



# State-Funded Grant Programs: Guidance for Legislators in Bill Drafting

## Why Change How Colorado Administers State-Funded Grant Programs?

The typical state-funded grant program is a funding stream with outcomes-focused reporting requirements. Frequently, each grantee must report on either 1) a common long-term, population-level or [outcome](#), or 2) varying short-term outcomes specific to an individual program's success. While these requirements encourage innovation around how to influence the desired outcome, they both suffer from measurement problems. Long-term population-level outcomes take a long time to change and do not inform ongoing program improvement. Variable short-term outcomes may help drive individual program improvement but cannot be rolled up to inform lawmakers about the efficacy of the grant program overall.

## Lawmakers Can Help By Specifying the Following in Statute:

1. The **purpose** of the grant program, including a general description of the desired long-term outcome (e.g. educational attainment, housing stability, reduced recidivism, etc.). The long-term outcome is an important north star even when grantees aren't able or required to measure it directly.
2. The grant program's **target population**, or those who grantees' services will impact.
3. Designation of a **grant program administrator** (typically a state agency).
4. A plan, with funding, to support grantees' **data and quality improvement** infrastructure.
5. A plan, with funding, for the grant administrator to collect **long-term outcomes** after the conclusion of implementation funding, as appropriate.

To operationalize evidence building based on the grant's purpose and target population, the grant administrator should be explicitly given the authority to:

- Select one predetermined, cohesive approach or service model to achieve the purpose of the grant, informed by impacted communities and the organizations that serve them.
- Select services to be funded that adhere to the chosen approach and ensure reporting requirements are specific and aligned with that approach.
- Have the flexibility to fund services that do not align with the selected approach when the anticipated benefits outweigh the grantee's inability to contribute to collective evidence building.

Statute should also provide a plan, with funding, for the administrator (ideally as part of the relevant agency's performance management processes consistent with the SMART Act) to collect and analyze long-term outcomes for the target population for grants with promising implementation and early outcomes. Ideally this would be done using administrative data from every other year starting immediately prior to the launch of the grant program through six years after it ends, as appropriate. Statute should include authorizing language for data sharing when these data cross state systems. Colorado loses valuable information for decision making when we stop monitoring outcomes immediately upon conclusion of the grant program.

## Making it Concrete: An Example

To see how these recommendations play out in practice, consider the example of a four-year state-funded grant program targeting middle school students who are at risk of not graduating from high school. The desired long-term outcome is high school graduation within four years. Given the flexibility to do so, communities might propose services from a variety of angles (e.g. academically- or mental-health-focused). While their approaches may aim to influence the same long-term outcome, the mechanisms driving change are different. Consequently, the short-term outcomes indicative of students being “on track” toward graduation might be as different as showing up for class more often or exhibiting depressive symptoms on fewer days. If every grantee has its own unique mechanism driving change, and consequently its own short-term outcomes, it becomes impossible to combine the results into a meaningful summary of early measures of grant program success.



**The price the state pays for allowing unlimited flexibility in approach is the absence of even suggestive evidence of effectiveness of the grant in reaching its goal of increasing high school graduation within four years.**

If the common long-term outcome weren't so distant, the state could use it as the measure of a grant program's success. In this example, however, 8th graders served by the first year of grantees aren't even eligible to graduate when the time comes for lawmakers to consider reauthorization. And, many programs are likely most effective with younger students, yet the first 6th graders won't graduate until well past reauthorization. If the state requires grantees to report on high school graduation within the first four years of receiving funding, the students reflected in those reports will have had no exposure to grantee services. The state will still have no useful information for decision making while creating a reporting burden for grantees.

To set the grant program up for learning, the grant administrator might prioritize funding of services that target short-term outcomes— such as school attendance and percent of core courses passed each term— that are demonstrated to be related to high school graduation. Any service that can be expected to influence high school graduation through improved school attendance and core courses passed can be considered, and these outcomes can start to be measured as soon as the first term after students start services. This still allows considerable flexibility in terms of the type of services provided.

If a service provider knows they will not be able to report on the required short-term outcomes, in their grant application they should explain why and what they plan to measure instead that tracks progress toward the same long-term outcome. The administrator will carefully weigh the benefits of funding the service despite its inability to contribute to collective evidence building.



If you are drafting bill language for a new or existing state-funded grant program, please contact the [Colorado Lab](https://coloradolab.org) for individualized support.



To learn more about Evidence-Based Decision Making scan QR code or contact [admin@coloradolab.org](mailto:admin@coloradolab.org).



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