



# Overview of \$100mm SIPBRA Federal Funding Opportunity for State & Local Governments

Fall 2018

**The following information is based on publicly available legislation. The information may change as legislation is implemented.**

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# \$100mm for governments willing & able to establish outcomes contracts

The 2018 Social Impact Partnerships to Pay for Results Act (SIPPRA) overview<sup>(1)</sup>



## \$70-80mm for Outcome Payments

Funds for service delivery  
based on outcome results.  
Additional \$15mm available for evaluation



## \$10mm for Feasibility Studies

SIPPRA will pay for up to  
50% of total study costs

*State/Local governments will be able to apply to all funding opportunities starting in February 2019<sup>(2)</sup>  
For all Proposals, at least 3 months of preparation time will likely be required*

(1) Funding guidance and application being released by federal inter-agency council (OMB, Treasury, HHS, DOL, HUD, etc)

(2) Contact Third Sector for information relating to the application process

Source: US Congress <https://www.congress.gov/115/bills/hr1892/BILLS-115hr1892enr.xml#toc-H643778D2022F4F9A9CD33B7B43224BD7>

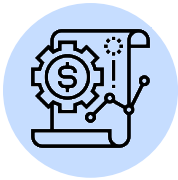
# All proposals require outcome contracts that will incentivize achievement of one or more of the 21 outcome categories

## Summary of potential outcomes to anchor an outcomes contract

<b>Education</b>	<ul style="list-style-type: none"> <li>Improving rates of high school graduation</li> <li>Improving the educational outcomes of special-needs or low-income children</li> </ul>
<b>Health &amp; wellness</b>	<ul style="list-style-type: none"> <li>Improving birth outcomes and early childhood health and development</li> <li>Reducing the utilization of ER and other high-cost care</li> <li>Improving the health and well-being of those with mental, emotional, and behavioral health needs</li> <li>Increasing the independence and employability of individuals who are physically or mentally disabled</li> </ul>
<b>Housing</b>	<ul style="list-style-type: none"> <li>Reducing the rate of homelessness</li> </ul>
<b>Justice</b>	<ul style="list-style-type: none"> <li>Reducing recidivism among juvenile offenders, individuals released from prison, or other high-risk populations</li> </ul>
<b>Parenting &amp; families</b>	<ul style="list-style-type: none"> <li>Reducing teen and unplanned pregnancies</li> <li>Increasing the proportion of children living in two-parent families</li> <li>Reducing incidences &amp; adverse consequences of child abuse and neglect</li> <li>Reducing the # of children or youth in to foster care or non-family homes</li> <li>Reducing the dependence of low-income families on Federal means-tested benefits</li> </ul>
<b>Workforce development</b>	<ul style="list-style-type: none"> <li>Increasing employment &amp; earnings for individuals who are unemployed &gt; 6 consecutive months and/or aged 16-25</li> <li>Increasing employment among individuals receiving Federal disability benefits</li> <li>Improving the employment &amp; well-being of returning United States military members</li> <li>Increasing the financial stability of low income families</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>Other measurable outcomes defined by the State/local government resulting in positive social outcomes &amp; Federal savings</li> </ul>

*Applicants will need to demonstrate how the Proposal's outcomes will directly benefit children & families*

# Which funding proposal should your community consider?



**\$70-80mm  
Outcome Payments**

**+  
\$15mm for  
Evaluation  
(if needed)**

**Proposals are best suited for “shovel-ready” projects, where governments are:**

- Ready to initiate (or continue) an outcomes contract issued by State/Local government;
- Able to validate and document the Proposal Requirements either through (i) a completed Feasibility Study or (ii) extensive detail in the submitted proposal; and
- Equipped with a comprehensive plan for program implementation, payment terms, and evaluation

Note: An additional \$15mm will be made available to pay for evaluations to validate outcome delivery

***All Proposals require a (i) service provider experienced in outcomes contracting and/or (ii) an expert intermediary (like Third Sector) with outcomes contracting, funding, and subject-matter expertise***



