



## **Request for Proposals:**

# **Low-Cost Randomized Controlled Trials to Drive Effective Social Spending**

**March 2018**

## BACKGROUND AND PURPOSE

**Low-cost randomized controlled trials (RCTs) are a powerful new tool for building scientific evidence about “what works” in social spending.** Well-conducted RCTs are widely regarded as the most credible method of evaluating whether a social program is effective, but are often assumed to be inherently too expensive and burdensome for practical use in most areas. Recently, however, researchers have shown that, in many instances, high-quality RCTs can be conducted at low cost and minimal burden, addressing a key obstacle to their widespread use. **The low cost is achieved by:**

- **Embedding random assignment in initiatives that are being implemented anyway as part of usual program operations.** RCTs can be embedded in many new or ongoing programs, for example, by using a lottery process – *i.e.*, random assignment – to determine who among those eligible will be offered program services (since available funds are often insufficient to serve everyone who qualifies).
- **Measuring key study outcomes with administrative data that are already collected for other purposes** (*e.g.*, student test scores on state exams, criminal arrest records, and health care expenditures), rather than engaging in original – and often expensive – data collection through interviews or testing.

Such studies make it possible now, as never before, for policy officials to use scientific evidence about what works to increase government effectiveness (see our short [concept paper](#) on low-cost RCTs for further discussion).

**In 2013, the Laura and John Arnold Foundation (LJAF), in partnership with the Annie E. Casey Foundation, funded the launch of a low-cost RCT competition.** The competition was administered by the nonprofit, nonpartisan Coalition for Evidence-Based Policy. In spring 2015, LJAF assumed the administration of the competition after the Coalition wound down its operations as an independent organization and the group’s leadership joined LJAF.

**In the fall of 2015, LJAF announced a significant expansion of its investment in low-cost RCTs, which is reflected in the current Request for Proposals (RFP). Specifically:**

- **We increased the targeted award amount from \$100,000 (in the early RFPs for the competition) to \$150,000, and will allow awards of up to \$300,000 if the additional cost can be justified.**
- **LJAF plans to fund all proposals that receive a strong rating from the proposal reviewers, based on the criteria in the RFP.**
- **We plan to issue more than one RFP each year, to enable interested parties to apply for funding as opportunities arise.**

**Prior rounds of the competition succeeded in funding large RCTs with strong designs, carried out by highly-capable researchers, and measuring outcomes of self-evident policy importance.** The studies awarded in the first four competition cycles (2014-2017) have all met their initial benchmarks – recruitment of large samples, successful randomization resulting in treatment and control groups that are

highly similar in observable characteristics, and access to low-cost administrative data to measure policy-important outcomes over a sustained period of time (typically between two and eight years). The funded studies include, as illustrative examples:

- **A large, multi-site RCT of Bottom Line**, a program that provides one-on-one guidance to help low-income, first-generation students get into and graduate from college. This study is measuring college enrollment, persistence, and completion outcomes for a sample of about 2,400 students over a seven-year period, using administrative data from the National Student Clearinghouse. The total study cost is approximately \$159,000, of which \$100,000 was awarded through the competition. The study is currently [ongoing](#).
- **A large RCT of Durham Connects**, a postnatal nurse home visiting program designed to improve child and mother health and well-being. This recently [completed](#) study sought to replicate the positive findings from a prior RCT of Durham Connects. The study used hospital administrative records to measure program impacts on families' emergency department use and related healthcare costs through child age 24-months, for a sample of 937 families in Durham County, North Carolina. The total study cost was approximately \$183,000, of which \$96,000 was awarded through the competition.
- **A large, multi-site RCT of workplace health and safety inspections** conducted by the federal Occupational Safety and Health Administration (OSHA). For a sample of about 13,000 business establishments eligible for a randomized inspection, the study tested whether being randomly chosen for inspection affects establishments' subsequent injury rates and business outcomes (*e.g.*, sales, business closures) over a three-to-four year period – all measured through administrative data from OSHA and other sources. The total cost of this study, which is now [completed](#), was approximately \$153,000, of which \$96,000 was awarded through the competition.
- **A large RCT of Multi-Tiered Systems of Supports (MTSS)**, a schoolwide reform initiative, designed to increase academic achievement and reduce behavioral problems. It is being scaled-up district-wide in Wake County, North Carolina, through a phased-in approach that embeds an RCT. Forty-four schools (the treatment group) began implementing MTSS in 2015, and 44 schools (the control group) will implement it two years later (2017). The study is measuring math and English test scores, behavioral suspensions, and other outcomes over the two-year period using district administrative data. The total study cost is approximately \$150,000, of which \$81,000 was awarded through the competition. The study is currently [ongoing](#).
- **A large RCT of English for Advancement**, an employment-focused program for adult English language learners that includes language instruction, career coaching, job training, and placement services. The program is being scaled up by Jewish Vocational Services in the Boston, Massachusetts metropolitan area. The study, which recently launched, will randomly assign approximately 2,200 individuals to English for Advancement or usual community services, and will measure program impacts on employment and earnings two years after random assignment for all sample members using state-level administrative data. The total study cost is approximately \$196,000, of which \$150,000 was awarded through the competition. The study is currently [ongoing](#).

