



# Leveraging government funds to “Pay for Success”

Secretaries’ Innovation Group

December 4-5, 2019  
Washington D.C.

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## Session Objectives

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- Better understand the SIPPRA \$100mm federal grant opportunity
- Clarify what it means to have an “Outcomes Orientation”
- Share an example of how another community applied an Outcomes Orientation
- Address your questions

# Agenda

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## ***Overview of SIPPRA & Outcomes-Oriented***

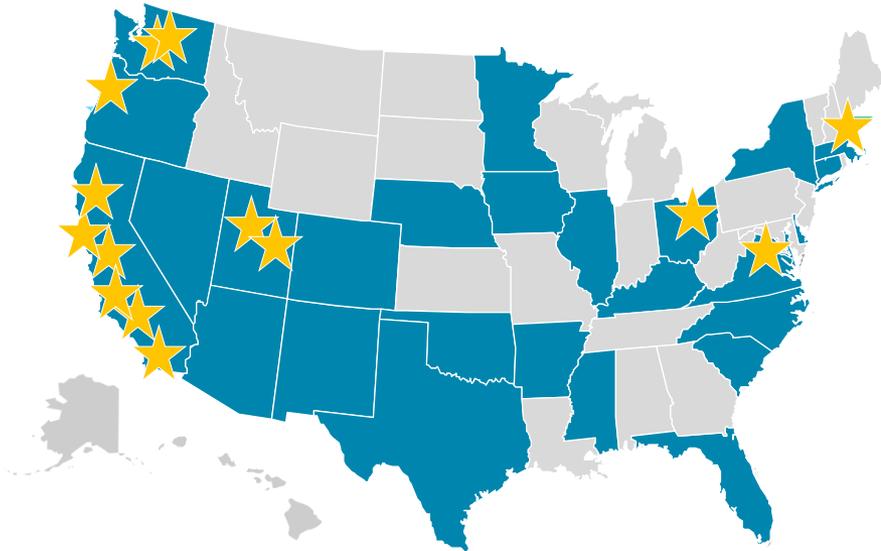
Case Study

Requirements for the SIPPRA Outcomes Funding Opportunity

Questions & Discussion

# Third Sector works with communities to implement systems change by linking government funding to outcomes achievement

## Third Sector Overview



50+

**Consulting Engagements**  
Community-level changes to improve societal outcomes

14

**Launched Outcomes Contracts**  
Self-sustaining efforts with government end payments

*\$806 Million in public funding deployed via outcomes contracts since 2011*

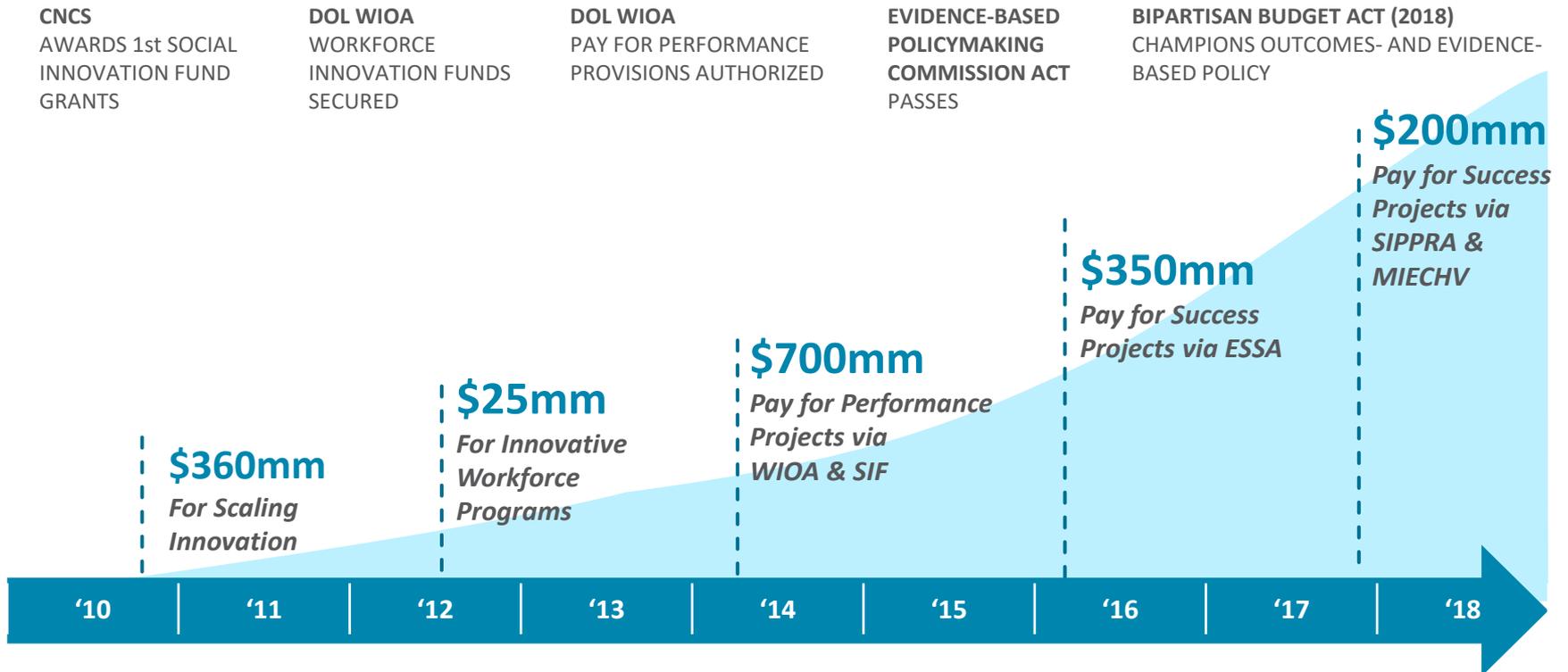
**Profile:** Founded in 2011, we are a non-profit advisory organization with +50 staff members

