

Treasury FY 2024 Annual Evaluation Plan

Background.

The *Foundations for Evidence-Based Policymaking Act of 2018* (“Evidence Act”) requires agencies to develop a multi-year learning agenda that is used to identify agency priority questions. It further requires agencies to develop an Annual Evaluation Plan that provides a more detailed description of **significant program evaluations** that the agency plans to conduct in the following fiscal year. Agencies can define “significant” for this purpose.

Approach.

This document outlines the significant¹ evaluation activities that Treasury plans to conduct in FY 2024. The evaluations are projects to evaluate critical programs; the evidence generated by these projects will address priority questions in the Treasury Learning Agenda. [Treasury’s Interim Evaluation Policy](#) outlines the guiding principles and quality standards for all evaluation activities conducted within the Department. Further, Treasury is working to develop a broader evidence policy that will establish ways for the Evaluation Officer to better track planned significant evaluations, methodologies, and dissemination of findings. The four types of evidence-building activities are defined as follows (subject to refinement as policies are further developed):

Evaluation	Collection and analysis of data to assess effectiveness and efficiency of programs, policies, or procedures
Statistics	Collection, compilation, and processing of data for describing or estimating characteristics or insights concerning groups
Research	Modeling or other systematic use of data to explore emerging issues or potential scenarios to generate new knowledge
Analysis	Routine and frequent use of data that produces insights for decision making and program management

Dissemination of results for Treasury Evaluation Plan Projects

The agency evaluation policy, when published, will address Treasury’s standards for the dissemination of evaluation results and findings. As this policy is developed, with input from the bureaus and offices that regularly conduct evaluations and in consultation with the Data Governance Board (including the Chief Data Officer and Statistical Official), the Evaluation Officer will determine the appropriate mechanism for dissemination of findings internally and externally. Future evaluation plans will include more specific dissemination plans for each evaluation.

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¹ Treasury defines “significant evaluations” as *evaluations that are undertaken to evaluate critical programs, as defined in the Treasury implementation plan for the Program Management Improvement Accountability Act (PMIAA), and for which the evidence generated by the evaluation is relevant to a priority research question in the Treasury Learning Agenda.* Evaluations required by law are also considered significant. The Treasury PMIAA implementation plan defines critical programs as *programs that are essential to Treasury’s successful execution of its mission and for which failure, interruption, or compromise of these programs could: 1) Undermine Treasury’s capability to achieve its objectives; or, 2) Severely impact government operations; or, 3) Result in significant loss of trust in the Department by key stakeholders/the public. These programs are identified in the Treasury FY 2022 – 2026 Strategic Plan.*

Overview of Planned FY 24 Evaluation Projects

In FY 24, Treasury is planning or exploring opportunities to conduct **eleven** significant evaluation projects aligned to **eight** learning agenda questions. This includes projects which began in FY 23 and will continue into FY 24 (marked with an asterisk). Treasury’s ability to execute the projects described is dependent upon resources; this document reflects Treasury’s plans at the time of publication, but these projects are subject to change based on shifting priorities and funding levels. Projects in italics are still in the exploratory phase and execution will depend upon various factors, such as data availability or opportunities to partner with program participants.

Strategic Objective	Learning Agenda Question(s)	Project(s)
1.1 Tax Administration and Policy	How can the IRS address taxpayer needs and preferences to deliver a better taxpayer experience?	<ul style="list-style-type: none"> • Customer Experience (CX) Analytics* • Customer Experience, Expectations, and Needs Survey*
1.3 Economically Resilient Communities	To what extent are American Rescue Plan (ARP) programs being implemented equitably?	<ul style="list-style-type: none"> • Capital Projects Fund Descriptive Evaluation • State and Local Fiscal Recovery Program Evaluation
	What is the impact and/or outcomes of ARP programs on households, business, and governments?	
	What are the impacts and/or outcomes of the Emergency Capital Investment Program, Rapid Response Program, and Community Development Financial Institutions (CDFI) Fund’s Equitable Recovery Program on CDFIs and minority depository institutions (MDIs)?	<ul style="list-style-type: none"> • Emergency Capital Investment Program Evaluation
	How does the CDFI Fund impact and boost investments in low-income communities in the long term, including Persistent Poverty Counties?	<ul style="list-style-type: none"> • <i>CDFI Fund evaluation (in exploratory phase)</i>
1.4 Resilient Housing Market	What strategies deployed in the recovery from COVID-19 best prevented evictions and foreclosures?	<ul style="list-style-type: none"> • <i>Emergency Rental Assistance Flexibilities (in exploratory phase)</i> • <i>Homeowners Assistance Fund Outreach (in exploratory phase)</i>
5.1 Recruit and Retain a Diverse and Inclusive Workforce	To what extent has increased diversity in management and leadership positions influenced organizational performance and improved employees’ sense of inclusion?	<ul style="list-style-type: none"> • <i>Reducing Disparities in Performance Evaluations (in exploratory phase)</i>
5.4 Customer Experience Practices	What are effective strategies for serving hard-to-reach customers, particularly those who lack access to reliable internet, banks/financial institutions, and the credentials required to verify their digital identity?	<ul style="list-style-type: none"> • <i>Encouraging Uptake of Tax Credits (in exploratory phase)</i> • <i>To be determined – Treasury Customer Experience Community of Practice and Bureau of Fiscal Service exploring potential projects</i>