## REQUEST FOR PROPOSALS

### I. Overview:

- A. This RFP invites grant applications to conduct low-cost RCTs in any area of domestic social policy.** The targeted award amount is \$150,000, but we will potentially award up to \$300,000 if the additional cost can be justified, as described below.
- B. We plan to fund all proposals that receive a strong rating from the reviewers, based on the criteria in this RFP.** The reviewers include LJAF Evidence-Based Policy team members and outside reviewers, all of whom have expertise in RCT evaluations.

### II. Application Process and Selection Criteria:

**A. The following table shows the requested application materials and timeline:**

| Stage of application process  | Date                      |
|---|---------------------------|
| All prospective applicants are asked to submit a letter of interest (maximum three pages)                       | Deadline: May 31, 2018    |
| Applicants will be notified whether they are invited to submit a full proposal (full proposals must be invited) | By July 13, 2018          |
| Invited applicants submit a full proposal (maximum six pages)   | Deadline: August 24, 2018 |
| Applicants will be notified whether they have been selected for award   | By October 5, 2018        |
| Grants will be awarded  | November-December 2018    |

- B. Letters of interest and invited full proposals should address each of the selection criteria below, within three pages (for the letter) and six pages (for the invited full proposal).** Applicants may use their own format, with single or double spacing, and an 11-point font or larger. The page limit does not include attached letters or other documents specifically requested in this RFP. Please submit all items via email to [LowCostRCT@arnoldfoundation.org](mailto:LowCostRCT@arnoldfoundation.org).

#### C. Selection Criteria:

*For the letter of interest:* While we ask applicants to address all four selection criteria below, we do not expect applicants to have finalized all aspects of the study design and partnership agreements; therefore, reviewers will focus primarily on the other two criteria – “importance” and “experienced researcher” – in determining which applicants to invite to submit a full proposal.

*For the invited full proposal:* Reviewers will consider whether all four criteria are satisfied.

➤ **IMPORTANCE: Is the applicant proposing to evaluate an intervention –**

- **That is backed by highly-promising prior evidence, suggesting it could produce sizable impacts on outcomes of recognized policy importance** – such as educational achievement, workforce earnings, criminal arrests, hospitalizations, child maltreatment, and government spending. For example, we specifically encourage applications seeking to replicate findings from prior rigorous

evaluations that are especially promising but not yet conclusive (*e.g.*, due to only short-term follow-up, a single-site study design, or well-matched comparison groups but not randomization). As a threshold condition for “highly promising” evidence, applicants should show that the intervention can be or (preferably) has been successfully delivered under real-world implementation conditions.

- or -

- **For which there are other compelling reasons to evaluate its effectiveness – *e.g.*, it is, or soon will be, widely implemented with significant taxpayer investment, and its impact on its targeted outcomes is currently unknown.**

Please note that, to meet this criterion, it is not sufficient to establish that the study addresses an important problem; applicants must also present compelling reasons to evaluate the specific intervention.

➤ **EXPERIENCED RESEARCHER: Does the applicant’s team include at least one researcher in a key substantive role who has previously carried out a well-conducted RCT (even if not low cost)?** A well-conducted RCT is characterized, for example, by low sample attrition, sufficient sample size, close adherence to random assignment, and valid outcome measures and statistical analyses. To address this criterion, applicants should submit reports from prior RCTs that the researcher has conducted (please send the full study reports as email attachments to the letter of interest – no more than two reports in all). Reviewers will rely primarily on these reports in assessing this selection criterion.