**Goals:** Leaders entrusted to invest public funds will have the systems, tools, & data to do more and do better

**Areas:** Intergenerational poverty, workforce & education, housing, reentry, and physical/mental health

# The outcomes movement advanced policy changes that enabled +\$1 billion

## Policy Innovation for Outcomes



Source: America Forward

SIPPRA is the latest opportunity to accelerate your agency’s coordination of public resources to improve specific outcomes



## Social Impact Partnership & Results Act (SIPPRA)

\$100mm fund for “outcome payments” & technical assistance grants

**Next Grant (Round #2): \$10mm NOFA to be released in 2020**  
*To receive 3-9 months of T.A. to design an Outcomes Implementation Plan*

### Requirements

- Applicant must be State or local government entity
- Scale an evidence-based program with public resources
- Validate program impact with outcomes from admin. datasets (see appendix)
- Assess “Federal value”<sup>(1)</sup> as a result of program impact

(1) Federal Value defined as increased tax revenue and/or decreased Federal expenditure.

SIPPRA is one of the first federal efforts across various agencies to support states & local governments transition toward an outcomes orientation



U.S. DEPARTMENT OF THE TREASURY



2018 Bipartisan Budget Act asked for \$300mm to support outcomes oriented efforts

\$100mm appropriated to Treasury sets a precedent to manage & assess future funds



11 federal agencies currently involved in an inter-agency council to review projects

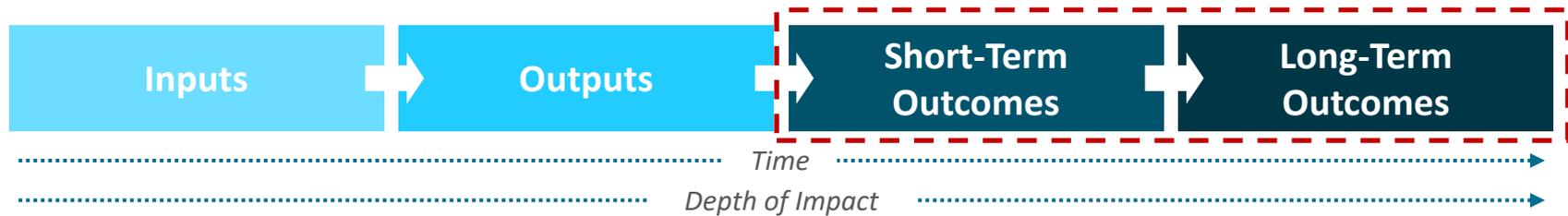
Various incentives to share & integrate data to learn & continuously improve

# SIPPRA “Shovel Ready” Round 1 proposals under final review for 2020 awards

Applicant	Population	Program	Outcomes
Anchorage, AK	Homeless adults cycling through corrections/crisis svcs	Housing First Permanent Supportive Housing	<ul style="list-style-type: none"> <li>⬇️ Recidivism</li> <li>⬆️ Housing stability</li> <li>⬆️ Mental, emotional, &amp; behavioral health</li> </ul>
Denver, CO	Homeless individuals with an extensive arrest history	Supportive housing, assertive community treatment (ACT) and case management	<ul style="list-style-type: none"> <li>⬆️ Housing stability &amp; health services</li> <li>⬇️ Visits to detox. centers and ER visits</li> <li>⬇️ Arrests and jail days</li> </ul>
Marion / Lake County, IN	Mothers living in poverty with highest likelihood of poor birth outcomes	Home visiting case management	<ul style="list-style-type: none"> <li>⬆️ Healthy birth spacing</li> <li>⬆️ Immunization rates</li> <li>⬇️ Child injury</li> </ul>
NYC, NY	Youth at a high risk for involvement in gun violence	Conflict resolution & behavior change	<ul style="list-style-type: none"> <li>⬇️ Medicaid utilization</li> <li>⬇️ Shootings, victimization</li> </ul>
State of NY	Low income individuals on SNAP/TANF/HEAP	Clean energy job training and support services	<ul style="list-style-type: none"> <li>⬆️ Earnings and employment</li> <li>⬆️ Training program/certification</li> <li>⬇️ Utilization of government assistance</li> </ul>
Tulsa County, OK	Justice-involved adult females with substance use disorders	Gender-specific comprehensive support and wrap-around services	<ul style="list-style-type: none"> <li>⬆️ Employment</li> <li>⬇️ Foster care involvement &amp; recidivism</li> <li>⬆️ Well-being &amp; 2-Gen outcomes</li> </ul>
Ventura County, CA	Homeless individuals with frequent, high-cost use of svcs	Permanent Supportive Housing	<ul style="list-style-type: none"> <li>⬆️ Housing stability</li> <li>⬆️ Mental, emotional, &amp; behavioral health</li> </ul>
Spartanburg, SC	Children, prenatal through age 5	Home visiting case management	<ul style="list-style-type: none"> <li>⬇️ NICU admissions &amp; infant ER visits</li> <li>⬇️ Child maltreatment (substantiated)</li> </ul>

