



**Statement of Jon Baron
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**House Committee on Agriculture, Subcommittee on Nutrition
July 15, 2015**

Chairman Walorski, Ranking Member McGovern, and Members of the Nutrition Subcommittee:

I appreciate the opportunity to testify regarding evidence-based solutions in the Supplemental Nutrition Assistance Program (SNAP). As brief background, I serve as Vice President of Evidence-Based Policy at the Laura and John Arnold Foundation (LJAF). Our mission is to address our nation's most pressing and persistent challenges using evidence-based, multi-disciplinary approaches. LJAF is a 501(c)(3) private foundation, and, as such, does not advocate for specific legislation or financially benefit from its activities or research. I am also the founder and former president of the Coalition for Evidence-Based Policy, a nonprofit, nonpartisan organization that worked with federal policy officials from 2001 to 2015 to advance important evidence-based reforms in government social spending, many of which were enacted into law and policy.

My testimony will briefly discuss how evidence-based reforms in other entitlement programs – welfare and unemployment insurance – have succeeded in identifying several highly-effective strategies for increasing participants' workforce success and self-sufficiency, while simultaneously reducing government spending. Then, I will offer a few concrete ideas for advancing similar reforms in SNAP.

1980s/90s welfare policy:

Rigorous evaluations identified welfare-to-work strategies that increased participants' employment/earnings by 20 to 50 percent, and produced net government savings of \$2,500 to \$7,500 per person.

In the 1980s and 1990s, government, foundations, and leading researchers sponsored or carried out a large number of randomized controlled trials (RCTs) of state and local welfare reforms. RCTs are widely considered the strongest, most credible method of evaluating program effectiveness. Three major reform efforts – two in California and one in Oregon – were found to be especially effective. Focused on moving welfare recipients quickly into the workforce through short-term job-search assistance and training (as opposed to longer-term remedial education), these initiatives produced gains of 20 to 50 percent in participants' employment and earnings. Remarkably, they also produced net savings to the government, through reduced costs for welfare and food stamps, of \$2,500 to \$7,500 per person, or more than \$20 million for each of the three programs.¹

According to federal officials and others involved in the reform efforts, these findings helped build political consensus for the strong work requirements in the 1996 welfare reform act, and they played a central role in shaping many of the work-first state-level reforms that followed. The scientific rigor of the findings was critical to their policy impact.²

Unemployment Insurance (UI):

A recent RCT of Nevada's Reemployment and Eligibility Assessment program for UI claimants found a \$2,789 (18 percent) increase in earnings per claimant, and a net government savings of \$715 per claimant.

Nevada's Reemployment and Eligibility Assessment (REA) program is a mandatory program for new UI claimants which provides an in-person review of their UI eligibility, and personalized reemployment services (e.g., job search assistance), during a single interview session. The program, evaluated in a Department of Labor-funded RCT across the state in 2009-2011, was found to produce a \$2,789 (18 percent) increase in earnings per claimant, a 4 percentage point increase in their employment rate, and a net savings to the UI system of \$715 per claimant, 18 to 26 months after random assignment.³

The Department of Labor is currently funding an expansion of the Nevada REA program to other states, along with a replication RCT to determine whether the findings from the Nevada study will generalize to other sites.

In SNAP: Building similar evidence-based solutions, with large effects, is possible

The Department of Agriculture's 10-state pilot program, authorized by Congress last year to fund and rigorously evaluate employment/training projects for SNAP participants, is a valuable first step.

The program embodies two core elements that experience in welfare and other areas suggests are essential to successful reform: (i) rather than prescribing or circumscribing the types of projects to be funded, the program used a competitive process to select a diverse array of *state-initiated* projects, thus tapping into promising entrepreneurial approaches generated by the field; (ii) the program requires that each state project be evaluated in a randomized controlled trial so as to credibly determine whether it produces the hoped-for effects on participants' employment, income, economic well-being, and use of public assistance.

However, building a body of proven-effective approaches – as in welfare – will require a greatly expanded effort, because experience suggests only a subset of tested approaches will be found to work.

Well-conducted RCTs, by measuring programs' true effect on objectively important outcomes such as earnings, income, and receipt of public assistance, are able to distinguish those that produce sizable effects from those that do not. Such studies have identified a few social interventions that are truly effective – such as those described above – but these are exceptions that have emerged from testing a much larger pool. Most, including those thought promising based on initial studies, are found to produce small or no effects – underscoring the need to test many interventions. This pattern occurs across a broad range of fields where rigorous evaluations have been conducted. For example:

- **Education:** Of the 90 interventions evaluated in RCTs commissioned by the Institute of Education Sciences (IES) since 2002, approximately 90 percent were found to have weak or no positive effects.⁴
- **Employment/training:** In Department of Labor-commissioned RCTs that have reported results since 1992, about 75 percent of tested interventions were found to have found weak or no positive effects.⁵
- **Medicine:** Reviews have found that 50 to 80 percent of positive results in initial (“phase II”) clinical studies are overturned in subsequent, more definitive RCTs (“phase III”).⁶
- **Business:** Of 13,000 RCTs of new products/strategies conducted by Google and Microsoft, 80 to 90 percent have reportedly found no significant effects.⁷

In other words, strategic trial-and-error is needed. By rigorously testing many promising approaches, we can identify the few that are effective and merit larger-scale implementation.