➤ **STUDY DESIGN: Is the applicant’s proposed RCT design –**

- **Valid?** In other words, does it have a sufficiently large sample (as shown through a power analysis) and other elements needed to generate credible evidence about the intervention’s impact on one or more targeted outcomes of high policy importance? We strongly encourage designs that measure such outcomes in both the short and longer term, as appropriate for the type of intervention and study, to determine whether the effects endure long enough to constitute meaningful improvement in people’s lives. Reviewers, in assessing an applicant’s proposed design, will use [Key Items to Get Right When Conducting RCTs of Social Programs](#) as a reference.

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- **Low cost?** Such low cost may be achieved, for example, by (a) embedding random assignment in an intervention that government or philanthropic organizations are already funding or planning to fund; and/or (b) measuring key outcomes using administrative data that are already collected for other purposes and are of reasonable quality.

Applicants, as part of their discussion of this criterion, should specify the study’s primary outcome(s) of interest, how they will measure the outcome(s) and over what length of time, and what analyses they plan to conduct (*e.g.*, any subgroups to be examined, regression methods to be used).

➤ **PARTNERS: Does the applicant’s team include all parties needed to conduct the RCT?** Examples of necessary parties include: researcher(s), an agency delivering the intervention, and an agency housing the administrative data. To verify the existence of such partnership, the reviewers will look for attached letters or other communication showing, for example, that (a) a social service agency that delivers the intervention has agreed to participate in the study, including random assignment; and (b) a data agency has agreed to provide the researcher(s) with access to the administrative data needed to measure study outcomes.

**D. Other items to include in the letter of interest and invited full proposal:**

- 1. Applicants should specify the amount of funding requested.** Our targeted award amount is \$150,000. Applicants requesting a larger award – up to the limit of \$300,000 – should submit an attachment (no more than one page) to the letter of interest and full proposal that provides the reasons for the higher request.

Invited full proposals (but not letters of interest) should include a one-page project budget as an attachment. The budget should be consistent with LJAF's indirect cost policy, a copy of which is appended to this RFP.

If additional funding from other sources is needed to carry out the study, we request that the applicant's budget show (a) the total study cost, and (b) the portion of that cost to be covered by LJAF; and include an attached letter or other communication showing that the additional funding will be in place prior to LJAF's grant award. In such cases, the total study cost – including the additional funding – should still meet the spirit of a "low-cost RCT."

- 2. Applicants should specify the proposed recipient of the grant award, which we generally expect to be a tax-exempt organization** (*e.g.*, nonprofit organization, university, or governmental unit). If an organization is not tax-exempt and wishes to apply, please contact David Anderson (see contact information below).
- 3. Applicants should briefly address how their study meets recognized ethical standards for research with human subjects.**

**III. What to Expect in the Grant Agreement: We will ask awardees, as a condition of their award, to –**

- **Pre-register the study on the Open Science Framework (OSF) [website](#)** and, prior to commencement of the study, upload a copy of the study's research and analysis plan.
- **Submit concise reports on the study's progress and impact findings at appropriate intervals.** These reports should make it easy for readers to see the study's main results and gauge their credibility (*e.g.*, by showing the similarity of the treatment and control groups in pre-program characteristics, the amount of sample attrition, and the statistical significance of the impact findings).

- and -

- **Make their datasets and related materials (*e.g.*, survey instruments, code used to clean and analyze datasets) publicly available on the OSF site, unless doing so would materially hinder study implementation or raise its cost.** We ask applicants to do this within one year of the last data collection, and only to the extent allowed under any confidentiality/privacy protections.

[Note: The above list previews the main items in the streamlined grant agreements that LJAF uses for low-cost RCTs, but is not an exhaustive list of the conditions of the award.]

**IV. Questions? Please contact David Anderson, Director of Evidence-Based Policy ([danderson@arnoldfoundation.org](mailto:danderson@arnoldfoundation.org), 202-239-1248).**



**Laura and John Arnold Foundation  
Indirect Cost Policy  
Effective February 1, 2018**

**Policy Purpose**

The Laura and John Arnold Foundation (“LJAF”) requires that any resources awarded by LJAF to an organization be dedicated to the costs necessary to accomplish the charitable, educational, or scientific purpose of a grant.

