



Outcomes Rate Card Development Competition

**THE WEBINAR WILL BEGIN
MOMENTARILY**

***In the meantime, please introduce
yourself via the chat box.***



OUTCOMES RATE CARD DEVELOPMENT COMPETITION
ROUND 2
WEBINAR #1

DECEMBER 13, 2017



This project is funded through a Fiscal Year 2016 award from the Corporation for National and Community Service.

▶ TODAY'S WEBINAR HOSTS



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▶ AGENDA

1. INTRODUCTION

- Introduction to the competition
- Introduction to Social Finance

2. KEY BACKGROUND INFORMATION

- What is an outcomes rate card?
- How does it work?

3. COMPETITION

- Overview of the application
- Key dates & application submission

4. QUESTIONS

▶ OUTCOMES RATE CARDS DEVELOPMENT COMPETITION

Competition Opportunity

Social Finance is seeking government and/or nonprofit applicants nationwide for free technical assistance to develop an **outcomes rate card**, an outcomes-based contracting approach designed to help governments and nonprofits drive better performance in their procurement of social services by defining outcomes (e.g. getting a job, maintaining employment, boosting earnings) and paying providers as they achieve those outcomes.

▶ ABOUT SOCIAL FINANCE



*Social Finance, Inc. is a 501(c)(3) non-profit organization dedicated to **mobilizing capital to drive social progress***

Our History

- **Founded in January 2011** by David Blood, Sir Ronald Cohen, and Tracy Palandjian
- One of the **first dedicated PFS intermediaries in the country**

Our Global Network

- Social Finance UK was founded in 2007 and launched **the world's first Social Impact Bond** in 2010
- With Social Finance UK and Israel, we comprise the world's only **Global PFS Network** – we have launched 25% of all PFS projects worldwide

Our Team

- **Team of 40** includes experienced professionals from the public, private, and nonprofit sectors
- Three offices in **Boston, MA, Austin, TX, and the Bay Area, CA**

Our Work

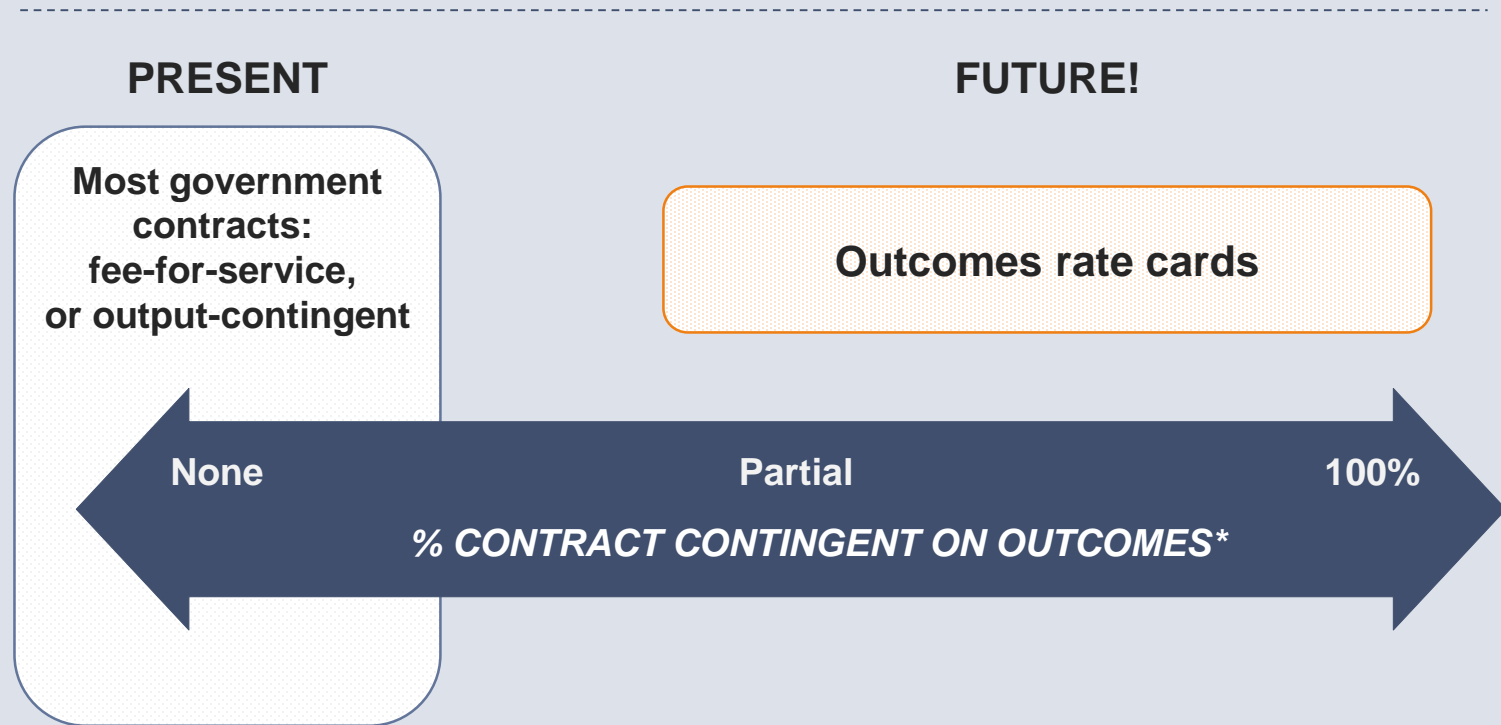
- Extensive **experience in the design and implementation of PFS projects**, from early stage feasibility assessment, to project development and capital formation, to post-launch performance management support
- **Have conducted 30+ feasibility studies and are actively developing or managing 15+ PFS projects across a diverse array of issue areas around the country**

What is an outcomes rate card?

