traditional grant funds and build evidence of effective investments by encouraging districts to shift funds to activities for which there is moderate or strong evidence of effectiveness.
- The Budget requests \$200 million for a **Low Income Home Energy Assistance Program (LIHEAP) Innovation Fund** to support state and utility partnerships that test innovative strategies for serving low-income beneficiaries. The competitive funds may test strategies related to reducing energy burden, supporting more efficient and clean energy sources, and improving households' ability to pay utility costs.

### *Advancing Pay for Success Approaches*

The Administration is continuing its commitment to expand the Pay for Success program model. Pay for Success leverages philanthropic and private dollars to fund preventive services, which are provided by nonprofits and other non-governmental entities up front, with the Government paying only after the interventions generate sufficient measurable results. The Budget continues the Administration's commitment to the Pay for Success program model by investing a total of up to \$364 million across five programs.

- The Budget includes up to \$64 million for initiatives at the **Departments of Education and Justice and CNCS** in the areas of job training, education, criminal justice, housing and other human services.
- The Budget also re-proposes a \$300 million **Pay for Success Incentive Fund at the Department of the Treasury**, similar to bipartisan legislation introduced in the House and Senate last year, to help State and local Governments implement Pay for Success programs with philanthropies, nonprofits, and other nongovernmental organizations.
- In addition, the Budget re-proposes a demonstration allowing the **Department of Housing and Urban Development (HUD)** to use a Pay for Success model to finance energy efficiency retrofits in HUD-assisted housing through reductions in utility costs.

## **ACTING ON EVIDENCE TO GET BETTER RESULTS**

The Administration is committed to developing evidence about how best to address important challenges, but equally committed to acting on the evidence that is already available. Below are a few examples of programs that the Budget proposes to invest in, scale up, or change on the basis of strong evidence.

### **Ending Homelessness**

In partnership with communities across the country, the Administration has made significant progress toward the President's ambitious goals of ending homelessness, especially among veterans. Major cities, including Salt Lake City, Utah and Phoenix, Arizona, have ended chronic homelessness among veterans. And in January, New Orleans, Louisiana became the first major American city to end veteran



homelessness entirely. Nationally, veteran homelessness is down 33 percent and the total number of people experiencing chronic homelessness on a single night is down 21 percent from 2010 to 2014.

With continued focus from Federal, state and local partners, we are on a path to end veteran homelessness by the end of 2015. The Budget includes \$2.5 billion for HUD's Homeless Assistance Grants, which will support 15,000 additional families through rapid rehousing and an estimated 25,500 new units of permanent supportive housing targeted to the chronically homeless. These funds, in coordination with the targeted special purpose Housing Choice Vouchers, will support the Administration's efforts to end chronic homelessness in 2017 and to make significant progress in ending homelessness across all other populations.

### **Investing in Child Care and Early Learning**

Motivated by strong evidence that quality child care and early childhood education helps parents succeed in the workforce and children succeed in school, the Budget makes major investments in child care and early learning, including:

- **New investments in child care access and quality.** The Budget invests an additional \$82 billion in mandatory funding over ten years to ensure that all low- and moderate-income working families with young children will have access to quality, affordable child care. It also proposes to triple the Child and Dependent Care Tax Credit available for young children.
- **Resources to provide full-day, full-year programs in Head Start.** As part of a broader \$1.5 billion increase in discretionary funding for the HHS Head Start program, the Budget includes \$1.1 billion to ensure that all children are served in full-day, full-year programs, which recent research suggests generate better learning outcomes.
- **Continued support for home visitation programs.** In home visiting programs, nurses, social workers, and other professionals work with current and expecting parents to help families track child development, identify any health and development issues and connect families to services to address them, and utilize good parenting practices. Research shows that home visiting programs can significantly improve maternal and child health, child development, and children's long-term outcomes. However, the HHS Maternal, Infant, and Early Childhood Home Visiting Program faces a funding cliff later this year. The Budget invests \$15 billion in mandatory funds over 10 years to extend and expand the program.
- **Continued support for universal preschool.** The Budget provides \$750 million for the Department of Education's Preschool Development Grants program, an increase of \$500 million from 2015 enacted. The program, which helps States develop and expand high-quality preschool systems, launched in 2014 and awarded grants to eighteen States. These grants lay the groundwork for the Administration's Preschool for All proposal, a plan to partner with States to provide quality preschool for all low- and moderate-income four-year-olds while providing States with incentives to expand these programs to reach additional children from middle class families, and to put in place full-day kindergarten policies.