The federal government could greatly accelerate evidence building within SNAP by creating strong incentives for states to use their *existing* funds to rigorously test new employment/training strategies.

- **States currently receive substantial federal funds – and often contribute their own funds – to provide employment/training services to SNAP participants, but have little incentive to use these funds to rigorously test new strategies.** Specifically, in FY 2013, the states received approximately \$290 million in federal funds to provide such employment and training services, and many states contribute their own funds to supplement the federal funding. Yet, states currently have little incentive to use these funds to develop innovative new strategies and rigorously evaluate them, because any budget savings from strategies demonstrated successful in increasing participants’ employment and earnings, and reducing their use of SNAP, would accrue only to the federal government (in the form of reduced SNAP expenditures).
- **By contrast, in welfare policy, in the years leading up to the 1996 reforms, states had strong incentives to use existing funds to rigorously evaluate welfare-to-work strategies.** First, welfare was jointly funded by the states and the federal government, and under federal policy, if states could rigorously demonstrate (usually through an RCT) that a new welfare-to-work strategy successfully reduced welfare expenditures, both the state and the federal government would share in such savings. Second, the federal government gave the states great flexibility to innovate, by granting them waivers from federal welfare rules, but in return required the states to rigorously evaluate their innovations to determine their effectiveness. Third, the federal government funded half the cost of each state-level evaluation, and helped manage and monitor the evaluation design and implementation so as to ensure scientific rigor.
- **To create similar incentives in SNAP, we suggest that states be allowed to share in any budget savings resulting from an employment/training strategy rigorously shown to be effective** – *i.e.*, shown, in a rigorous evaluation (wherever feasible, an RCT), to increase the employment and earnings of SNAP participants, and to reduce their use of SNAP and other public assistance.
- **In addition, we suggest that – as in welfare – the federal government fund half the cost of the evaluation studies of state-developed employment/training strategies** (with states funding the other half) and collaborate with states in the design and implementation of such studies to ensure their scientific rigor.

To maximize the number of strategies that can be evaluated within a given evaluation budget, we suggest using low- or modest-cost RCTs as a main evaluation method.

Recently, researchers have shown it is possible, in many instances, to conduct sizable RCTs at low or modest cost by using administrative data that *are already collected* for other purposes to measure the key outcomes, rather than engaging in original – and often costly – data collection (*e.g.*, researcher-administered interviews, observations, or tests). Such an approach could likely be applied in many SNAP RCTs – *i.e.*, states that are rigorously evaluating state-developed employment/training strategies could often use state UI records and other administrative data to measure key outcomes including employment, earnings, and receipt of SNAP and other public assistance. Such leveraging of existing data can enable many more RCTs to go forward, by dramatically reducing their cost.

As an illustrative example in another entitlement program, the Department of Labor-funded RCT of the Reemployment and Eligibility Assessment (REA) program, described above, cost about \$320,000 through the 12 to 18 month follow-up, based on the researchers’ rough estimate – a small fraction of the usual multimillion-dollar cost of major RCTs. Even though the study had a very large sample – 33,000 UI claimants in Nevada and over 100,000 in three other states implementing different REA strategies – it

was conducted at modest cost by measuring all outcomes using administrative data on UI receipt and earnings that the states collect already for other purposes.

In 2012, the Coalition for Evidence-Based Policy developed a [brief](#) with five additional examples of sizable, well-conducted RCTs, in diverse program areas, that cost less than \$300,000. These studies all produced valid evidence of practical importance for policy decisions and, in some cases, identified program strategies that produce budget savings.⁸

We suggest reserving the use of traditional, more comprehensive (and costly) RCTs for the evaluation of strategies with a very strong signal of sizable impacts from prior studies – including, for example, low-cost RCTs.

The main goals would be (i) to determine whether the prior impacts can be successfully reproduced and sustained over time, and (ii) to identify the conditions and populations in which the strategy is most effective. When focused on especially promising strategies, such studies can thereby supply valuable evidence to guide decisions about whether and how to scale up the strategy so as to optimize its impact. However, using such comprehensive RCTs to evaluate strategies without a highly promising evidence base can be a costly and inefficient use of evaluation funds, because of the high likelihood of finding no meaningful impacts, discussed above.

Conclusion: A robust federal effort to stimulate state-level innovation and rigorous evaluation in employment/training of SNAP participants can succeed in identifying strategies that produce important gains in employment and earnings, and net savings to the taxpayer.