An **outcomes rate card** is a procurement tool by which government **defines a menu of outcomes it wishes to “purchase”**—such as improving student achievement, completing a degree/training program, boosting earnings—and **the amount it is willing to pay each time a given outcome is achieved.**

▶ MAKING THE SHIFT: PROCURING FOR OUTCOMES, NOT SERVICES

Outcomes rate cards help governments and other payors **procure for outcomes** by linking payment to the achievement of outcomes



*Outcomes rate card procurements may pay 100% based on outcomes, or may pay on a combination of services and outcomes

▶ OUTCOMES RATE CARDS SET PRICES FOR OUTCOMES

Early childhood

- **Goal:** Support parents at-risk of child maltreatment to achieve positive child development and economic stability
 - **Segments of target population:** number of risk factors; first-time parents; system-involvement

Outcome <i>Per enrolled family</i>	Outcome price
Program enrollment	\$
Enrollment in high-quality early care	\$
Complete well child visits	\$
Parental employment	\$\$
No investigated cases of child maltreatment per quarter	\$\$
No child neglect incidents per quarter	\$\$\$
No child injury-related ER visits per quarter	\$\$\$

Health

- **Goal:** Reduce adverse medical outcomes for low-income children with pediatric asthma
 - **Segments of target population:** time since diagnosis; severity of asthma; age of child

Outcome <i>Per low-income child with pediatric asthma</i>	Maximum Outcome Price
Removal of asthma triggers from the home	\$
Average (or above) school attendance per quarter	\$
No ER visits per quarter	\$\$
No urgent care visits per quarter	\$\$\$
No inpatient stays per quarter	\$\$\$

▶ OUTCOMES RATE CARDS SET PRICES FOR OUTCOMES

Youth employment

- **Goal:** Increase educational attainment, sustained employment, and economic stability among opportunity youth
 - **Segments of target population:** justice-involved; homeless; prior educational attainment

Outcome <i>Per at-risk youth ages 14-24</i>	Outcome price
Improved behavior at school	\$
Completed Level 1 Certification	\$
Completed Level 2 Certification	\$\$
Entry into First Employment <i>(moderate-risk individual)</i>	\$\$
Entry into First Employment <i>(high-risk individual)</i>	\$\$\$
Employment Retention <i>(12mos)</i>	\$\$\$

Child welfare

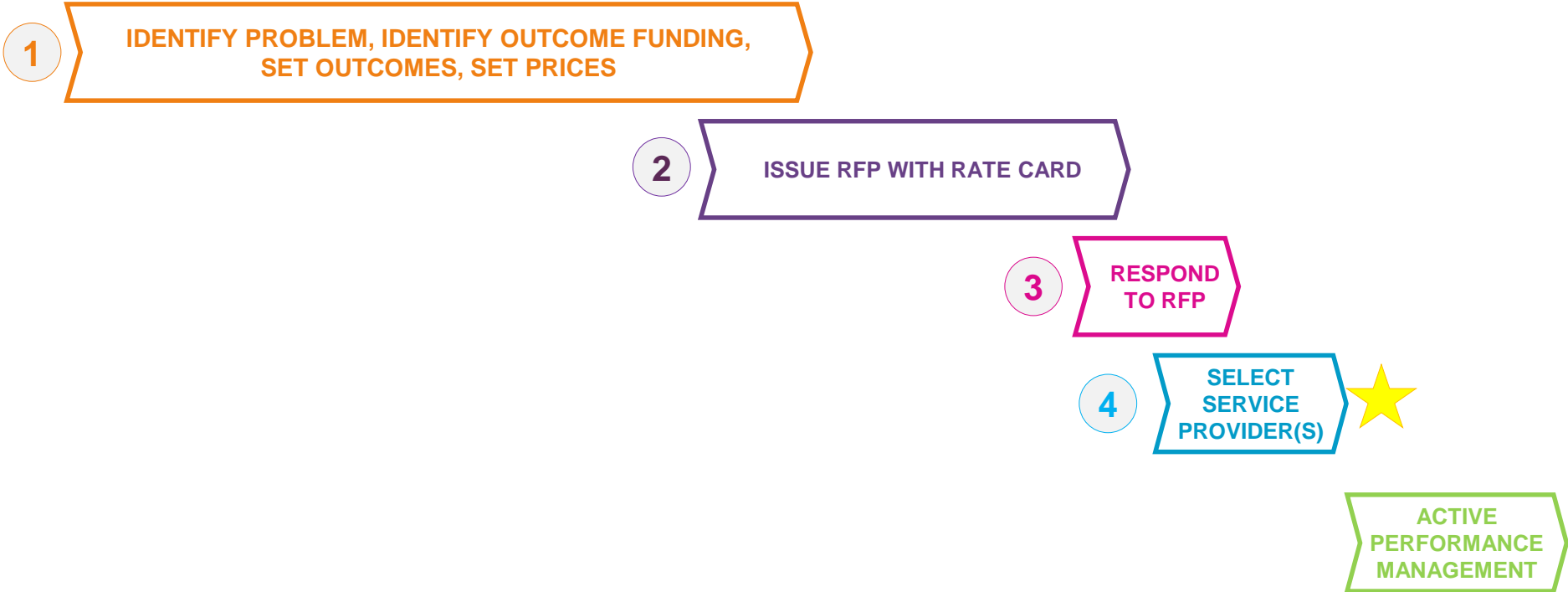
- **Goal:** Achieve family reunification and safe, stable home environments for system-involved youth
 - **Segments of target population:** history of parental incidents; parental substance use disorder; age of child

Outcome <i>Per system-involved youth</i>	Maximum Outcome Price
Identification & enrollment in placement program	\$
Placed into kinship care	\$\$
Return to home with parents	\$\$
Stable home placement (6-months)	\$\$\$
Stable home placement (1-year)	\$\$\$\$

▶ HOW IT WORKS: OUTCOMES RATE CARD DEVELOPMENT PROCESS

Four-step process to launch outcomes-based projects

Month of Engagement [ILLUSTRATIVE]



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Four-step process to launch outcomes-based projects

Month of Engagement [ILLUSTRATIVE]



1

**IDENTIFY PROBLEM, IDENTIFY OUTCOME FUNDING,
SET OUTCOMES, SET PRICES**

Government sets priority outcomes, prices, and measurement methodology; identifies and secures source of funding for outcome payments