Source: SIPPRA Commission on Social Impact Partnerships Meeting on October 9, 2019; Note project proposal descriptions are snap-shot summaries for discussion purposes only

Success for the communities you work with can be focused on “outcomes” to ensure sustained improvements over time



### Definitions

Resources used to deliver a program

Key activities resulting from a program

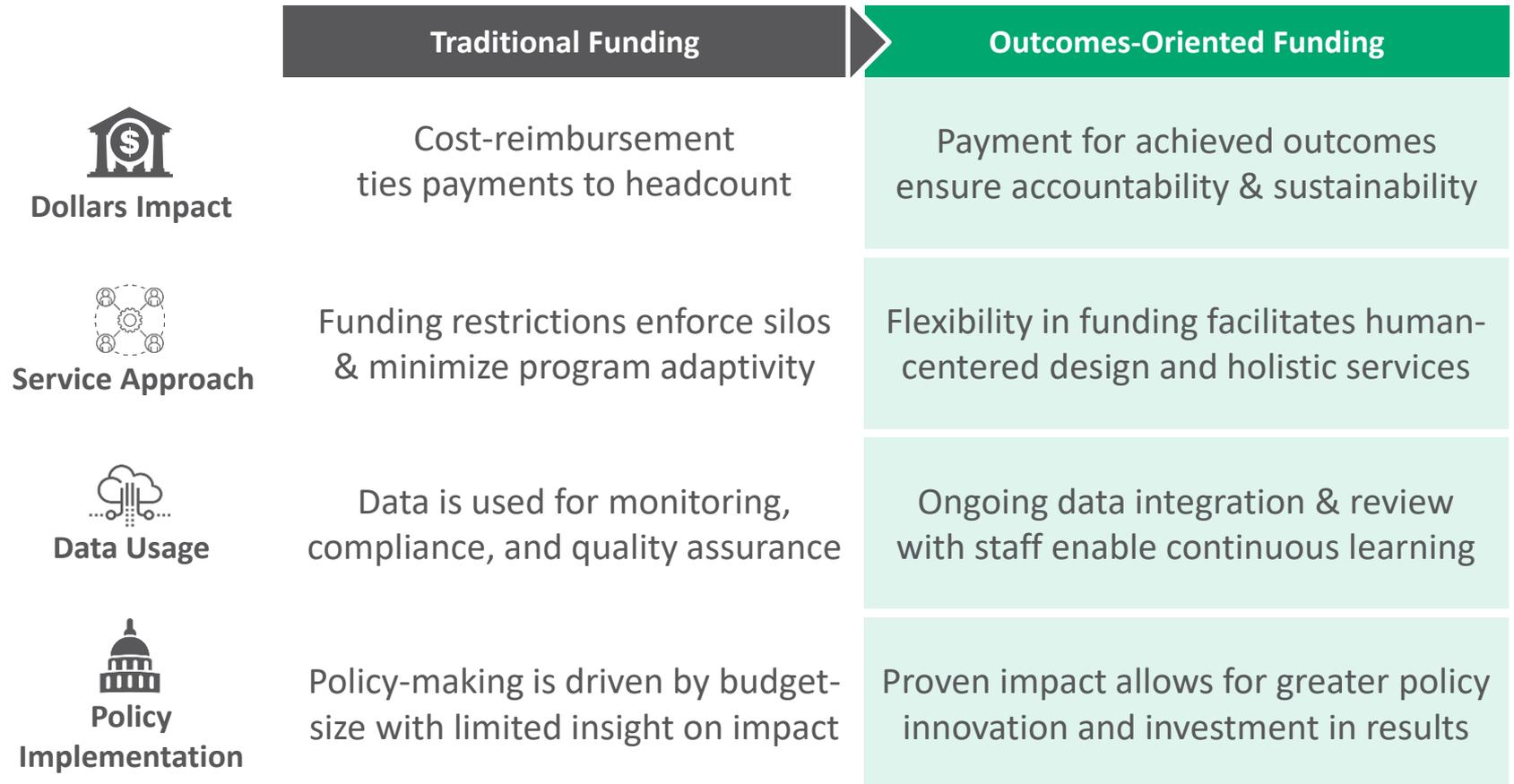
Changes *during or upon completion* of a program

