

Office of Management and Budget

Institute Evidence-Based Policymaking within the Office of Management and Budget

RECOMMENDATION

President Trump and Office of Management and Budget (OMB) Director Mick Mulvaney should formally institute evidence-based policymaking within the OMB. First, the Administration should reorganize existing offices within the OMB into the Division of Evidence-Based Policy to improve the use of evidence in policymaking. Second, the Administration should re-establish a modified and improved Program Assessment Rating Tool (PART) along with a fiscally disciplined evidence-based spring review within the OMB.

RATIONALE

The current use of evidence in policymaking in the OMB is disjointed, with relevant offices often working at cross-purposes with each other. In order to fully integrate and coordinate the use of evidence within the OMB, the Administration should create the Division of Evidence-Based Policy. This division would be composed of renamed offices that currently exist. The units of the division would be:

- Economic Analysis (formerly the Economic Policy Division);
- Information Policy (formerly the Statistical and Science Policy Branch within the Office of Information and Regulatory Affairs); and
- Performance Management and Evaluation (formerly the Evidence Team within the Economic Policy Division and the Performance Team within Performance and Personnel Management)

The new division would be situated under the Deputy Director and headed by the Associate Director for Evidence-Based Policy with a Deputy Associate Director serving as the career senior position. This organizational improvement should fix the fragmentation that is hindering the OMB's capacity to drive improvements in how the federal government uses and builds evidence, harnesses high-quality data for performance measurement and evaluation, and identifies which performance data that is now collected could be eliminated because it is burdensome, not reliable, or not useful.

Next, the Administration should re-establish a modified and improved PART along with a fiscally disciplined evidence-based spring review within the OMB. PART was an attempt by the Bush Administration to assess every federal program's purpose, management, and results to determine its overall effectiveness. The extremely ambitious PART was a first-of-its-kind attempt to link federal budgetary

decisions to performance. Unfortunately, President Obama terminated PART. A revitalized spring review would require federal agencies to present the OMB with credible evidence on their performance. Budget requests from agencies should be based on their performance, not just desired levels of funding.

As an opening maneuver in the budget process, the President can encourage Congress to be more fiscally disciplined by incorporating rigorous evidence into budget recommendations. Instituting an improved PART and an evidence-based spring review would help the Administration focus Congress on eliminating wasteful and ineffective programs, and on making remaining federal programs operate as efficiently as possible to save money for taxpayers. PART required all programs to be reviewed over five-year intervals, therefore, placing pressure on agencies to continually collect performance information throughout their programs' existence.

When practiced correctly, evidence-based policymaking is a tool that would allow policymakers, especially at the OMB, to base funding decisions on scientifically rigorous impact evaluations of programs. Given scarce federal resources, federal policymakers should fund only those programs that have been proven to work, and defund programs that do not work. In addition to assessments of effectiveness, the constitutionality of programs should heavily influence decision making in the budget process.

Leadership is crucial to setting an evidence-based agenda. First, the President needs to send a clear message to the OMB and the entire federal bureaucracy that the West Wing believes evidence-based policymaking should influence budget decisions. Second, Director Mulvaney needs to develop clear expectations that program associate directors and program examiners are to concentrate on rigorous evidence for justifying agency budgets.

ADDITIONAL READING

- David B. Muhlhausen, *Do Federal Social Programs Work?* (Santa Barbara, CA: Praeger, 2013).
- David B. Muhlhausen, "Evaluating Federal Social Programs: Finding Out What Works and What Does Not," testimony before the Subcommittee on Human Resources, Committee on Ways and Means, U.S. House of Representatives, July 17, 2013.
- David B. Muhlhausen, "Evidence-Based Fiscal Discipline: The Case for PART 2.0," Heritage Foundation *Backgrounder* No. 33158, September 27, 2016.
- David B. Muhlhausen, "Evidence-Based Policymaking: A Primer," Heritage Foundation *Backgrounder* No. 3063, October 15, 2015.