

Pay-for-Performance: A Case Study from Northern Virginia

CYC Technology Workgroup

April 20, 2018

Purpose

- The purpose of this presentation is to:
 - Provide an overview of Third Sector
 - Share Pay-for-Performance Case Study

Introductions



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Third Sector is a national leader in implementing outcomes-oriented contracting

About Third Sector

In the United States, our government spends over \$1.2 trillion a year on social issues. Most of that money is not tied to actual results. Third Sector advises governments, community organizations, and funders on how to better spend those funds to move the needle on pressing challenges such as economic mobility for all and the well-being of our children.

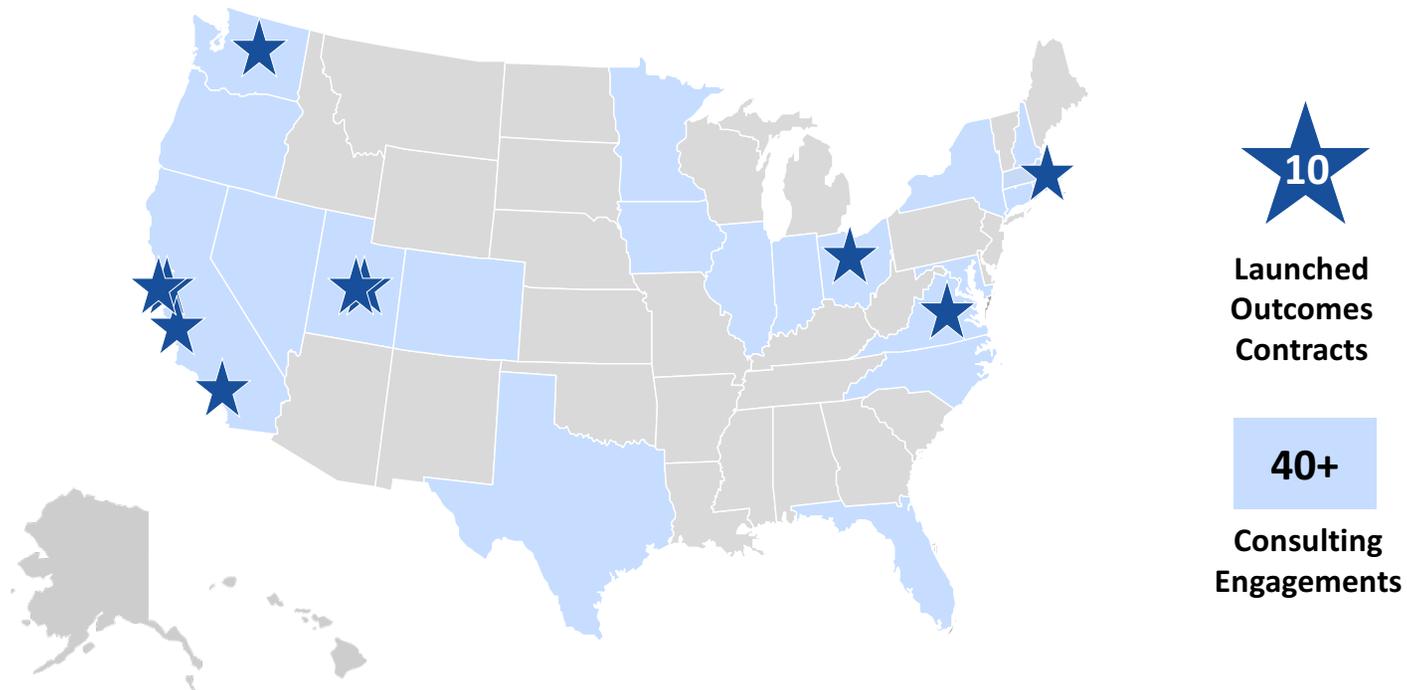
Our proven approach is to collaborate with our clients and stakeholders to define impact, draw actionable insights from data, and drive outcomes-oriented government. Since 2011, we have helped over 40 communities implement increasingly effective government. Together with our partners, we have transitioned hundreds of millions of dollars to programs that measurably improve lives.

Third Sector is a non-profit consulting firm with offices in Boston, Washington, DC, and San Francisco.



Third Sector is on a mission to accelerate America's transition to a performance-driven social sector

Third Sector's Engagements



\$360 Million in public funding deployed via outcomes contracts since 2011

Third Sector is working with the Children's Services Council of Broward County through the Empowering Families Initiative

Empowering Families TA Overview



Goal: To advise and facilitate efforts to develop and implement an outcomes-oriented approach to contracts and to develop a replicable contracting process