Persistent changes resulting after program completion

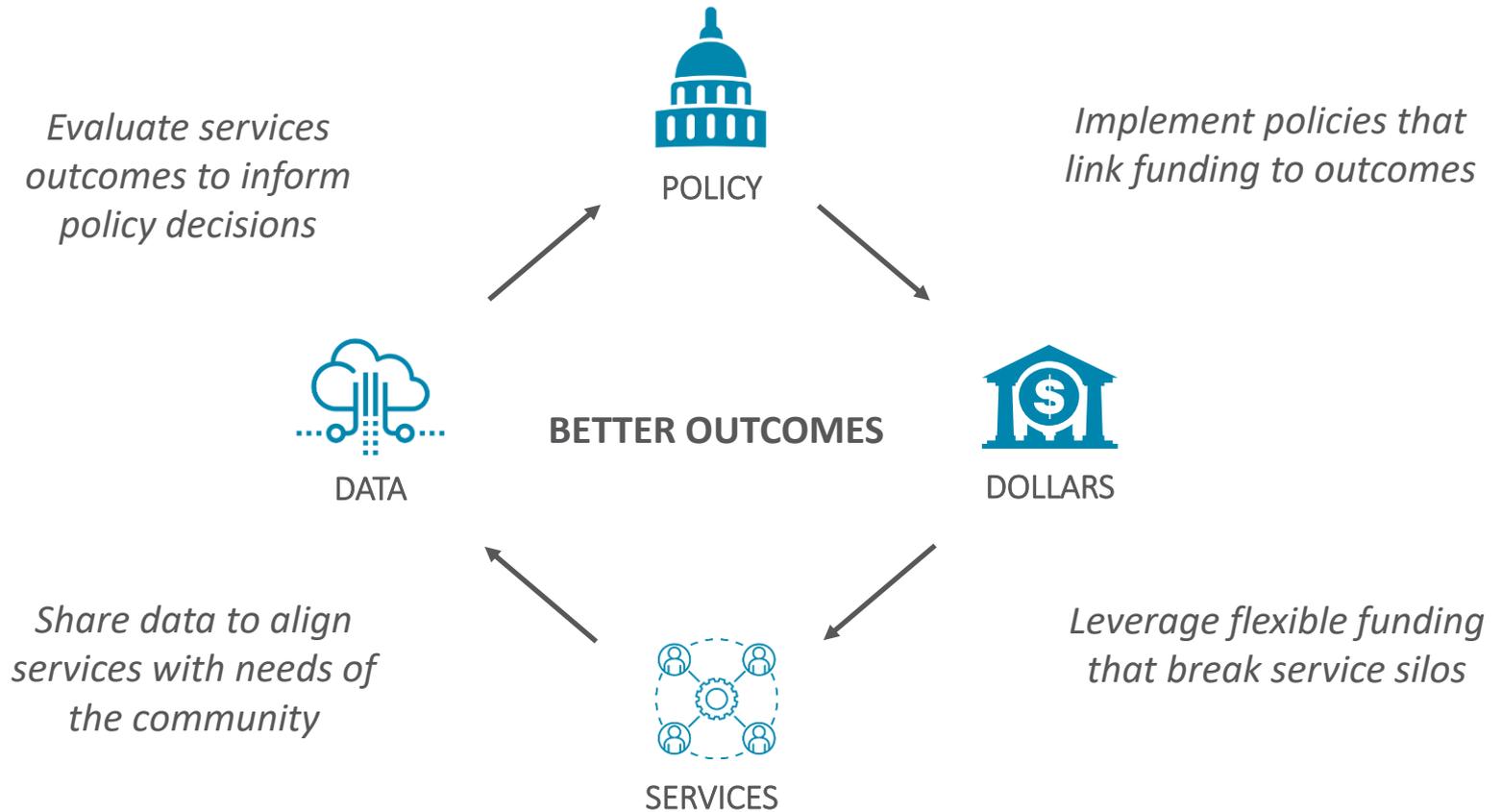
### Sample Impact Metrics

- Staff
- Program enrollment
- Foster care avoidance
- Sustained employment
- Overhead
- Length of service
- High school equivalency
- Wage increase over time
- Stable housing
- ER avoidance

# Establishing an implementation plan with an “Outcomes Orientation” will help transition your state toward a pay for results funding model