*Projects began in FY 23 and are carried over to FY 24

Details Associated with Planned FY 24 Evaluation Projects

Treasury Strategic Objective 1.1 Tax Administration and Policy

How can the IRS address taxpayer needs and preferences to deliver a better taxpayer experience?

Customer Experience (CX) Analytics

Lead Organization: IRS Research, Applied Analytics, and Statistic (RAAS) Division / Data Management Division

Supporting Organization(s): IRS Wage & Investments Division

Evaluation Questions:	Data Sources	Analytic Tools	Analytic Approaches
<p>1. How can Natural Language Processing techniques improve the taxpayer experience?</p> <p>2. How can machine learning be used to identify opportunities for process improvements?</p> <p>3. How can we be sure implemented recommendations have the desired effect on the taxpayer experience?</p>	<ul style="list-style-type: none"> Account Management Services (AMS) Individual Master File (IMF) Notice Delivery System (NDS) Individual Returns Transaction File (IRTF) Online Services (OLS) Customer Call Transcripts A-11 Survey Data Google Analytics, Forsee Survey 	<ul style="list-style-type: none"> The entire range of data and tools available on CDW, specifically SAP HANA database, Sybase IQ, R statistical software package, and Python. A visualization tool we created (CX Solution) that leverages a variety of data sources and organizes events and interactions over time to present the unique journeys of the taxpayer. 	<ul style="list-style-type: none"> Text Mining Capabilities – Natural Language Processing (NLP) models and tools developed to analyze, quantify, and categorize unstructured, textual data. Tokenization of AMS and National Quality Review System (NQRS) narratives Topic Modeling using LDA (Latent Dirichlet Allocation) Issue Classification using Support Vector Machine (SVM) models Sentiment Analysis Predictive Models – Analytical models developed to predict the likelihood of a customer entering a specific end state and prediction of next journey steps within a tax module. Models include Logitsistic Regression, Decision Trees, Random Forests, and Neural Networks

Progress made:

In FY 22, IRS RAAS began partnering with the IRS Taxpayer Experience Office (TXO) to analyze taxpayer journeys and improve customer experience. The IRS is analyzing unstructured data sources (i.e., AMS notes and call transcripts) using Natural Language Processing and using the insights to train Customer Service Representatives (CSRs), suggest alternative treatments, and inform communications. The IRS is also developing models to predict taxpayer outcomes to inform outreach and resource decisions, identify and correct bottlenecks. This project is on track and will continue into FY 24.

Challenges associated with project:

- Implementation of recommendations for process improvements requires buy-in from multiple stakeholders and often requires changes to established processes, procedures and training
- Each machine learning technique has pros and cons; need to have them compete against each other using common objectives and criteria
- Aligning data at the TIN level is not always possible
- Processing large data volumes in realtime

How can the IRS address taxpayer needs and preferences to deliver a better taxpayer experience?

Customer Experience, Expectations, and Needs (CEEN) Survey

Lead Organization: IRS Small Business/Self-Employed (SB/SE) Division

Supporting Organization(s): none

Evaluation Questions	Data Sources	Analytic Tools	Analytic Approaches
<p>1. How can the IRS effectively measure the needs and expectations of SB/SE Taxpayers?</p> <p>2. How can the IRS effectively measure the needs and expectations of Tax professionals?</p> <p>3. How can the IRS ensure that future actions are priorities supported by taxpayers and tax professionals?</p>	<p>Survey data from two surveys:</p> <ul style="list-style-type: none"> The 2022 Customer Expectations, Experience and Needs (CEEN) survey engaged small business and self-employed taxpayers to measure expectations for interactions with the IRS, needs for compliant tax administration, and awareness and use of IRS products and services. The 2023 Tax Professional Engagement Survey will be developed in partnership with other IRS functions to better understand the tax professional community and identify recommendations to improve overall tax compliance by leveraging the relationship between tax professionals and their clients 	<ul style="list-style-type: none"> SAS, SPSS, R statistical software package Microsoft Excel 	<ul style="list-style-type: none"> Data collection through surveys Focus groups Quantitative data analytics (statistical analysis)

Progress made:

In July 2022, the IRS received the Customer Experience, Expectations, and Needs (CEEN) survey, which was completed by over 3,000 SM/SE taxpayers. The CEEN survey is expected to be conducted annually and the IRS has begun analyzing the survey data and will continue to do so to answer the evaluation questions above. The IRS also received funding for a survey of tax professionals and awarded this contract. This project is on track and will continue into FY 24.