**\$10mm  
Feasibility Studies**

**Proposals are best suited for governments with committed interests and require:**

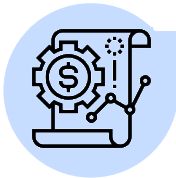
- Extensive support to integrate administrative data, population, and evaluation components into an outcomes contract and/or designing and selecting the appropriate program and service provider
- Secured funding to pay for at least 50% of the cost to conduct the Feasibility Study

***All Proposals require an expert intermediary (like Third Sector) to conduct the Feasibility Study***

*Third Sector can bolster your Proposal through the prep/drafting process and inclusion as an implementation partner*

# Outcome Payment Proposals:

*“Shovel-ready” projects will have the highest probability for selection*



**\$70 - 80mm in Outcome Payments to pay for services**

## Why submit an Outcomes Payment Proposal?

***You are a State/Local Government that is...***

- Currently operating an outcomes contract, and looking to expand funding
- Transitioning from a “Pilot” outcomes contract to “Launched” contract (of equal or greater size)
- Seeking to establish a proof-of-concept outcomes contract for the State/Local government to inherit
- Ready to implement recommendations/finding of a feasibility assessment into an outcomes contract

## **All proposals require the following commitments:**

- An active (or agreed to in principle) outcomes contract from State/Local government
- Capacity from State/Local government to sustain outcomes funding in the future
- Independent evaluator with a designed plan to validate outcome achievement
- Duration of service delivery or evaluation not exceed 10 years

## **Up to \$15mm in addition funding is available to pay for evaluation**

- All evaluations are required to be experimental or quasi-experimental to validate outcome delivery (see requirements for evaluation funding on [page 11](#))

***Outcome payments can be used as repayment for service delivery or social impact investment<sup>(1)</sup>***

(1) Investment could be structured as recoverable grants, program related investments, loans, or any other form of financing

# Does your community meet the requirements for Outcome Payments?

Complete the “Requirement Checklist” to determine eligibility



## Proposal must include:

- State/Local Government willing and able to submit proposal
- Partnership with a **(i)** service provider experienced in Pay for Success and/or **(ii)** an expert intermediary (like Third Sector) with outcomes contracting, funding, and subject-matter expertise

## Proposals require the following documentation:

- Identified State/Local government funding source (or commitment) for sustained outcome payments in the future
- Payment terms, methodology used to calculate outcome payments, payment schedule, & performance thresholds
- Detailed intervention plan for services, staffing, and data monitoring
- Eligibility criteria, including identification plan and referral process; # of individuals to be served
- Administrative data access and integration plan from government sources and service provider(s)
- Evidence-based to achieve outcomes (based on prior experimental/quasi experimental evaluations)
- Validated social benefit/savings for State, Local, & Federal government
- Evidence of unmet need in the area where the intervention will be delivered or among the population to receive services
- Service delivery budget & timeline
- Evaluation plan and evaluation support (staff / resources)

## If your community's checklist is incomplete:

1. Engage Third Sector for a “Rapid-assessment” to validate/improve (and document) requirements for your SIPBRA proposal and/or
2. Apply for Feasibility Study Funding (see page 6)

# Feasibility Study Proposals:

*Funding for assessment to demonstrate readiness for an outcomes contract*



## Up to \$10mm to pay for Feasibility Studies

### Why submit a Feasibility Study proposal?

*You are a State/Local Government that strives to...*

- Establish an outcomes contract with a service provider or group of service providers;
- Create financial incentives to meaningfully improve a specific outcome;
- Transfer/expand an existing program to an outcomes contract with an evaluation plan; or
- Convene government, philanthropy, & community partners to establish an outcome orientation

**... but requires extensive support to integrate administrative data, population, and evaluation components into an outcomes contract and/or designing and selecting the appropriate program**

### All proposals require the following commitments:

- Identified government leadership & staff to provide data and active feedback, and manage stakeholders
- An engaged expert intermediary (like Third Sector) willing and able to conduct the Feasibility Study
- Assessment to be completed within 9 months
- Strong likelihood to establish an outcomes contract and achieve such outcomes
- High probability to achieve social benefit / savings for State, Local, & Federal government