▶ HOW IT WORKS: OUTCOMES RATE CARD DEVELOPMENT PROCESS

Four-step process to launch outcomes-based projects

Month of Engagement [ILLUSTRATIVE]



1 IDENTIFY PROBLEM, IDENTIFY OUTCOME FUNDING, SET OUTCOMES, SET PRICES

2 ISSUE RFP WITH RATE CARD

Government procures for outcomes by issues RFP with outcomes rate card

▶ HOW IT WORKS: OUTCOMES RATE CARD DEVELOPMENT PROCESS

Four-step process to launch outcomes-based projects

Month of Engagement [ILLUSTRATIVE]



1 IDENTIFY PROBLEM, IDENTIFY OUTCOME FUNDING, SET OUTCOMES, SET PRICES

2 ISSUE RFP WITH RATE CARD

3 RESPOND TO RFP

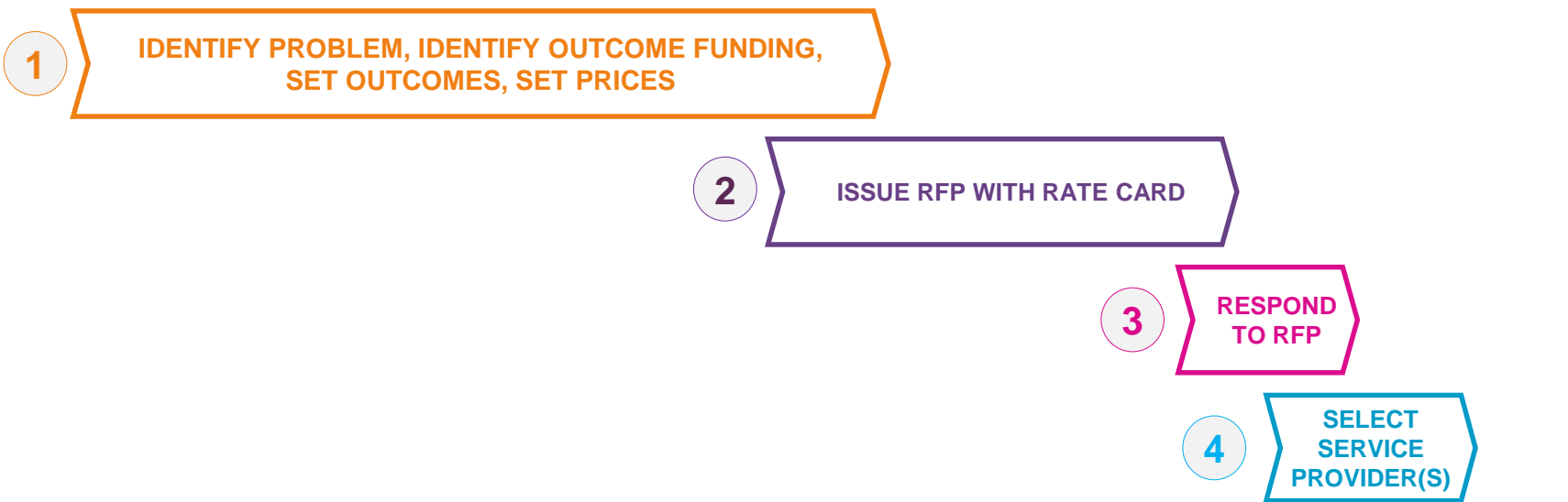
Service providers & investors partner to raise capital commitments and respond to RFP

Note: service providers may not require external capital to respond to an outcomes rate card procurement

▶ HOW IT WORKS: OUTCOMES RATE CARD DEVELOPMENT PROCESS

Four-step process to launch outcomes-based projects

Month of Engagement [ILLUSTRATIVE]

