OUTCOMES RATE CARD

Outcomes rate card: a list of pre-determined outcomes government wants to achieve to advance its policy priorities, and the prices it is willing to pay for each outcome achievement.

Comparing Outcomes Focused Tools

Traditional Performance Outcomes SIB/PFS Rate Card **Based Contract** Outcomes Based Contracting Government Predetermined Outcomes & Prices Ability to Contract with Multiple **Providers** Financed by Outside Investor Capital Potential to Reach Population Scale Impacts Measured Against a Control Group

The potential of Outcomes Rate Card Projects

The Outcomes Rate Card is an tool to launch multi-provider procurements with the ability to innovate the US PFS market by standardizing processes, expediting development timelines and significantly increase the number of PFS projects launched.

For example: from a single outcomes rate card, UK Innovation Fund:

- Served over 17,000 youths at risk of becoming NEET, not in education, employment, or training, between the ages of 14-24yrs
- Launched two separate rounds of open competition for in Sumer 2011 & Spring 2012
- Deployed roughly £30 million of capital
- Prompted over 130 interested service applicants
- Finalized 10 contracts with 6 different providers across the UK

History of Outcomes **Based Projects**

1997 🔸 Wisconsin Works

1998 AUS Employment Services

1999 • NYC Welfare to Work

2011

Innovation

Fund (R:1)

Rikers PFS

2014 UK Youth

Fund

Engagement

UK

2005 TN Dept of Children's Services

2010 First UK Peterborough PFS

2012 **UK Innovation** 2012 📍 Fund (R:2) First US NYC

> 2013 Social Finance NYS CEO PFS

2015 UK Fair Chance Fund

2016 NYC Welfare to Work RFP

2016 Social Finance SC NEP PES

The Rate Card Development Process Differs from Traditional PFS

Government selects outcomes, sets prices, and selects an evaluation/measurement methodology at the onset of PFS deal development. As a result, a single outcomes rate card can drive multiple Pay-for-Success projects with multiple service providers.

RATE CARD Pay for Success

IDENTIFY PROBLEM SET OUTCOMES SET PRICES

Government predetermines priority outcomes, prices, and measurement methodology

ISSUE RFP WITH RATE CARD

Government procures for outcomes by issuing RFP with rate card

RAISE CAPITAL COMMITMENT(S)

Service providers & investors partner to raise capital commitments and respond to RFP

SELECT SERVICE PROVIDER(S)

Government awards multiple contracts to service providers and services begin 10 PFS Projects

Examples of rate card projects in the UK

Youth Engagement Fund

Launched 2014, the £16.5m Youth Engagement Fund (YEF) builds on the existing DWP Innovation Fund to pay for positive education and employment outcomes achieved by projects that support 8,000 disadvantaged young people between the ages of 14 and 17 across 100 schools in England. It aims to find new ways to address the challenges faced by disadvantaged young people.

39 bids were submitted and 4 were selected.

Fair Chance Fund

Launched January 2015, the Fair Chance Fund (FCF) is designed to help 2,500 of the most vulnerable young people in society by assisting them into accommodation and into education and training or sustained employment.

The £15m fund represents an joint effort by the Department of Communities and Local Government as well as the Cabinet Office. Over 150 organization submitted bids and ultimate 7 were selected.

Illustrative Example of an Outcomes Rate Card

| Outcome Per participant between the ages of 14-24 | Maximum Outcome Price |
|---|-----------------------|
| Improved attitude / behavior at school | \$500 |
| Improved attendance at school | \$1,000 |
| Completed Level 1 Certification | \$800 |
| Completed Level 2 Certification | \$1,300 |
| Entry into First Employment | \$2,000 |
| Entry into First Employment (for high-risk of reoffending population) | \$3,000 |
| Employment Retention (12 months) | \$2,500 |