Challenges associated with project:

- The IRS’s ability to obtain a representative sample of SB/SE practitioners is dependent on response rates
- If a representative sample cannot be obtained, data gathered may need to be treated as directional and qualitative, rather than quantitative

Treasury Strategic Objective 1.3 Economically Resilient Communities

As a complement to the Treasury Learning Agenda, the Office of Recovery Programs (ORP) developed its own learning agenda that explores more nuanced questions regarding the American Rescue Programs. In FY 23, Treasury will conduct stakeholder engagements for the ORP learning agenda and, through this process, seek opportunities to collaborate with external researchers and evaluators to build evidence in support of these questions.

<p>To what extent are American Rescue Plan (ARP) programs being implemented equitably? What is the impact and/or outcomes of ARP programs on households, business, and governments?</p>			
<p>Capital Projects Fund (CPF) Descriptive Evaluation Lead Organization: Departmental Offices – Office of Recovery Programs and the General Services Administration (GSA) Offices of Evaluation Sciences (OES), through an interagency agreement Supporting Organization(s): Departmental Offices – Economic Policy</p>			
<p>Evaluation Question: Where are funds being spent by CPF recipients?</p>	<p>Data Sources:</p> <ul style="list-style-type: none"> • CPF reporting data 	<p>Analytic Approach: Descriptive study of CPF’s implementation to identify proportion of funds directed to internet deserts, high-poverty areas, and communities disproportionately affected by the pandemic.</p>	<p>Challenges: Treasury and OES are exploring how to best evaluate how funding is flowing to internet deserts and other communities that lack access to adequate high-speed internet service.</p>
<p>State and Local Fiscal Recovery Fund (SLFRF) Evaluation Lead Organization: Departmental Offices – Office of Recovery Programs and the General Services Administration (GSA) Offices of Evaluation Sciences, through an interagency agreement Supporting Organization(s): Departmental Offices – Economic Policy</p>			
<p>Evaluation Question: What is the impact of specific SLFRF projects on priority policy areas such as affordable housing, workforce, and public safety?</p>	<p>Data Sources:</p> <ul style="list-style-type: none"> • SLFRF project and expenditure reports 	<p>Analytic Approach: Using data provided by recipients as part of the SLFRF Project and Expenditure Reports, Treasury and GSA’s Office of Evaluation Sciences are actively exploring an evaluation(s) focused on recipient governments’ projects in the areas of affordable housing, workforce, and public safety.</p>	<p>Challenges: Identifying state and local government partners willing to collaborate and share data</p>

How does the CDFI Fund impact and boost investments in low-income communities in the long term, including Persistent Poverty Counties?

Note: this project is still in the exploratory phase. Treasury and OES are working to determine the feasibility of the evaluation approach and to identify potential collaborators.

Community Development Financial Institution (CDFI) Fund Evaluation

Lead Organization: Departmental Offices – Domestic Finance

Supporting Organization(s): To be determined

<p>Evaluation Question: To what extent do federal government resources (specifically those of the CDFI Fund) enable the CDFI industry to fulfill its mission?</p>	<p>Potential Evaluation Approach: The CDFI Fund is exploring a multi-component research project that would help the Fund further its mission and inform policy development and program design. The Fund is interested in studying both the CDFI industry’s effectiveness at increasing access to capital for economically disadvantaged communities and the role of the CDFI Fund in supporting these institutions. This project may include a study of the current size of the community development finance industry, including CDFI market share, and an analysis of the impact of CDFI Fund awards on the effectiveness of a CDFI, including its financial health and performance.</p>
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What are the impacts and/or outcomes of the Emergency Capital Investment Program, Rapid Response Program (RRP), and Equitable Recovery Program (ERP) on CDFIs and minority depository institutions (MDIs)?

Emergency Capital Investment Program Evaluation

Lead Organization: Departmental Offices – Domestic Finance

Supporting Organization(s): Departmental Offices – Office of Recovery Programs, external evaluator (TBD)