# An implementation plan will strive to operationalize an Outcomes Orientation

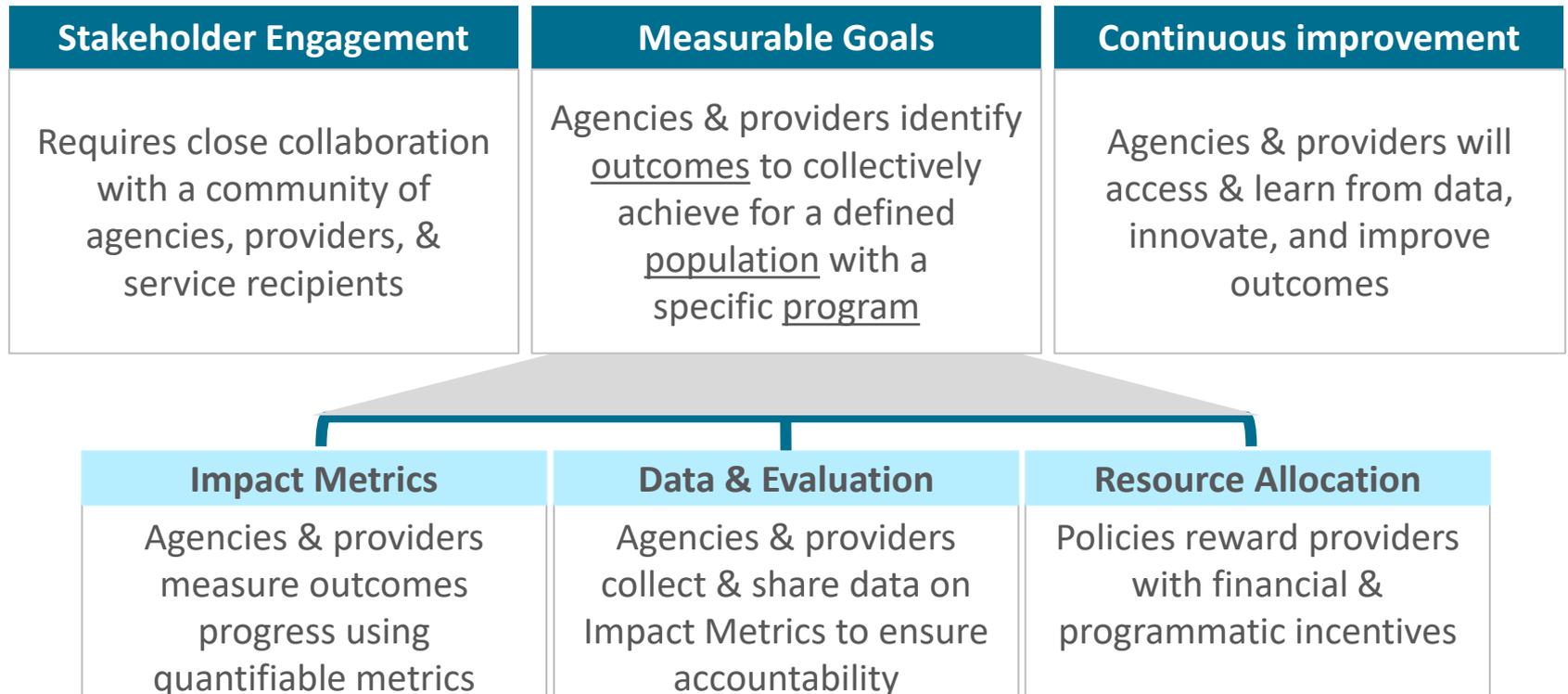


**Stakeholder engagement**

**Measurable goals**

**Continuous improvement**

All components of an Outcomes Implementation Plan require committed stakeholder buy-in on the vision for systems change



# Agenda

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# Massachusetts Department of Transitional Assistance (DTA) established new incentives to improve economic opportunity for young parents



## Massachusetts Department of Transitional Assistance (MA DTA)

**Population:** ~550 pregnant or parenting young adults, ages 14-24, many of whom don't have a HS diploma

**Services:** Various providers offer education, employment, and parenting programming

**Project Funding:** \$30mm over 8 years via TANF

**Systems Change:** Strive to break the cycle of poverty by defining clear 2-gen outcomes with incentives to improve data sharing (to adapt services) & reward service providers

### Outcomes

- ↑ Educational functioning level
- ↑ High school diploma or GED
- ↑ Enrollment in higher education or certificate program
- ↑ Personal and parenting goal attainment