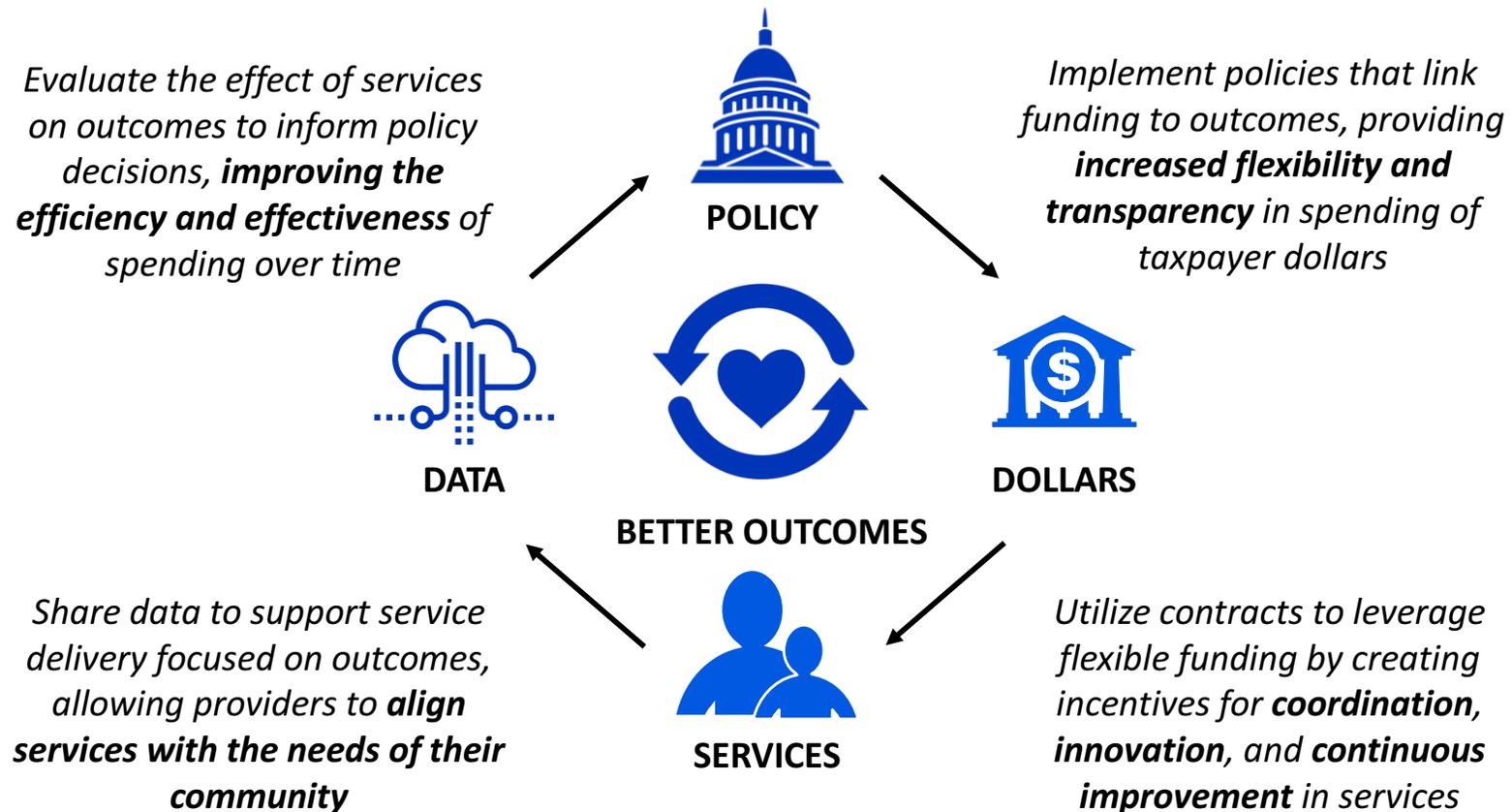
Goal: To support development of integrated data systems (IDS) that link multiple state and county agencies' data

Empowering Families Learning Community Sites



Outcomes-oriented contracts create stakeholder alignment and feedback loops that ensure funding and services are driving towards improving life outcomes

Anatomy of an Outcomes Orientation



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GOALS

Improve outreach, as well as education and employment outcomes, for ~100 previously underserved foster care and justice-involved youth



METRICS

Contracted outcomes: Skills Gain During Program; Placement in Employment, Training, or Education (6 months and one year after exit); Attainment of Degree or Certificate (within one year after exit)



DATA SHARING & EVALUATION

Method: Independent validation of individual level WIOA performance data to confirm achievement of successful outcomes by program participants



CONTINUOUS IMPROVEMENT PROCESS

Improvements:

- Convene Referral Group quarterly
- Report outcomes data back to referral partners

