OUTCOMES RATE CARD

A menu of outcomes that government seeks to achieve and the prices they are willing to pay for each outcome achievement.

<table>
<thead>
<tr>
<th>Outcome Description</th>
<th>Maximum Outcome Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved behavior at school</td>
<td>$500</td>
</tr>
<tr>
<td>Completed Level 1 Certification</td>
<td>$800</td>
</tr>
<tr>
<td>Completed Level 2 Certification</td>
<td>$1,300</td>
</tr>
<tr>
<td>Entry into First Employment</td>
<td>$2,000</td>
</tr>
<tr>
<td>Entry into First Employment (per high-risk of reoffending indiv)</td>
<td>$3,000</td>
</tr>
<tr>
<td>Employment Retention (12mos)</td>
<td>$2,500</td>
</tr>
</tbody>
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Outcomes Based Contracting
Government Sets Outcomes & Prices Before Procurement
Ability to Contract with Multiple Providers
Financed by Outside Investor Capital
Potential to Reach Population-Level Scale
Outcomes Measured by Academic Evaluation

Comparing Outcomes Focused Tools:

- **Outcomes Rate Card PFS**
- **Traditional SIB/PFS**
- **Performance Based Contract**

The Potential of Rate Cards:
The outcomes rate card is an innovative tool to launch multi-provider outcomes-focused procurements. Because much of the development work is done upfront, the process is standardized, time between contract award and launch of services is significantly shortened, and a single rate card can drive multiple PFS projects.

Outcomes Rate Cards in U.S.:
- Focus on evidence-based providers
- Differentiate pricing for the most vulnerable based on stratification of target population
- Emphasize strong data systems to support outcome validation & payment
- Potential to use in policy areas including: child welfare, opioid, substance use disorders, post secondary education & training, and chronic homelessness
To develop an outcomes rate card, government selects outcomes, identifies target population(s), sets prices, and selects an evaluation/measurement methodology as the basis for a PFS procurement for multiple service providers.

**UK Innovation Fund**

The First UK Rate Card Project: The Innovation Fund pilot initiative launched by the Department for Work & Pensions in 2011 aimed to support disadvantaged young people considered to be NEET (not in education, employment, or training).

From a single rate card, the Innovation Fund:
- Served up to 17,000 at risk youth ages 14-24
- Launched two separate rounds of open competition
- Deployed roughly £30 million of capital
- Prompted over 130 interested service applicants
- Finalized 10 contracts with 6 providers across the UK
- All 10 Innovation Fund pilots have been deemed successful by project partners

**Youth Engagement Fund & Fair Chance Fund**

Launched in 2014, the £16.5m Youth Engagement Fund (YEF) builds on the existing DWP Innovation Fund to pay for positive education and employment outcomes to support 8,000 disadvantaged individuals. 39 bids were submitted and 4 were selected for contracting.

Launched in 2015, the Fair Chance Fund (FCF) was designed to help 2,500 vulnerable young people by assisting them into housing, education, training or sustained employment. The £15m fund represents a joint effort by the Department of Communities and Local Government as well as the UK Cabinet Office. Over 150 organizations submitted bids and 7 were selected for contracting.

**History of Outcomes Based Projects**

- 1997 Wisconsin Works
- 1998 AUS Employment Services
- 1999 NYC Welfare to Work
- 2005 TN Dept of Children’s Services
- 2010 First UK Peterborough PFS
- 2011 UK Innovation Fund (R:1)
- 2012 First US NYC Rikers PFS
- 2013 Social Finance NYS CEO PFS
- 2014 UK Youth Engagement Fund
- 2015 UK Fair Chance Fund
- 2016 NYC Welfare to Work RFP
- 2016 Social Finance SC NFP PFS

**Outcomes Rate Card**

Traditional SIB/PFS
Performance Based Contract