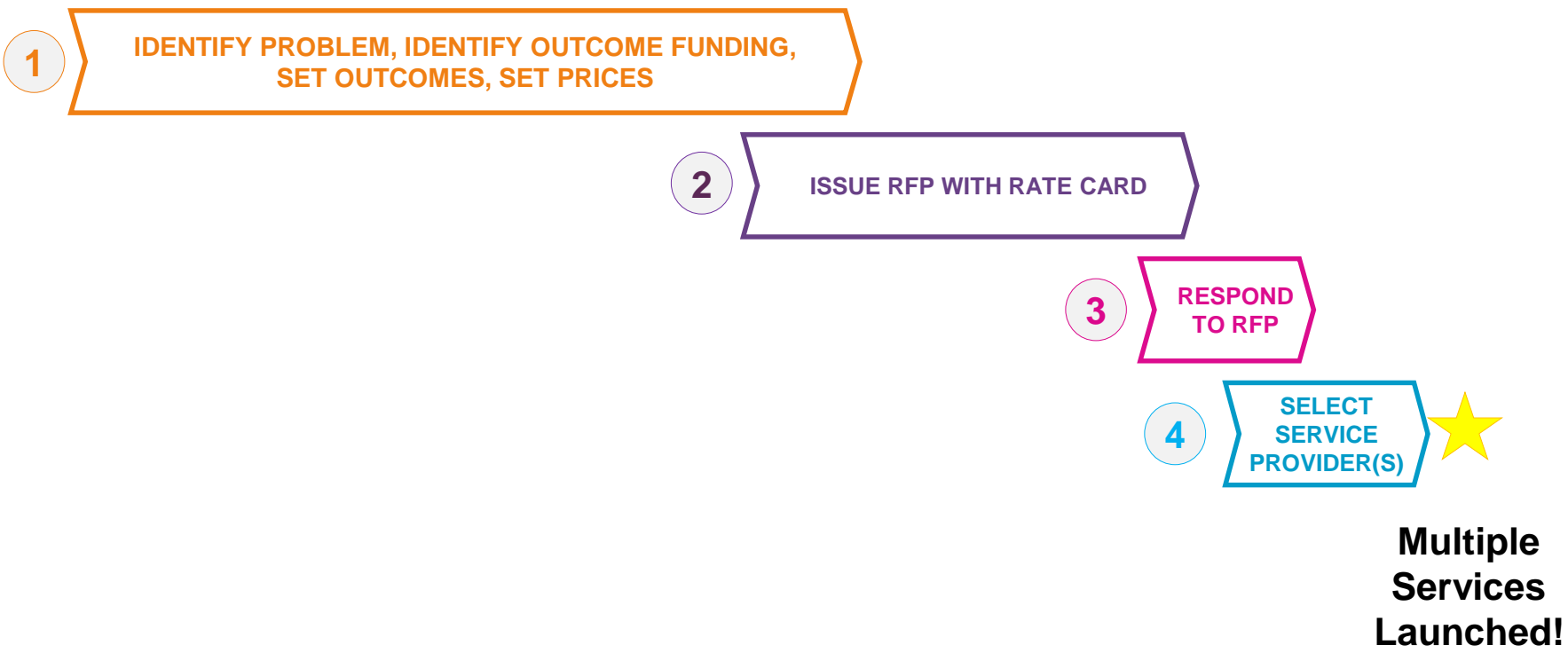


Government awards multiple contracts to **service providers** and services begin

▶ HOW IT WORKS: OUTCOMES RATE CARD DEVELOPMENT PROCESS

Four-step process to launch outcomes-based projects

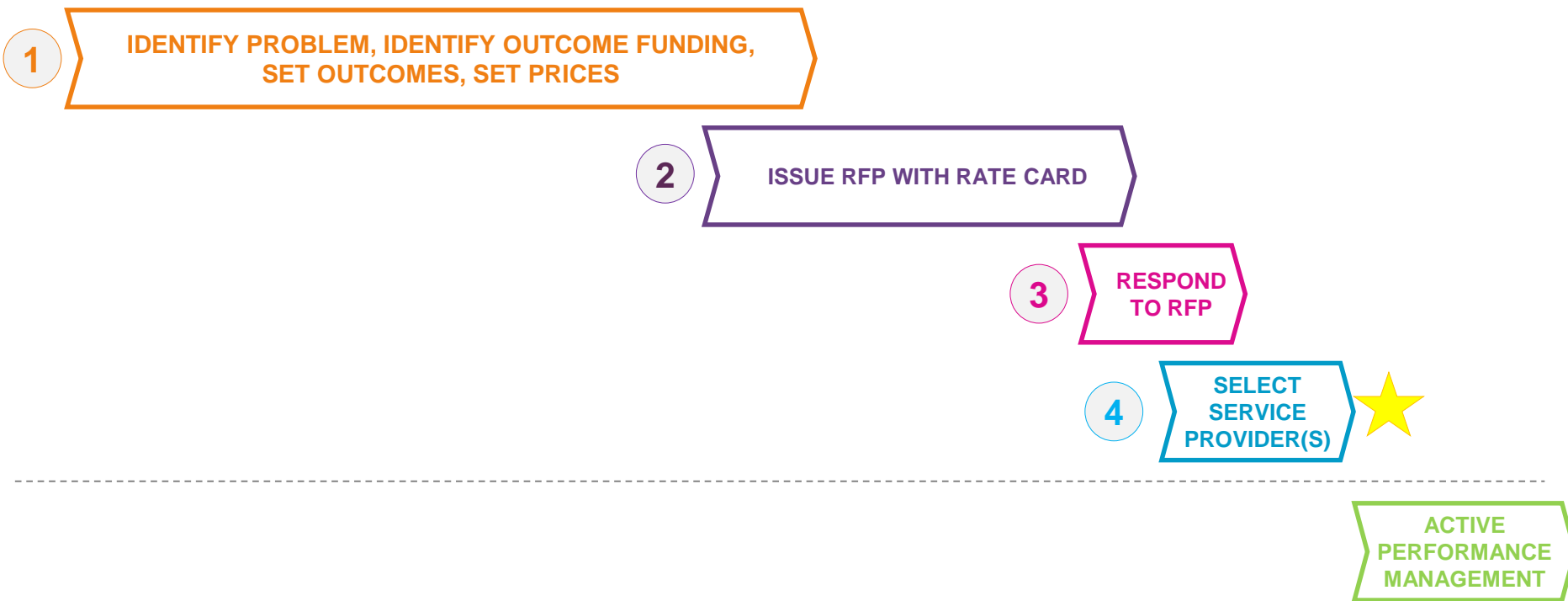
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▶ HOW IT WORKS: OUTCOMES RATE CARD DEVELOPMENT PROCESS