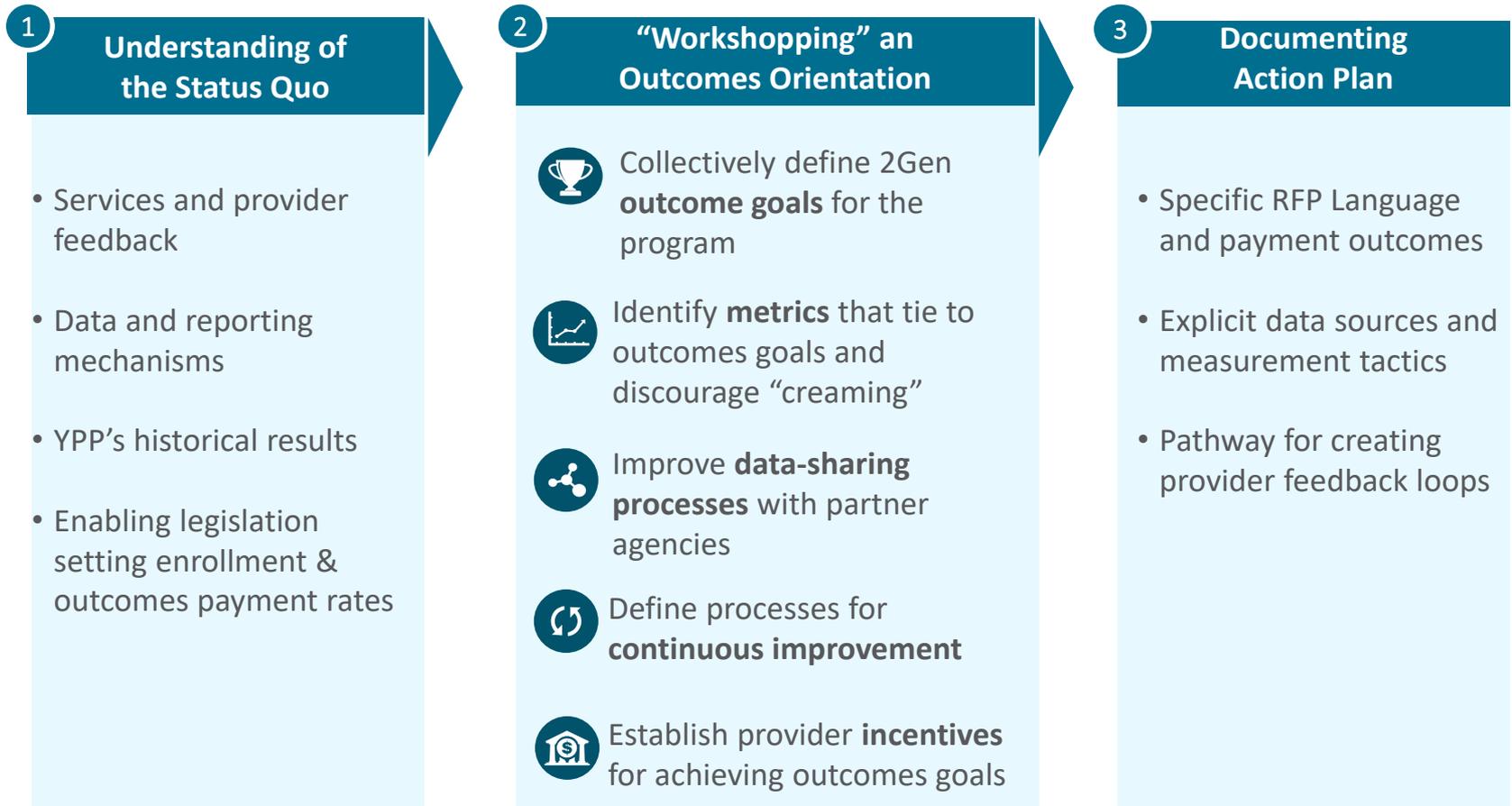
### Impact

**Baseline:** N/A. Year 1 of the pilot is the Baseline Year.

**Prelim results:** More participants than ever completed their high school equivalency & providers are collecting outcomes data for the first time (and reviewing with government)

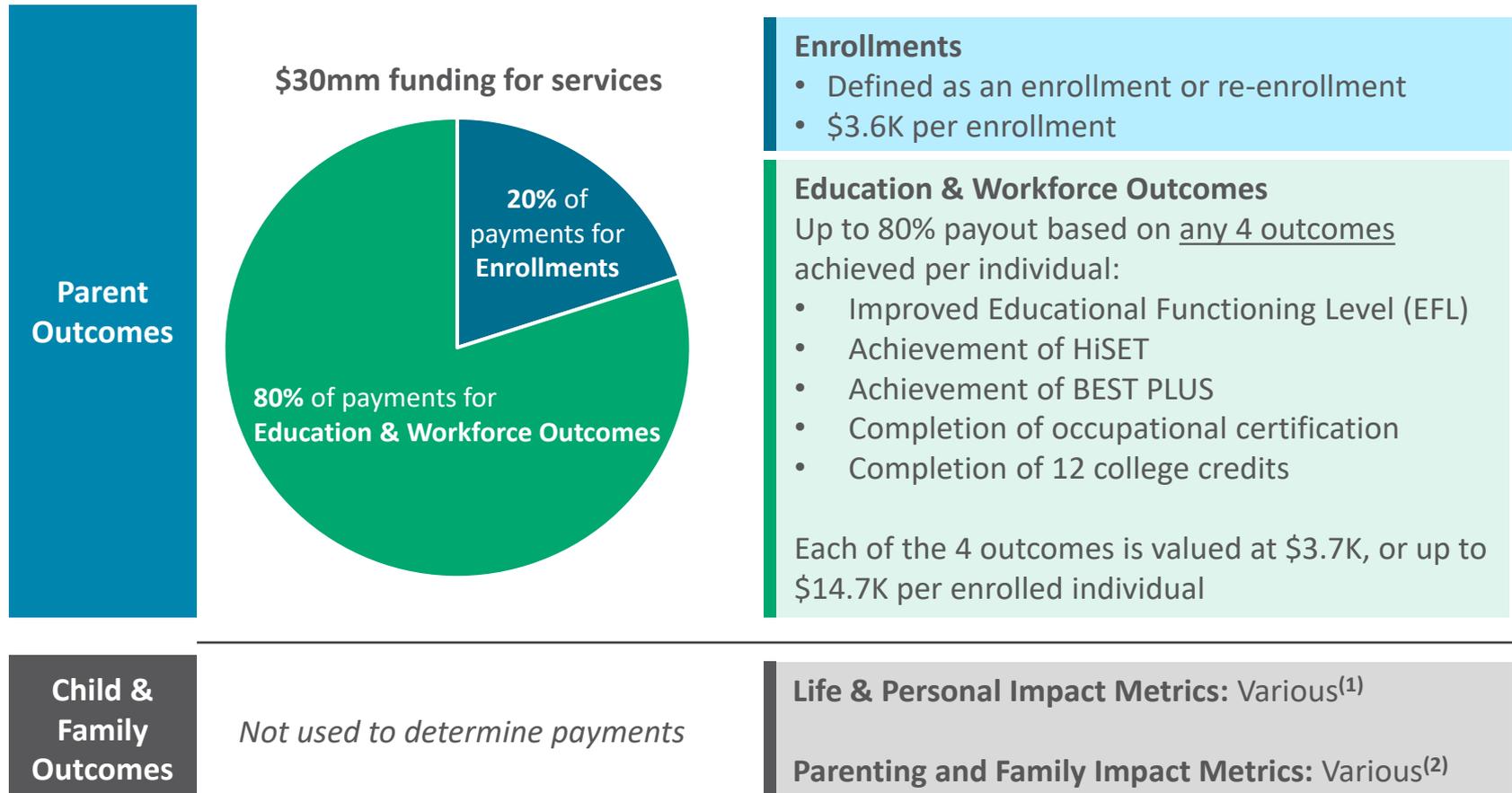
# DTA's process was focused on stakeholder engagement in order to holistically identify opportunities for improvement & coordination