### Feasibility study considerations

- Total cost is typically between \$200-\$500K
- Cost varies based on scope of work, community expertise/readiness, and available staff and data
- See [page 12](#) for more details on activities of a Feasibility Study engagement
- Third Sector can work with applicants to draft an appropriate budget and SIPRA proposal

***SIPRA Feasibility funding will pay for up to 50% of total feasibility study cost***

# Does your community meet the requirements for Feasibility Studies?

Complete the “Requirement Checklist” to determine eligibility



## Proposal must include:

- State/Local Government willing and able to submit proposal
- Partnership with an expert intermediary (like Third Sector) willing and able to conduct the Feasibility Study
- Secured a minimum of 50% of the cost to conduct the Feasibility Study from any sources (e.g., government funds, philanthropy, in-kind, or any combination)

## Proposals require the following documentation:

- Description of the outcome goals and metrics of success for the project
- Description of the intervention, including anticipated program design, target population, # of individuals to be served
- Evidence to support the likelihood that the intervention will produce the desired outcomes.
- Expected social benefit/savings for State, Local, & Federal government
- Estimated service delivery budget & timeline
- Estimated Feasibility Study budget & timeline

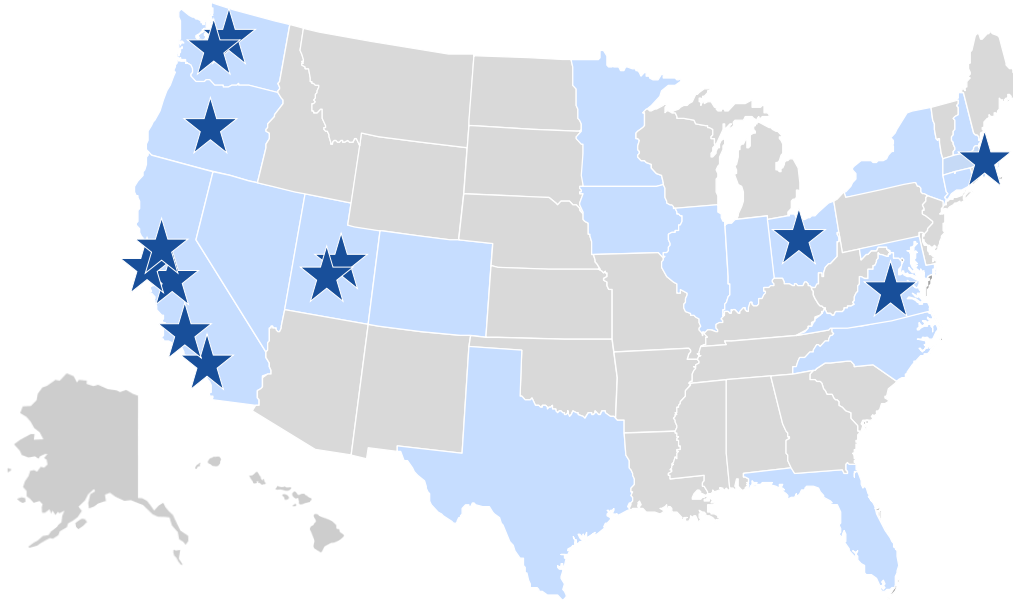
## If your community's checklist is incomplete:

1. Engage Third Sector to conduct a “*Rapid Assessment*” to conduct a work shop with staff and/or community partners to address gaps prior to submitting a Feasibility Study proposal and/or
2. Contact peer jurisdictions to understand how to viably establish an environment for an outcomes contract (Third Sector can make introductions)



# Third Sector is a nonprofit consulting firm that works with communities to embed outcomes in their public funding and services

## Third Sector's Engagements



13

*Launched Contracts in Partnership with State & Local Agencies deploying \$365mm in public funding*

60+

*Feasibility studies and implementation projects*

### Track record of winning ~ \$25mm of federal funding awards, similar to SIPPPA, for State/Local Governments:

- *Social Innovation Fund*: \$9.2mm to advance outcomes contracting initiatives (13 different states)
- *Dept. of Education*: \$1.1mm for Pay for Success (PFS) pre-kindergarten Feasibility Studies (California, Ohio, N. Carolina)
- *Dept. of Housing & Urban Development*: \$2.6mm for permanent supportive housing PFS projects (Oregon & Maryland)
- *Dept. of Labor*: \$12mm in outcome payments (Massachusetts)