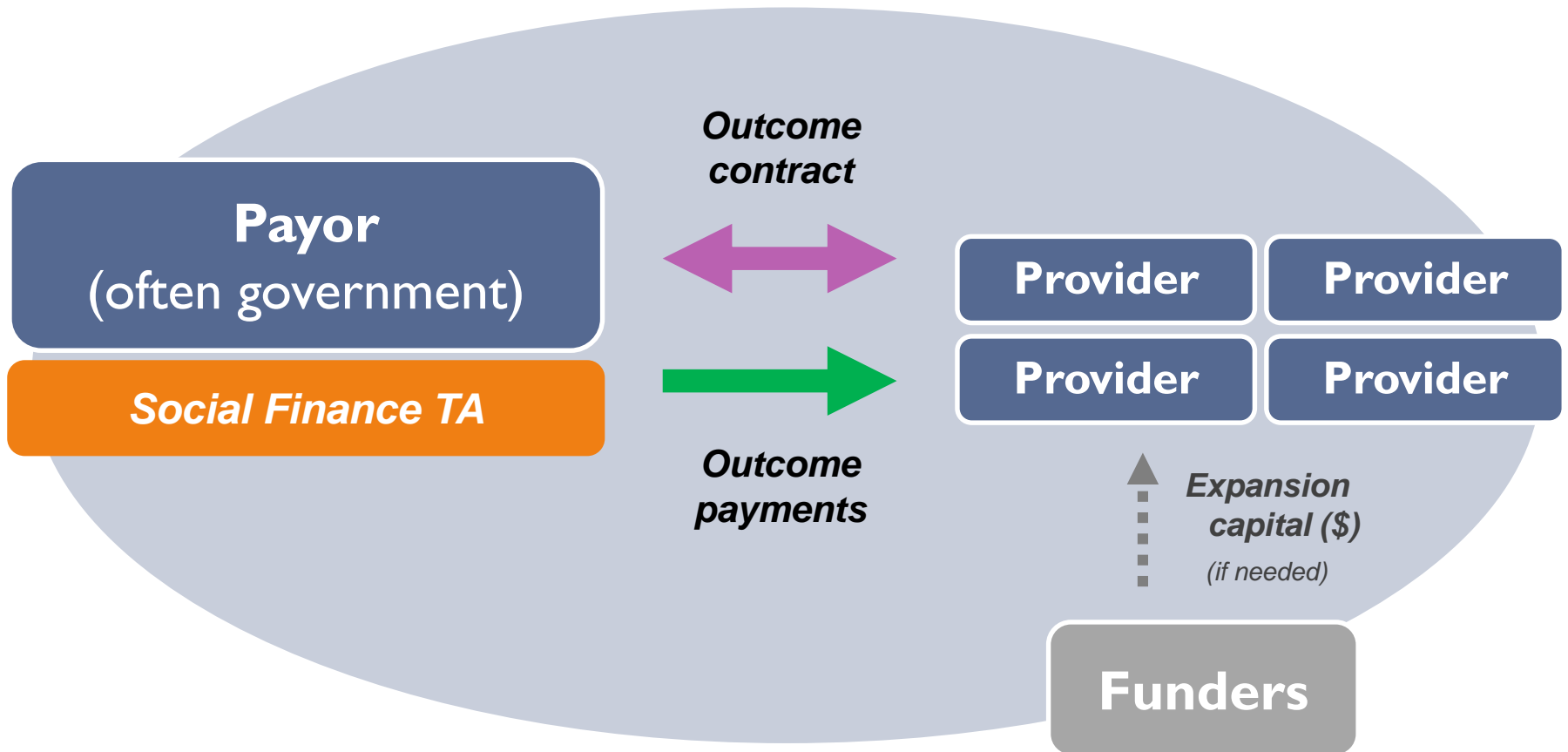
Four-step process to launch outcomes-based projects

Month of Engagement [ILLUSTRATIVE]



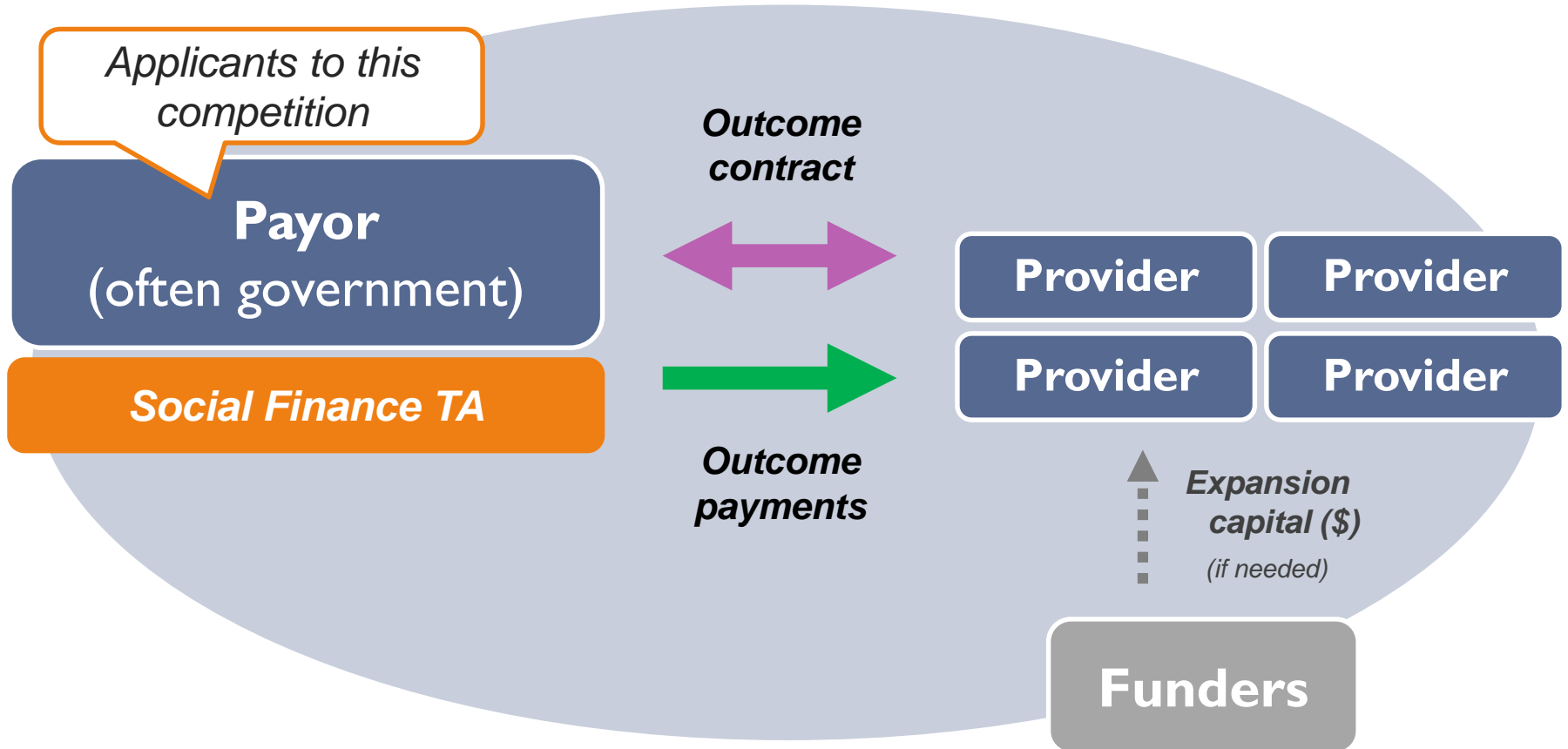
Government and partners measure outcomes, assess efficacy of outcomes rate cards, and plan for future procurement

▶ OUTCOMES RATE CARDS STAKEHOLDERS



Outcome rate cards help **scale outcomes-based projects**, driving resources toward **multiple effective programs**

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Outcome rate cards help **scale outcomes-based projects**, driving resources toward **multiple effective programs**

► WHY APPLY?