The process was focused on Stakeholder Engagement & Outcomes Baseline Assessment



For more information on the DTA YPP Project: <https://www.thirdsectorcap.org/blog/empowering-young-parent-led-families-in-massachusetts-to-achieve-economic-mobility/>

# Program payments are tied to Parent Outcomes with a new process to track Child- and Family-Level Impact for program improvement



(1) Meet physical and behavioral health goals; Skills to manage stress and adversity; Financial management skills; and Stable living, housing, & transportation plan

(2) Increased knowledge of child development ; Understand & meet child’s health, emotional, & learning needs; Established goals for child’s education; or Reliable network

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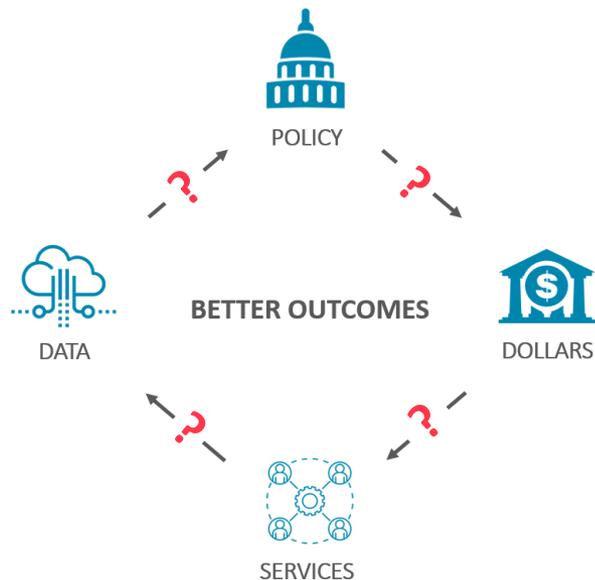
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Questions & Discussion

# Why submit an Outcomes Implementation Plan proposal for the upcoming \$10mm NOFA from US Treasury?



## Goals for State/Local Government

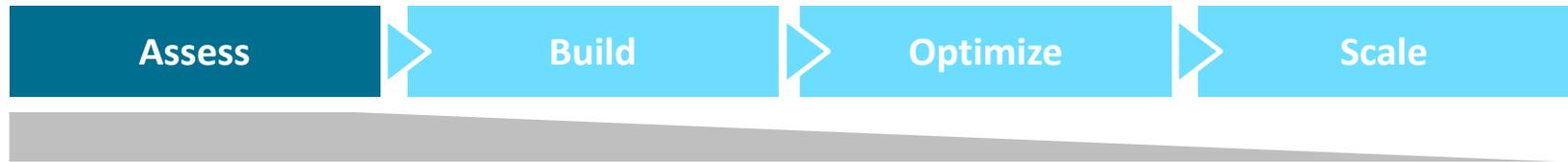


### Leverage 3-9 months of Technical Assistance to:

- Better coordinate referrals / services for populations with unmet need
- Expand & scale an evidence-based program with a local track record of success
- Meaningfully improve specific outcomes by creating incentives (program or financial)
- Coordinate government & community partners

*TA is focused on proactive project management & stakeholder engagement that builds on the most viable scaling opportunities*

# What does an Outcomes Implementation Plan entail?



*Your staff and 2-4 Third Sector consultants jointly develop an implementation plan for:*

- Policy** Convene stakeholders to define/measure outcomes, and improve data access & program coordination
- Funding** Determine contracting/public funder options to design a contract and process for continuous improvement
- Services** Evaluate outcome achievement track record and align it with population needs and government impact priorities
- Data** Select performance metrics & create a performance feedback loop between government and programs

A series of workshops over 3 months helped Massachusetts' stakeholders access and digest insights before prioritizing various factors



### Stakeholders

**DTA decided to leverage upcoming re-procurements to refresh program expectations, incentivize outcomes achievement, and adapt systems in support**

- **DTA Leadership:** Office of the Commissioner & Procurement Staff
- **DTA Employment Services:** Leadership, Program staff, and Contract Managers
- **+20 service providers:** Staff specializing in coaching, goal-setting, and wrap-around support services; actively engaged community college partners

### Lessons learned for future planning meetings

#### Communication & Coordination

- Talk to providers (and the rest of the system!) about upcoming changes early and often
- Plan ahead for process changes that need to be adapted (billing, data collection, etc.)