References

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- ¹ These are 2014 dollars. The program models are: (i) the Riverside Greater Avenues for Independence (GAIN) Program (Stephen Freedman, Daniel Friedlander, Winston Lin, and Amanda Schweder, *The GAIN Evaluation: Five-Year Impacts on Employment, Earnings, and AFDC Receipt*, Working Paper 96.1, MDRC, July 1996; James Riccio, Daniel Friedlander, and Stephen Freedman, *GAIN: Benefits, Costs, and Three-Year Impacts of a Welfare-to-Work Program*, MDRC, September 1994); (ii) Los Angeles Jobs-First GAIN (Stephen Freedman, Jean Tansey Knab, Lisa A. Gennetian, and David Navarro, *The Los Angeles Jobs-First GAIN Evaluation: Final Report on a Work First Program in a Major Urban Center*, MDRC, June 2000); and (iii) Portland Job Opportunities and Basic Skills Training (JOBS) Program (Susan Scrivener, Gayle Hamilton, Mary Farrell, Stephen Freedman, Daniel Friedlander, Marisa Mitchell, Jodi Nudelman, Christine Schwartz, *National Evaluation of Welfare-to-Work Strategies: Implementation, Participation Patterns, Costs, and Two-Year Impacts of the Portland (Oregon) Welfare-to-Work Program*, MDRC, May 1998; Gayle Hamilton, Stephen Freedman, Lisa Gennetian, Charles Michalopoulos, Johanna Walter, Diana Adams-Ciardullo, Anna Gassman-Pines, Sharon McGroder, Martha Zaslow, Jennifer Brooks, Surjeet Ahluwalia, Electra Small, and Bryan Ricchetti, *National Evaluation of Welfare-to-Work Strategies: How Effective Are Different Welfare-to-Work Approaches? Five-Year Adult and Child Impacts for Eleven Programs*, MDRC and Child Trends, December 2001).
- ² Judith M. Gueron and Howard Rolston, *Fighting for Reliable Evidence*, Russell Sage Foundation, 2013, chapters 9 and 10. Ron Haskins, "What Works Is Work: Welfare Reform and Poverty Reduction," *Northwestern Journal of Law and Social Policy*, vol. 4, no. 1, 2009, pp. 29-60. Ron Haskins, in *Rigorous Evidence: The Key To Progress Against Crime and Substance Abuse? Lessons From Welfare, Medicine, and Other Fields*, Proceedings of a National Policy Forum Sponsored by the U.S. Department of Justice and Coalition for Evidence-Based Policy, June 14, 2004, pp. 30-36. Judith M. Gueron, "Building Evidence: What It Takes and What It Yields," *Research on Social Work Practice*, vol. 17, no. 1, January 2007, pp. 134-142.
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- ⁴ Coalition for Evidence-Based Policy, *Randomized Controlled Trials Commissioned by the Institute of Education Sciences Since 2002: How Many Found Positive Versus Weak or No Effects*, July 2013, [linked here](#).
- ⁵ This is based on a count of results from the Department of Labor RCTs that have reported results since 1992, as identified through the Department's research database ([link](#)). We are preparing a short summary of these findings, to be released shortly.
- ⁶ John P. A. Ioannidis, "Contradicted and Initially Stronger Effects in Highly Cited Clinical Research," *Journal of the American Medical Association*, vol. 294, no. 2, July 13, 2005, pp. 218-228. Mohammad I. Zia, Lillian L. Siu, Greg R. Pond, and Eric X. Chen, "Comparison of Outcomes of Phase II Studies and Subsequent Randomized Control Studies Using Identical Chemotherapeutic Regimens," *Journal of Clinical Oncology*, vol. 23, no. 28, October 1, 2005, pp. 6982-6991. John K. Chan et. al., "Analysis of Phase II Studies on Targeted Agents and Subsequent Phase III Trials: What Are the Predictors for Success," *Journal of Clinical Oncology*, vol. 26, no. 9, March 20, 2008. Michael L. Maitland, Christine Hudoba, Kelly L. Snider, and Mark J. Ratain, "Analysis of the Yield of Phase II Combination Therapy Trials in Medical Oncology," *Clinical Cancer Research*, vol. 16, no. 21, November 2010, pp. 5296-5302. Jens Minnerup, Heike Wersching, Matthias Schilling, and Wolf Rüdiger Schäbitz, "Analysis of early phase and subsequent phase III stroke studies of neuroprotectants: outcomes and predictors for success," *Experimental & Translational Stroke Medicine*, vol. 6, no. 2, 2014.

⁷ Jim Manzi, *Uncontrolled: The Surprising Payoff of Trial-and-Error for Business, Politics, and Society*, Perseus Books Group, New York, 2012, pp. 128 and 142. Jim Manzi, *Science, Knowledge, and Freedom*, presentation at Harvard University's Program on Constitutional Government, December 2012, [linked here](#).

⁸ Coalition for Evidence-Based Policy, *Rigorous Program Evaluations on a Budget: How Low-Cost Randomized Controlled Trials Are Possible in Many Areas of Social Policy*, March 2012, [linked here](#).