Free, in-depth support from Social Finance to approach policy issues with rigor and creativity, shift to paying for outcomes, and establish feedback loops to improve service delivery in the future

Opportunity for...

Government

Community Coalition

Service Provider and/or Community Stakeholder

Action Item...

Apply!

If you have budget for outcome payments, apply directly as an outcomes payor.

Partner & Apply!

If you have partnerships with government or foundation partners, jointly apply. If you have budget for outcome payments, apply as an outcomes payor.

Share!

If you are interested in expanding or exploring outcomes based financing contracts, share this opportunity with potential payors in your issue area.

► WHY APPLY?

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Social Finance engagement...

Awarded Applicants will receive:

- A **dedicated team** of outcomes based financing experts and leaders in the PFS Field
- **12 months** of Social Finance **technical assistance**
- **Connection to the field** of outcomes-based experts
- **Participation in the community** of social innovators
- **Membership into a cohort of pioneering organizations/jurisdictions** working with outcomes rate cards

▶ THREE OUTCOMES RATE CARDS IN DEVELOPMENT

Social Finance is engaged with three jurisdictions to provide technical assistance to develop outcomes rate cards

Project partners	Program description
<p>Yale Child Study Center & Connecticut Office of Early Childhood</p>	<ul style="list-style-type: none"> ▪ Yale Child Study Center and Connecticut’s Office of Early Childhood (a state agency) will partner to design an outcomes rate card addressing early childhood outcomes ▪ The partners will work with Social Finance to analyze data from the state’s Early Childhood Information System and identify the issues of greatest need facing the state’s young children and their families
<p>Riverside County Executive Office, CA</p>	<ul style="list-style-type: none"> ▪ Riverside County Executive Office will develop an outcomes rate card to improve services for Children of Incarcerated Parents (CIP) Children of Incarcerated Parents ▪ An outcomes rate card will help Riverside County expand the range of services needed to adequately support CIP, who face a range of challenging circumstances that put them at a higher risk for adverse health outcomes, low academic performance, and diminished economic opportunity
<p>Workforce Investment Network (WIN), Memphis, TN</p>	<ul style="list-style-type: none"> ▪ The Workforce Investment Network (WIN) is a Tennessee-based community resource that prepares job seekers for success and helps connect them with employment opportunities in Memphis, Shelby County, and Fayette County ▪ Social Finance, in partnership with WIN and with the Sorenson Impact Center at the University of Utah, will develop an outcomes rate card to serve individuals at moderate-to-high risk of reoffending

▶ WHAT OUR PARTNERS ARE SAYING ABOUT OUTCOMES RATE CARDS

“We are excited...to make the promise and potential of Pay for Success achieve broader reach more efficiently. Government and service providers share a mission of generating positive outcomes, so it makes sense to align payment with the outcomes we want to see.”

– **Dave Wilkinson, Commissioner, CT Office of Early Childhood**

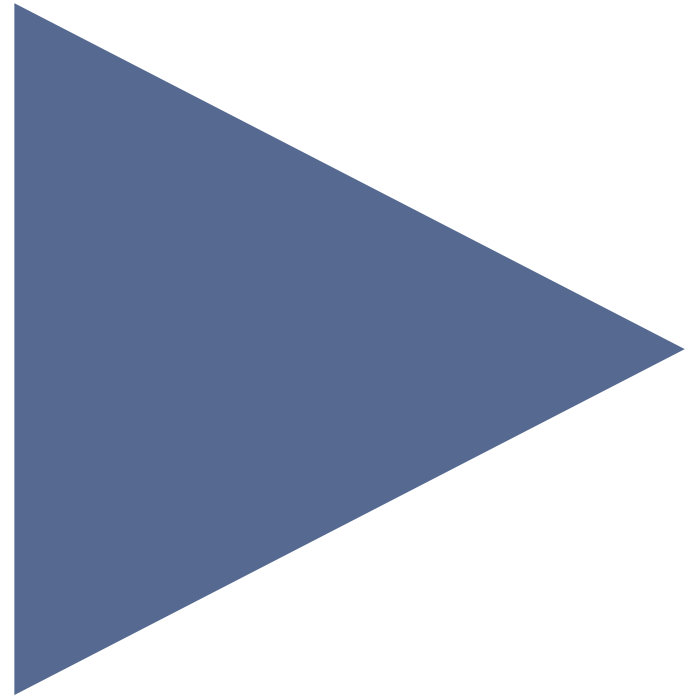
“We will use the outcomes rate card to develop a proactive model to reduce the incarceration rate by intervening early in the lives of children who experience risk factors that make them more susceptible to future incarceration.”

– **Brian Nestande, Deputy County Executive Officer,
Riverside County, CA**

“The grant will allow us to significantly hone our performance management expertise, and in turn, will equip us to better support local workforce development programs. Our goal is to design a system that produces significant outcomes—a win for taxpayers, businesses, job seekers and families.”

– **Kevin Woods, Executive Director, Workforce Investment Network**

▶ APPLICATION



▶ OUTCOMES RATE CARDS DEVELOPMENT COMPETITION

Social Finance is offering technical assistance to pioneer this standardized PFS contracting approach and serve more people in need

Competition Details	
Potential competition applicants	Applicants should expect to be the outcomes payor for PFS projects launched as a result of the rate card; state, local, and tribal governments and nonprofit organizations are eligible.
About outcomes rate cards	An outcomes rate card helps government drive better performance in their procurement of social services by defining the outcomes government wants to achieve for specific target population and identifying the value of those outcomes.
Target population	Outcomes rate cards can target different populations in need. Selected Service Recipients will demonstrate alignment with one of CNCS/SIF's target issue areas: youth development, economic opportunity, and/or healthy futures.
Outcomes	Specific outcomes will be determined during technical assistance based on the population of interest and policy priorities of each Service Recipient.
Timeline	Competition round 1: Spring 2017; projects underway <u>Competition round 2</u> <ul style="list-style-type: none">- Competition Opens: December 5th, 2017- Applications Due: January 31st, 2018

▶ HOW TO APPROACH THE APPLICATION

Goal of the application: Put forth your best description of the issue you want to address and your hypothesis for how to address it by completing the following statement:

Through the outcomes rate card, [jurisdiction/applicant] will contract with [number] providers, serving [project size] participants, with [target population] characteristics, in [geography], tracking [outcome metrics].



