



EVIDENCE TOOLKIT

# Tiered-Evidence Grantmaking

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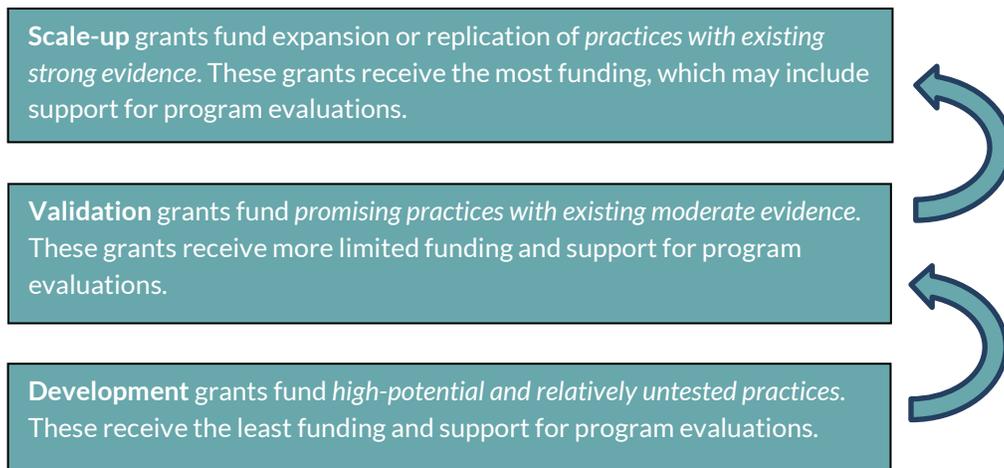
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## What you need to know about tiered-evidence grantmaking

- A grantmaking approach that uses a tiered-evidence design to focus funding on programs backed by rigorous evidence of effectiveness while investing some funds in new and innovative approaches.
- Grants include funding for evaluation, so grantees gain new evidence about their approaches and, hopefully, move up tiers over time.
- In 2016, six tiered-evidence grants are used by four federal agencies with total funding of almost \$800 million—a threefold increase since 2010.

## What are tiered-evidence grants?

Billions of dollars in grants flow from the federal government to states, localities, and nonprofits each year. Tiered-evidence grants can help make federal grantmaking more evidence- and data-focused. They operate, in a way, like a venture capital fund: investors (public agencies, in this case) place bigger bets on approaches with more evidence of success and use smaller bets to encourage new and innovative approaches.<sup>1</sup> This approach is called staged funding. For example, a tiered-evidence grant program with three tiers might look like this:



**Goal:** Grantees with practices shown to be effective move up tiers over time.

<sup>1</sup> This toolkit draws heavily from Andrew Feldman’s unpublished manuscript, “A Primer on Tiered-Evidence Grant Programs.”

## What programs have used tiered-evidence grants?

Four federal agencies have launched a total of eight tiered-evidence grant programs, also called innovation funds, in areas such as education, community-based programs, workforce development, and international assistance. Table 1 shows their funding levels since fiscal year 2010. Six of the programs are currently funded with total funding of \$792 million in 2016.

TABLE 1

### Federal Evidence-Based Initiatives Using a Tiered Funding Model

Millions of dollars

	Agency	Fiscal Year (\$)						
		2010	2011	2012	2013**	2014	2015	2016
Social Innovation Fund*	CNCS	50	50	45	42	70	70	50
TAA Community College & Career Training (TAACCCT)^	DOL	0	500	500	475	464	0	0
Workforce Innovation Fund*	DOL (and ED)	0	125	50	47	47	0	0
Investing in Innovation (i3)* Education Innovation and Research (2017)	ED	0	150	149	142	142	120	120
First in the World*	ED	0	0	0	0	75	60	0
Supporting Effective Educator Development (SEED)*	ED	0	25	37	35	47	54	94
Home Visiting^	HHS	100	250	350	380	371	400	400
Teen Pregnancy Prevention*	HHS	110	105	105	98	101	101	101
Development Innovation Ventures*	USAID	0	16	24	27	28	27	27
<b>Total</b>		<b>260</b>	<b>1,221</b>	<b>1,260</b>	<b>1,246</b>	<b>1,345</b>	<b>832</b>	<b>792</b>

**Notes:** CNCS = Corporation for National and Community Service, DOL = Department of Labor, ED = Department of Education, HHS = Department of Health and Human Services (HHS), USAID = US Agency for International Development. All dollar figures are as enacted. SEED is funded as a percentage of Title II funds. Home Visiting and TAACCCT are preappropriated funding.

\* Discretionary

^ Mandatory

\*\* Fiscal year 2013 represents the (postsequester) operating level.