#### Mindset Shift

- Help each player in the system understand the role they play in contributing to outcomes achievement and develop ownership over that role

#### Continuous Improvement

- Be willing to adapt based on feedback, in the short-term and long-term

# How will your agency know if it is ready to shift to an Outcomes Orientation?

## You are a State / Local government...

... **expanding (or renewing) an existing performance-based contract *with a service provider***

- Terms of that contract require outcomes reporting
- Alternatively, there already is a financial incentive for achieving outcomes

... **expanding (or renewing) an existing *multi-party service agreement* contingent on outcomes**

- Current or soon-to-launch Pay for Success efforts with private funding

... **embedded in a community where extensive integration of outcomes is occurring (in silos)**

- Implementers could include agency departments, universities, or data-driven organizations
- All should be seeking to partner in program implementation and outcome prioritization

... **with committed leadership to change the “status quo”**

- SIPPRA may be one of many way to build capacity or assess options for your agency/community

# Readiness criteria for a SIPBRA Outcomes Implementation Plan proposal

## Overview of key requirements



- State/local government:** Identified staff to provide strategic direction, data & feedback, and ensure sustainability
  
- Outcomes Expertise:** Intermediary (e.g., Third Sector) willing and able to support development of an Outcomes Implementation Plan
  
- Evidence-Based Program:** Service provider to implement evidence-based services with strong likelihood to achieve 1 of 21 eligible outcomes (see appendix)<sup>1</sup>
  
- Outcomes Data Sharing and Federal Value:** Data infrastructure to validate program impact with administrative data sets for outcomes that yield “Federal value”<sup>2</sup>

(1) See Appendix for list of 21 eligible outcomes

(2) Defined as increase in Federal revenue and decrease in Federal expenditure

# How can we ensure SIPPRA and other efforts for systems change deliver impact?

## Third Sector Lessons Learned

- ✓ Define outcomes with communities, not for communities
- ✓ Move beyond outcomes measurement to outcomes management
- ✓ Shift the public sector to transform the social sector
- ✓ Outcomes Orientation is a vehicle to deliver on the promise of our government



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## Next steps:

*Questions your staff should consider for any outcomes oriented effort?*



### **Which outcomes are highest priority to achieve?**

Identify specific impact government is willing & able to pay for



### **Which population groups should be prioritize for an Outcomes Orientation?**

Understand how the system can address a population's barrier to self sufficiency (or unmet needs)



### **What data are currently available and what needs to be integrated?**

Articulate "need" in terms of outcomes from state agencies and/or data partners



### **Which programs will be most effective at achieving desired outcomes?**

Consider service providers, evidence-based models, and identification & referral processes



### **What funding is available to support the growing scale and sustainability of these efforts?**

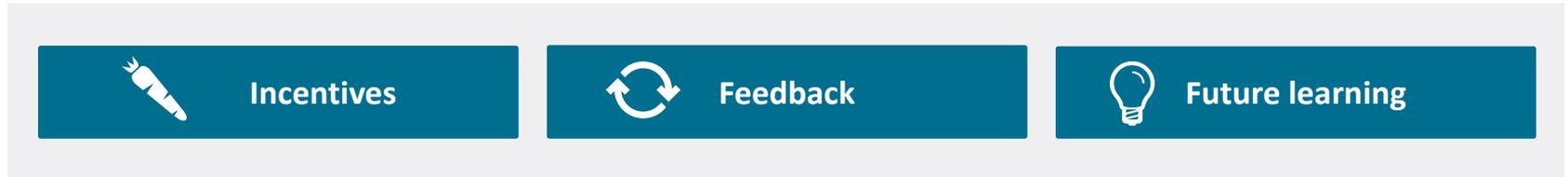
Identify alignment with state / federal funding and policy priorities

# Appendix

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# Outcomes management can be used for a number of purposes

## Impact metric uses



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### Purpose

Achievement is linked to either financial or non-financial incentives

Real-time feedback helps stakeholders work together to improve performance

Evaluation of metrics informs future program, funding, procurement, and/or policy decisions

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### Considerations

- Can the metrics be observed within the project window?
- Is it reasonable to expect services to improve this outcome for a given population?
- Can data be shared real-time?
- Do the metrics help stakeholders better manage to longer-term outcomes?
- Do capacity and resources to conduct ongoing evaluation of metrics exist?
- How will learnings be made actionable in the future?

# SIPBRA proposals must assess one or more of the 21 listed outcomes



<b>Education</b>	<ul style="list-style-type: none"> <li>Improving high school graduation, including high school equivalency and GED / credential attainment</li> <li>Improving the educational outcomes of special-needs or low-income students</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>

Source: US Dept. of the Treasury <https://home.treasury.gov/services/social-impact-partnerships/sipbra-pay-for-results>

## Disclosure

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