Application is simple and succinct! We ask for responses to questions related to:

- ❖ Commitment and capacity to execute an outcomes rate card
- ❖ Policy Issue, social need, and procurement priority
- ❖ Project Champion
- ❖ Outcome Payments

▶ APPLICATION MATERIALS

Required application materials

In 3-5 single-spaced pages, please answer the questions below

1	<ul style="list-style-type: none">Why are you interested in developing an outcomes rate card?	10 points
2	<ul style="list-style-type: none">What policy issue / social need do you seek to address with the outcomes rate card?Based on your goal for the project, to the best of your ability, please fill in the following project hypothesis: Through the outcomes rate card, <u>[jurisdiction/applicant]</u> will contract with <u>[number]</u> providers, serving <u>[project size]</u> participants, with <u>[target population]</u> characteristics, in <u>[geography]</u>, tracking <u>[outcome metrics]</u>.	25 points
3	<ul style="list-style-type: none">Identify a senior-level project champion and their time commitment for the project. Please include a letter of support.Identify a project lead and their time commitment to the project.	40 points
4	<ul style="list-style-type: none">How will the applicant pay for the outcomes on the rate card?	25 points
Bonus	<ul style="list-style-type: none">Are you a government jurisdiction?Do you have the ability to provide in-kind commitment?	10 points

▶ KEY DATES & APPLICATION SUBMISSION

Notice of Intent to Apply (optional):

Monday, January 15th, 2017

Applications due:

Wednesday, January 31, 2018, 5 p.m. Eastern

All applicants must submit written application and supporting attachments. Applications should be formatted as a single PDF document and submitted via email to

solicitations@socialfinance.org

▶ QUESTIONS

Please enter your questions via the chat box.

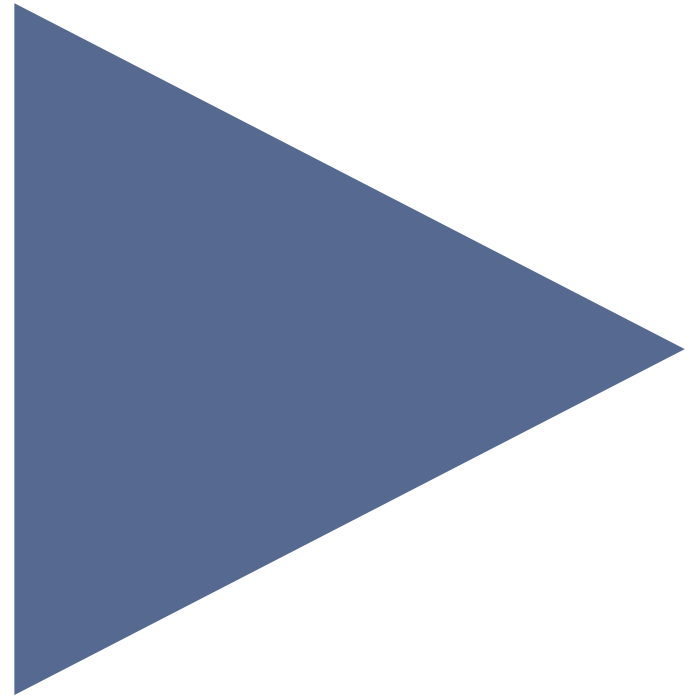
FOR MORE INFORMATION

- Visit <http://socialfinance.org/competitions/outcomesratecard/>
- A recording of this webinar and answers to questions will be posted online within a week
- Notice of intent to apply (optional): January 15th, 5 p.m. Eastern Time
- Deadline to submit questions: January 19th, 5 p.m. Eastern Time
- Applications due: January 31st, 5 p.m. Eastern Time