The following overviews demonstrate the structure of selected tiered grant programs:

- The **Investing in Innovation Fund (i3)** at the Department of Education invested in high-impact education interventions ranging from new ideas with significant potential to those with strong evidence ready to be scaled up:
  - o In fiscal year 2016, the program had a budget of \$120 million and had three tiers: scale-up grants of up to \$20 million, validation grants of up to \$12 million, and development grants of up to \$3 million.
  - o i3 will be replaced in fiscal year 2017 by the Education Innovation and Research grant program, which also uses a three-tiered design. Specific details are forthcoming from the Department of Education.
- The **Social Innovation Fund (SIF)** at the Corporation for National and Community Service fosters private and public collaborations that identify, evaluate, and expand promising nonprofits to address economic opportunity, youth development, and health.
  - o SIF, with a budget of \$50 million, has a more complex design than other federal tiered-grant programs. SIF selects intermediaries (large nonprofits) to fund community organizations (subgrantees). The intermediaries are expected to fund program models with at least preliminary evidence of effectiveness and support further rigorous evaluation of those models. For each program model to reach moderate or strong evidence of effectiveness by the end of the three- to five-year subgrant period, intermediaries use a series of evaluations to build the evidence base.
- **Development Innovation Ventures (DIV)** at the US Agency for International Development is designed to find, test, and scale ideas that could radically improve global prosperity.
  - o DIV has a budget of \$27 million and has three tiers: scale-up grants of up to \$15 million, validation grants of up to \$1.5 million, and development grants of up to \$150,000.

## SUCCESS STORY

The Maternal, Infant, and Early Childhood Home Visiting Program at the Department of Health and Human Services uses trained professionals or paraprofessionals to provide support to vulnerable parents to improve health and development outcomes for at-risk children. The agency also runs the Teen Pregnancy Prevention Program, which provides funds to test innovative approaches and strategies for teen pregnancy prevention. Home Visiting has a budget of \$386 million; Teen Pregnancy Prevention has a budget of \$105 million. Both programs use a two-tiered structure. Roughly speaking, about 75 percent of funds are spent on the replication of evidence-based program models previously shown to be effective through rigorous evaluation. The remaining 25 percent are used to test new approaches. Home Visiting is now operating at about 770 sites, while Teen Pregnancy Prevention operates in 82.

## What limitations of traditional grant designs do tiered-evidence models address?

Applicants to traditional grant programs often lack incentives to identify and use approaches backed by strong evidence. And traditional grants rarely help grantees build rigorous evidence about their approach or evaluate their program to determine whether its goals are being achieved. In addition, these grants usually do not encourage innovative but less-tested approaches.

Tiered-evidence grants are designed to address these limitations. Applicants are incentivized to identify and use approaches backed by strong evidence because these approaches are eligible for a higher tier of funding. Moreover, tiered-evidence grants typically include funding for evaluation, allowing grantees to produce new evidence on their programs that may influence future grantmaking decisions. Finally, tiered-evidence grants encourage innovation through the development (or “proof of concept”) tier, intended to support promising but less-tested approaches.

## What design choices should be considered?

Several choices are involved in designing tiered-evidence grants at the local, state, or federal level:

- **Direct or indirect investment?** Most tiered programs provide direct funding, but some, like the Social Innovation Fund, use a different approach. SIF selects intermediaries that then fund community organizations as subgrantees.
- **Leveraged or not?** SIF is a leveraged grant program, which requires grantees to provide matching funds. Specifically, SIF requires both intermediaries and subgrantees to match funds one-for-one. i3 was also a leveraged grant program, with a matching requirement that depended on the tier: a 5 percent required match of the grant award at the scale-up tier, 10 percent at the validation tier, and 15 percent at the development tier.
- **Funding programs, products, or both?** Most tiered grant programs fund other programs, but DIV funds both programs and products. These grants can fund entrepreneurs or companies that develop or wish to expand innovative products, such as those designed to help create safe power sources or reduce drinking water contamination.
- **Use of evidence framework to develop an exit requirement?** All tiered-evidence grant programs use evidence as an entry requirement. But to support learning and enable grantees to move up tiers over time, programs may consider an exit requirement stipulating that each grantee must conduct an evaluation more rigorous than the evidence cited in the grant application. This design approach allows grant programs to build evidence and is most effective when they have the authority and funding to provide technical assistance on evaluation activities and program implementation.

## What features make a grant program a good candidate for tiered-evidence grantmaking?

Several qualities distinguish a grant program as a good candidate for tiered-evidence grantmaking:

- The grant program is focused on a priority area within an agency and has strong commitment from agency leadership.
- The grant features well-defined outcome measures.
- An evidence base about effective programs or interventions already exists.
- The agency has statutory authorization that allows some variation in how services are delivered.
- A capable program manager and evaluation manager are able to work effectively as a team.