### **Other Investments to Improve Outcomes for Children and Youth**

The Budget invests in evidence-based approaches to help children of all ages, providing:

- New authority in the **child welfare system** to promote specialized family-based care as an alternative to congregate (group home and institution) care for children with behavioral and mental health needs. Research shows that children fare better in family-based placements. This proposal includes increased oversight of congregate care to ensure that such placements are used only when necessary and for only as long to meet the child's health and behavioral health needs.
- An additional \$50 million for the Department of Education's **School Improvement Grants (SIG)**. The additional funds will provide competitive grants to States that encourage their school districts to implement evidence-based strategies to turn around the lowest performing schools. Early data on the program indicates achievement gains in many of the SIG schools that outpace the national average.
- Continued funding (\$180 million) at HHS for **evidence-based approaches to preventing teenage pregnancy**. Teen pregnancy funding replicates programs that rigorous evaluations have shown effective at reducing teenage pregnancy; invests in research and demonstration grants to develop, replicate, refine and test additional models and innovative strategies; and supports training, technical assistance, and outreach activities.
- At the Department of Defense, \$145 million for the **National Guard Youth Challenge (NGYC) program**, an increase of \$10 million. Compared to their peers, at-risk youth who participate in NGYC have higher rates of employment and higher earnings, and are more likely to earn a GED or college credits. In addition, the Departments of Labor and Defense are currently partnering to test whether the NGYC program can provide similar benefits for youth who have been involved with the criminal justice system.
- **Simplifying the Free Application for Federal Student Aid (FAFSA)**. Rigorous evaluations have found that making it easier for students to apply for Federal financial aid can increase college enrollment by as much as 25 percent. On the basis of that evidence, the Administration took steps over the last several years to simplify the FAFSA, including allowing families to import their tax information directly from the IRS. This year's Budget goes further, proposing additional and significant FAFSA simplification by removing questions about savings, investments, net worth, and other information not collected by IRS, reducing the length of the FAFSA by almost a third, while making compensating changes to Expected Family Contributions to prevent students from being made worse off.

### **Strengthening Training and Employment Strategies**

The Budget supports evidence-based approaches to strengthening job training, assisting the long-term unemployed, and supporting and encouraging employment. Examples include:

- At the Department of Labor, scaling up successful **reemployment and eligibility assessments and reemployment services (REA/RES)** to reach the one-third of unemployment insurance beneficiaries who are most likely to run out of benefits before getting reemployed, all returning veterans who receive unemployment benefits, and other displaced workers who come into American Job Centers for help. The Budget provides a \$500 million increase over the 2015 enacted level to support in-person employment services, which evidence suggests are a cost-effective way to get workers back into jobs more quickly.

- At HUD, scaling up the evidence-based **Jobs-Plus program**, a combination of job training and financial incentives that has been found to boost annual earnings by \$1,300, on average. The Budget provides \$100 million for Jobs-Plus, \$85 million over 2015 and enough to serve approximately 20,000 individuals, including up to \$15 million to implement a demonstration of the Jobs-Plus model in Indian Country.
- Significantly increasing the **Earned Income Tax Credit for workers without qualifying children**, including non-custodial parents, in order to reduce poverty and provide a more meaningful work incentive to low-wage workers without custodial children. Extensive research finds that the EITC for families with children has increased labor force participation among single mothers. This proposal would build on that success, targeting a number of groups with low or declining labor force participation rates.
- Providing an additional \$2 billion to support the expansion of **apprenticeships**. High-quality quasi-experimental analyses have found that participants in registered apprenticeship programs have substantially higher employment and earnings than similar nonparticipants.

### **Reducing Crime and Recidivism**

The Administration is committed to a comprehensive strategy to contain incarceration costs over the long term by facilitating inmates' transition into society in order to reduce recidivism rates, increase public safety, and strengthen communities.

The Budget takes steps to address the cycle of incarceration by investing additional resources in the Bureau of Prisons' (BOP) evidence-based **re-entry programs**. These investments include: \$110 million to increase mental health staff, expand the sex offender programs, and provide cognitive behavioral treatment and additional residential re-entry center beds; \$5 million to support a new broader reentry program that reaches out to offenders' children and families to strengthen familial bonds, which are critical for helping inmates transitioning back home; and \$20 million to award innovative reentry programs in BOP facilities. In addition, the Budget nearly doubles investment in the Second Chance Act Grant program to reduce recidivism and help those exiting the justice system rejoin their communities and lead productive lives.

### **Using Data and Evidence to Reduce Global Poverty and Improve Global Health**

The Budget provides \$1.25 billion for the **Millennium Challenge Corporation (MCC)**, a \$350 million increase above the FY 2015 enacted level that will support MCC's evidence-based approach to economic development. MCC forms multi-year agreements with eligible developing countries to stimulate economic growth and reduce poverty. Through its data-driven country selection process and economic analysis of investment opportunities, MCC incentivizes improved governance and generates opportunities in partner countries. The Budget's new investment will enable MCC to strengthen the already rigorous evaluations of its projects, the results of which are made public in order to improve future investments by MCC and others.

In addition, as part of a larger investment in **bilateral HIV/AIDS programs** under the President's Emergency Plan for AIDS Relief (PEPFAR), the Budget provides \$300 million for a new Impact Fund. The Impact Fund will be awarded to countries that take concrete steps to realign their national HIV/AIDS programs to focus on the highest-burden areas and sites, leveraging improved site-level

data. PEPFAR is already realigning its own programmatic portfolio to focus on these high-burden areas, and the Impact Fund will allow the State Department to intensify this impact by leveraging the actions of national governments. The State Department will allocate Impact Fund dollars to those countries with the greatest need and ability to realign resources based on evidence to reach epidemic control, increase their own share of HIV budgets, and take greater ownership of data collection and expenditure analysis.