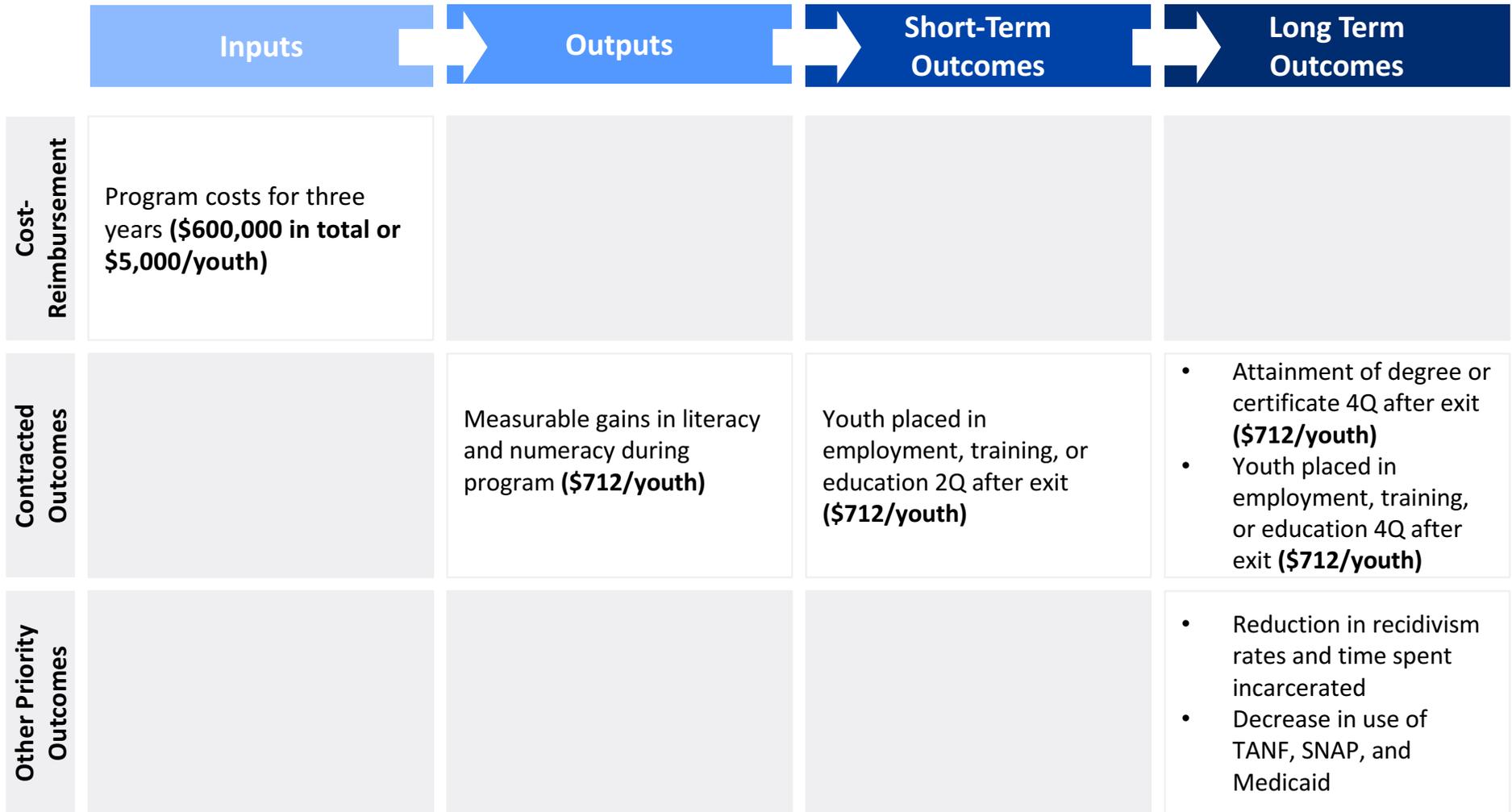


INCENTIVE STRUCTURES

Funding: ~\$600K total provided through WIOA youth funds allocations over 6 years

Incentives: \$150K in performance contingent bonus payments paid to provider

Case Study: Northern Virginia incentivized a mix of outputs and outcomes to promote enrollment of harder-to-serve youth



Case Study: Northern Virginia Pay-for-Performance Project Overview



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Case Study: Providers and referral partners worked together to achieve outcomes for youth



Coordination

- Governance structure was built to coordinate provider and referral partners to ensure youth were enrolled

Ongoing Activities



Reporting

- **Referral partners** complete monthly reports on number of eligible youth currently in services
- **Provider** shares updates on program enrollment and performance with referral partners



Trainings

- **Provider** conducts trainings at referral partner organizations' staff meetings on program, eligibility criteria, and referral process
- **Referral partners** are able to provide higher-quality referrals to provider



Meetings

- Provider meets with referral partners quarterly to track progress, coordinate efforts, and strengthen referral process
- Meetings enable continuous collaboration and improvement of joint programming

Summary of Outcomes-Oriented enhancements in Northern Virginia

Traditional Contracting



Policy limits incentives for coordination or innovation



Periodic enrollment results in limited # of youth served



Limited data; outcomes are not tracked



Employment Center paid by **cost-reimbursement**

Outcomes-Oriented Contracting



Stakeholders aligned around outcomes for youth



Coordination increases # of youth served



Employment and academic **outcomes tracked** quarterly



Performance payments paid for youth outcomes



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