<p>Evaluation Questions:</p> <ol style="list-style-type: none"> 1. What are the initial patterns of investment and institutional changes after investment through the Emergency Capital Investment Program (ECIP)? 2. How effectively did ECIP award recipients serve priority communities and borrowers following receipt of an investment? 3. How have ECIP, RRP, and ERP changed the capacity of the participating institutions and what broader implications might that have for sector and field level approaches to serving low- and moderate-income communities and populations? 	<p>Data Sources:</p> <ul style="list-style-type: none"> • ECIP Quarterly Summary Reports (QSRs) • Home Mortgage Disclosure Act (HMDA) data • Census data • Future 1071 data collection by the Consumer Financial Protection Bureau (CFPB) • Voluntary data collection from participants 	<p>Analytic Approach: In FY 2023, develop a descriptive report on initial investment patterns, with respect to qualified and deep-impact lending, along with providing initial insights into how participating institutions are changing. Beginning in FY 2024, engage third-party evaluator to determine the impact of funding made available to recipient institutions and identify potential field or sector-level implications of these investments</p>	<p>Challenges: Identifying third-party evaluator with expertise in CDFI and MDI industry; obtaining sufficient data to conduct robust evaluation</p>
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Treasury Strategic Objective 1.4 Resilient Housing Market

What strategies deployed in the recovery from COVID-19 best prevented evictions and foreclosures?

Note: these projects are still in the exploratory phase. Treasury and OES are working to determine the feasibility of the evaluation approach and to identify potential collaborators.

Emergency Rental Assistance (ERA) Flexibilities

Lead Organization: Departmental Offices – Office of Recovery Programs and the General Services Administration (GSA) Offices of Evaluation Sciences (OES), through an interagency agreement

<p>Evaluation Question: How has the use of promising practices that Treasury encouraged grantees to adopt (such as self-attestation, categorical eligibility, and fact-specific proxies) affected the equitable distribution of ERA funds?</p>	<p>Potential Evaluation Approach: Treasury is working with individual ERA grantees to explore options for a quasi-experimental study of different approaches to administering ERA using Treasury’s promising practices and the effects on program applications.</p>
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Homeowners Assistance Fund (HAF) Outreach

Lead Organization: Departmental Offices – Office of Recovery Programs and OES

<p>Evaluation Question: How equitable is the distribution of HAF funds to homeowners most in need of assistance?</p>	<p>Potential Evaluation Approach: To answer this question, Treasury is exploring evaluation options to understand equity throughout the lifecycle of the HAF program, from standup and initial outreach to the application process to distribution of funds and outcomes. This includes exploring partnerships with HAF funding recipients to examine the effectiveness of different types of targeted outreach at equitably engaging homeowners that are most in need of HAF assistance, such as socially disadvantaged homeowners. In the longer-term, Treasury will work with these partners and additional stakeholders to consider options for evaluating equity in the distribution of funds and program outcomes.</p>
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Treasury Strategic Objective 5.1 Recruit and Retain a Diverse and Inclusive Workforce

To what extent has increased diversity in management and leadership positions influenced organizational performance and improved employees’ sense of inclusion?

Note: this project is still in the exploratory phase. Treasury and OES are working to determine the feasibility of the evaluation approach and to identify potential collaborators.

Reducing Disparities in Performance Evaluations

Lead Organization: Departmental Offices and the General Services Administration (GSA) Offices of Evaluation Sciences (OES), through an interagency agreement

Potential Evaluation Approach:

Treasury Management (including the office of the Deputy Assistant Secretary for Human Resources and Chief Human Capital Officer (DASHR-CHCO)), the Office of Diversity Equity Inclusion and Accessibility (ODEIA), and OES are exploring opportunities to conduct a randomized control trial that would evaluate the effectiveness of scalable interventions to reduce bias in decision-making in performance evaluations. This project is still in the exploratory phase and feasibility has not yet been determined.

Treasury Strategic Objective 5.4 Customer Experience Practices

What are effective strategies for serving hard-to-reach customers, particularly those who lack access to reliable internet, banks/financial institutions, and the credentials required to verify their digital identity?

Note: this project is still in the exploratory phase. Treasury and OES are working to determine the feasibility of the evaluation approach and to identify other potential collaborators.

Encouraging Uptake of Tax Credits

Lead Organization: The Internal Revenue Service (IRS) Taxpayer Experience Office and the General Services Administration (GSA) Offices of Evaluation Sciences (OES)

Potential Evaluation Approach:

The IRS Taxpayer Experience Office and OES are exploring opportunities to conduct a randomized control trial that would evaluate the effect of outreach strategies on uptake of certain tax credits among low-income and multilingual populations. This project is still in the exploratory phase and feasibility has not yet been determined.

Additional projects to be determined

Potential Evaluation Approach:

The Treasury Customer Experience Community of Practice (COP) is exploring opportunities to conduct evaluations that would help the Department improve outreach and customer experience for hard-to-reach customers. The Bureau of the Fiscal Service is also considering evaluation projects that would build evidence related to this learning agenda question. In FY 22, Fiscal Service developed a [bureau-level learning agenda and FY 22-23 evaluation plan](#) which aligns to the bureau strategic plan. In FY 23, the bureau intends to publish its FY 24 Annual Evaluation Plan, which will include planned projects and alignment to Treasury Learning Agenda questions.