# Next Steps to determine if SIPPRA funding is suitable for your community



After reviewing the “Requirements Checklist” for Outcome Payments or Feasibility Studies, determine if your organization or another State/Local Government partner should prepare a Proposal

## For Outcome Payment & Evaluation Proposals



Plan accordingly. If your community has not completed a Feasibility Study, at least 3 months preparation time will be required to document Proposal requirements

## For Feasibility Study Proposals



Assess government appetite for outcomes contracting and the track record of the service provider community as key components to any outcomes contract

*Third Sector can help you complete the Requirement Checklists to determine if your community qualifies for SIPPRA. For any identified gaps, we can work with you to enhance your Proposal*

# Appendix

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# Outcome Payment Proposals:

*Should your community request additional Evaluation Funding?*



**Up to \$15mm of SIPPRA funding will be made available to pay for evaluations**

## **All proposals for Evaluation Funding require the following commitments:**

- Capacity from State/Local government to sustain outcomes funding in the future
- Independent evaluator with a designed plan to validate outcome achievement
- Duration of service delivery or evaluation not exceed 10 years

## **Required proposal documentation:**

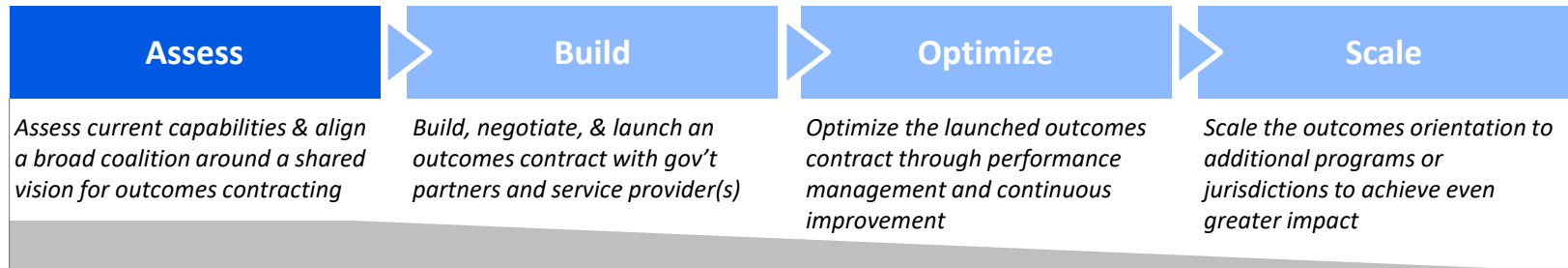
- A completed proposal for Outcome Payments (see [pages 4-5](#))
- An experimental evaluation plan using random assignment or other reliable, evidence-based research methodologies
- Evaluation scope of work and staffing  
(to submit biannual Evaluation Reports and a Final Report to validate outcome achieved and outcome payments)

# Feasibility Study Proposals:

## What does an assessment for outcomes contracting entail?



Evaluating readiness for SIPPRA is part of a broader process to enable an “outcomes orientation”



### Typical timeline & cost for Assessments

- 3 - 12 months engagement with a total cost for technical assistance typically between \$200-\$500K
- Time frame and cost vary based on scope of work, community expertise/readiness, and available staff and data

### Activities

Your staff and 2-5 Third Sector consultants jointly develop an implementation plan for the following:

- *Policy*: convene stakeholder and assess the policy landscape to identify funding streams aligned with priority outcomes
- *Funding*: determine contracting options and design an economic model to test scenarios for an outcomes contract
- *Services*: evaluate outcome achievement track record, population needs, and suitable service provider(s)
- *Data*: select performance metrics and create an evaluation framework to better inform service delivery and policy-making

### Deliverables

- Outcomes Contracting Assessment (“Feasibility Study”)
- Implementation Roadmap
- Tools and Analyses to transition into Build and Optimize phases  
(i.e., implement a vision for outcomes contracting with government partners, service provider(s), and other organizations)

## Disclosure

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