## How does tiered-evidence grantmaking promote evidence use?

Creating tiers requires defining what constitutes preliminary, moderate, or strong evidence. Together, these definitions form an evidence framework and establish the evidence standards projects must meet to receive funding. The best way to develop an evidence framework is to use an existing one as a model. Today, both the Teen Pregnancy Prevention and Home Visiting programs are examples of well-defined models. Agencies should consult with their internal research or evaluation arms to see whether a program has an existing framework they can build on and should also consider frameworks used by other agencies operating similar programs. Moreover, a partnership with an agency's own research and evaluation arm can be important to the successful implementation of the grant program and credible reviews of evidence.

Adopting a tiered approach to grantmaking is one of the most important steps the federal government has taken to promote evidence-based policy because it brings developing programs with rigorous evidence of success to the fore. It incentivizes states, localities, and private actors to develop and test effective social programs to obtaining larger federal grants.

Only a very small fraction of federal grant funding is spent on evidence-based programs. But an increasing share of federal grant funds are being awarded based on evidence that grantee programs have a strong likelihood of success. With tiered-evidence grantmaking, more and more social programs will produce the results that taxpayers expect. Moreover, support for these evidence-based programs should come at the expense of programs that do not produce results, as redirecting money from ineffective programs to effective programs is a fundamental goal of evidence-based policy.

## Are there legal barriers to turning a traditional grant program into a tiered-evidence program?

Program directors might assume that a program's statutory authorization must explicitly outline a tiered structure for agencies to award different levels of funding based on the strength of evidence supporting a project model. That is not the case. Most existing tiered-evidence programs have no specific statutory provisions authorizing different award levels based on evidence. For example, DIV and SIF established program designs, award levels, and competition criteria through either regulations or nonregulatory guidance.

## How does running a tiered-evidence program compare to running a traditional grant program?

In each of the current tiered-evidence programs, policy, program, and evaluation officials collaborated to design processes that maximize the likelihood of funds supporting effective, evidence-based practices and building new evidence about what works. As a result, these programs include most or all of the following elements:

- **An extended planning period** before grant competition, during which the agency reviews and synthesizes relevant research and disseminates it to potential applicants, establishes evidence standards for funding that encourage applicants to identify and incorporate relevant research into their project plans, and works with management support offices to make necessary adjustments to competition timelines and procedures.
- **Validation of evidence claims made by applicants.** Tiered-evidence programs use expert reviewers with knowledge of the relevant research and of rigorous research methods. Teams of highly qualified researchers sometimes conduct a second review of top-scoring applications to ensure the studies cited by applicants used rigorous methodologies.
- **Technical assistance** to help grantees develop and implement strong evaluations. This assistance is sometimes provided by a federal contractor that supports all grantees for a given program. Some agencies convene meetings for grantees to share lessons learned and ideas on how to improve program performance and evaluation. Others incentivize applicants to partner with evaluators from day one rather than selecting grantees and then hiring someone to determine how to evaluate them.
- **A review of lessons learned from prior funding cycles.** Tiered-evidence program managers adjust future competitions based on knowledge and experience gained from previous competitions.

Compared to traditional grant programs, tiered-evidence programs typically require more staff or contractors with expertise in research and evaluation. Establishing this expertise within agencies is critical to building a culture of evidence-based policymaking across government. These programs also

require sufficient funding to complete the evidence reviews. Moreover, some tiered-evidence programs take longer to complete the competition and selection process.

## Where can I learn more?

- Haskins, Ron, and Greg Margolis. 2015. *Show Me the Evidence: Obama's Fight for Rigor and Results in Social Policy*. Washington, DC: Brookings Institution.
- A seven-minute video overview of tiered-evidence grants is available through Andy Feldman's [Gov Innovator podcast](#).
- Jeffrey B. Liebman's report, [Building on Recent Advances in Evidence-Based Policymaking](#).
- Vivian Tseng's report, [Evidence at the Crossroads Pt. 1: What Works, Tiered Evidence, and the Future of Evidence-based Policy](#).
- The Corporation for Community and National Service's Evidence and Evaluation [website](#).



With support from the Laura and John Arnold Foundation, researchers from the Urban Institute, Brookings Institution, American Enterprise Institute, and The Pew-MacArthur Results First Initiative have formed the Evidence-Based Policymaking Collaborative. The Collaborative brings together researchers from organizations across the ideological spectrum to create tools to support evidence-based policymaking at the federal level. The Collaborative's work is assisted by an Advisory Group consisting of stakeholders throughout the evidence-based policymaking field. The opinions expressed in this brief do not necessarily reflect the views of all members of the Evidence-Based Policymaking Collaborative.