ADDITIONAL QUESTIONS

- Contact Annie Dear adear@socialfinance.org

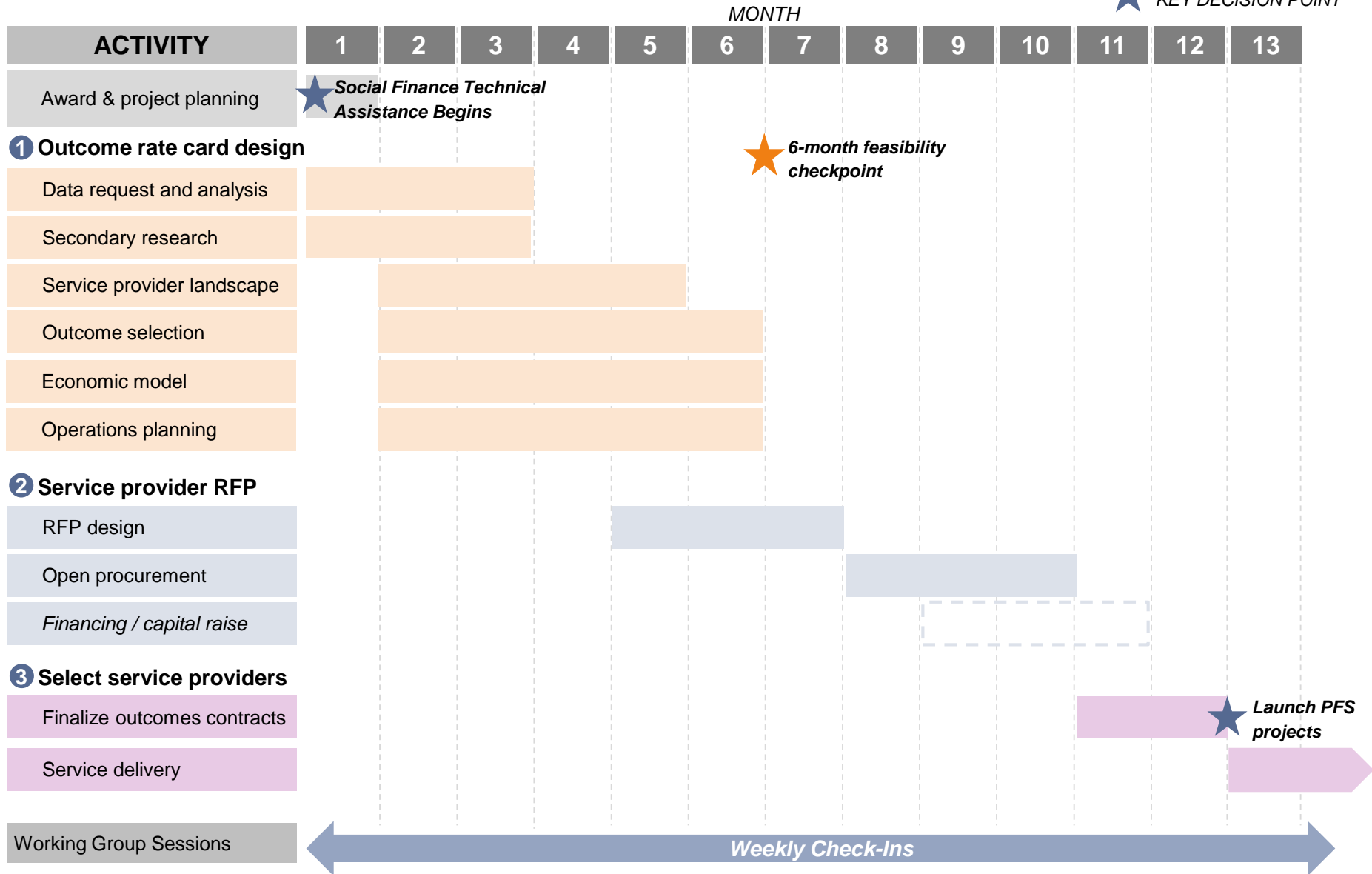
▶ BACK UP: EXAMPLE PROJECT WORK PLAN



▶ EXAMPLE PROJECT WORK PLAN WITH KEY DECISION POINTS

Work plan timing is tentative and to be discussed with partners

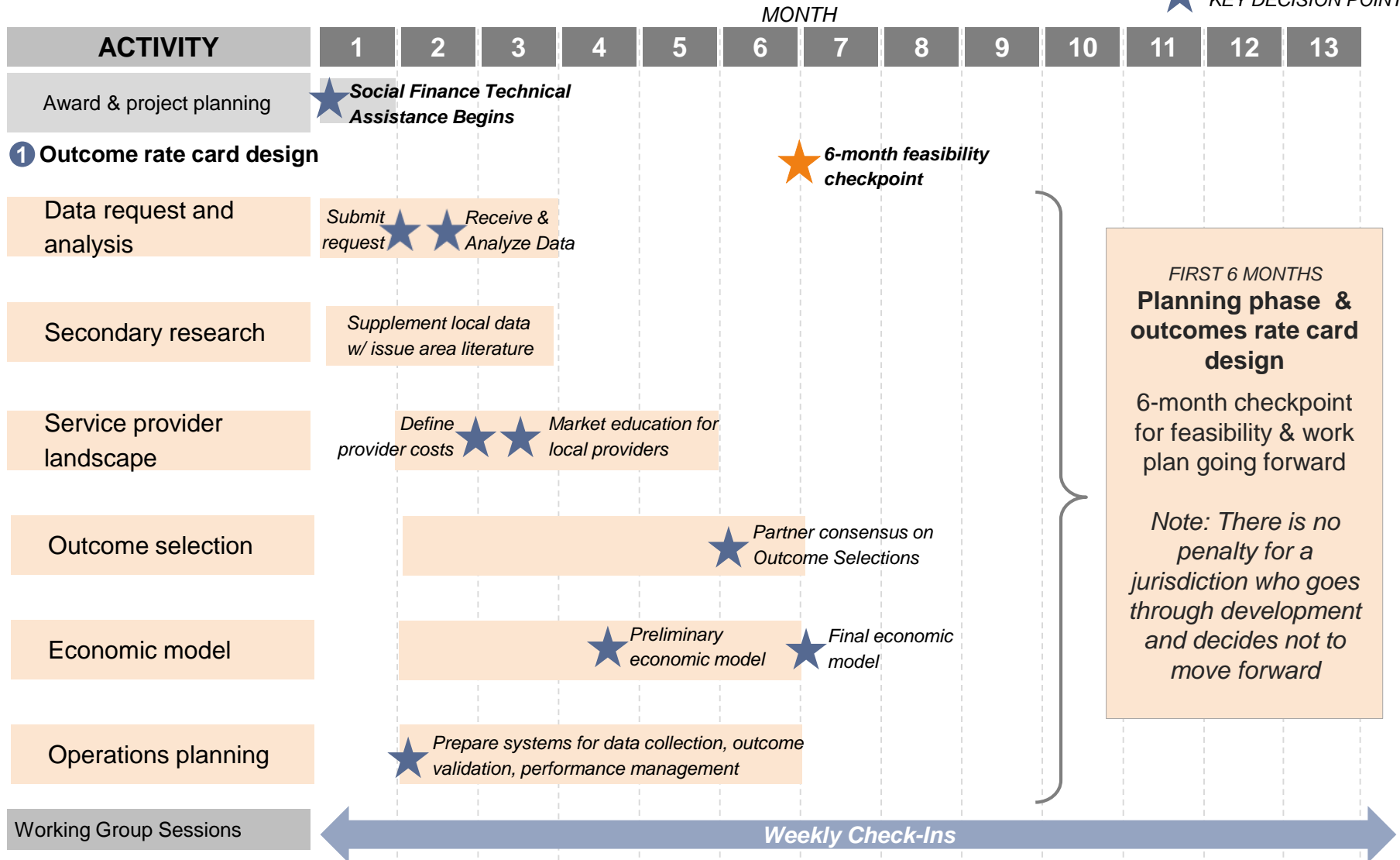
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