**Direct & Indirect Cost Definitions**

LJAF permits grantees to request funding for all of the direct costs associated with a project, including salaries and federally required benefits for employees, travel, meetings and conferences, data access fees, and payments to third-party consultants and sub-grantees that are directly attributable to or created specifically for the purpose supported by a particular grant. Moreover, LJAF also recognizes that in order to successfully accomplish the purpose of a grant, grantees often need additional financial support to cover a portion of their indirect costs. LJAF’s Indirect Cost Policy (the “Policy”) defines indirect costs as organizational costs incurred for a common or joint purpose benefitting more than one project and not exclusively attributable to or created for the project supported by a particular LJAF grant. Please see Appendix A for examples of indirect costs covered under this Policy.

**Allowable Indirect Cost Rates**

The Policy permits **institutions of higher education**, including community colleges, **to receive an indirect cost rate of 15 percent (15%)** of total direct project costs; **all other organizations (e.g., non-profit, governmental, for-profit, etc.) may receive an indirect cost rate of 20 percent (20%)** of total direct project costs.<sup>1,2</sup>

**Requirements**

For each grant proposal, grantees must provide: (i) a project budget, (ii) a corresponding budget narrative that clearly outlines and defines<sup>3</sup> the total direct project costs, and (iii) fringe rate calculation detail for all personnel allocated to the project within the project budget.

Each new grant request received by LJAF will be independently reviewed and approved subject to the provisions set forth in this Policy. LJAF maintains the sole discretion to determine the approved classification of direct and indirect costs for each grant.

Please contact Bridget Williamson, LJAF’s Grants Budget Manager, at [BWilliamson@arnoldfoundation.org](mailto:BWilliamson@arnoldfoundation.org) with any questions regarding this Policy.

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<sup>1</sup> Grants with the primary purpose of providing general operating support are not subject to this Policy.

<sup>2</sup> Third-party consulting or subcontract expenses, sub-awards, and tuition (if applicable) shall not be included as part of the total direct project cost base for the indirect cost calculation.

<sup>3</sup> Please review LJAF’s Budget Template for additional guidelines.



## Appendix A Examples of Indirect Costs

The examples listed in this Appendix A are for general guidance. The list is not exhaustive, and LJAF, in its sole discretion, will make the final determination on the approved classification of direct and indirect costs for each grant.

| Expense Type                     | Indirect Expense Examples   |
|----------------------------------|---|
| <b>Personnel</b>                 | Executive Management ( <i>e.g.</i> , CEO, COO, CFO, etc.) and Central Operational Functions ( <i>e.g.</i> , Accounting, HR, IT, Legal, etc.) <sup>4</sup>   |
| <b>Consultants</b>               | Contracted work for general operational functions ( <i>e.g.</i> , legal work or audits)   |
| <b>Travel and Accommodations</b> | Any travel not required to achieve the grant's purpose; accommodation costs over and above the market rate for a specific area  |
| <b>Equipment</b>                 | Equipment that can be used by an institution for other purposes or projects ( <i>e.g.</i> , computers, telephones, office furniture)  |
| <b>Rent</b>                      | Office space rental, utilities, and communications associated with Central Operational Functions ( <i>i.e.</i> , rent expenses incurred whether or not the subject grant is awarded)  |
| <b>Other</b>                     | All materials and supplies used for more than one purpose or project, printing and postage costs, memberships and subscriptions, hardware and software programs for general operational functions, organizational insurance, etc. |

Note: Direct and indirect costs awarded to grantees may only be used for charitable, educational, and/or scientific purposes as such purposes are generally defined by those authorities interpreting the provisions of Section 501(c)(3) of the Internal Revenue Code, and may not be used to carry on propaganda, influence legislation, fund any political campaign, influence the outcome of any election, carry on any voter registration drives, or violate any applicable local, state, federal, or foreign law.

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<sup>4</sup> To the extent members of an executive management team are contributing to the project beyond their normal role as an organizational leader, a grantee may request a direct allocation with a corresponding justification explaining the additional contributions of such individuals.