

*Good governance calls for research-based strategies
with data-driven execution.
This is how we do the right thing well.*

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GOVERNING FOR RESULTS

CASE STUDIES FROM MASSACHUSETTS

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INTRODUCTION

/ Governor Charlie Baker /

My father always said that life is not just about doing the right thing; it is also about doing the right thing well. Too often in government, I have seen people prioritize the former while neglecting the latter. They mistake their motives as results. This approach commonly leads to band-aid solutions that will require expensive and time-intensive emergency procedures in the future. Instead, good governance calls for research-based strategies with data-driven execution. This is how we do the right thing well.

Using data to inform service delivery and policy is the north star for government—a continual cycle of data collection and analysis to update what we believe positions government to be reliable, agile, and effective. Not only are we able to track progress toward our original objectives, but we are also better equipped to respond to unforeseen situations.

Advancing the government ethos from recording outputs to measuring outcomes is imperative. Good data should tell us not only the volume of services but also the benefit to the community. By procuring results—not just activities—agencies can drive a significant cultural change that transforms the relationship between constituents, service providers, and lawmakers.

This makes way for collaborative partnerships that can unlock entrepreneurial approaches to achieve desired outcomes. Moreover, it can serve as a decompressor for many political issues by introducing clear and objective metrics. More importantly, it helps all stakeholders focus on what matters most—how we realize common goals.

I say all the time, “Figure out what works and do more of it.” Our administration works hard not only to take heed of our accomplishments but also to understand what it took to succeed. When policymakers are successful at delivering for their constituents and constituents have faith in the quality of our service, there is real, lasting impact.

One of the areas where our administration has exemplified doing the right thing well is expanding workforce development opportunities throughout the Commonwealth. As one of the administration’s top priorities, bridging the skills gap between workers and the needs of employers in the 21st century economy comes with many challenges. Our administration has embraced those challenges using sound research, consistent data analysis, and interdisciplinary coordination through the Workforce Skills Cabinet, which was created in 2015 to reorient goals from exclusive, program-specific outputs to community-enhancing outcomes.¹

¹ The Workforce Skills Cabinet brings together the secretariats of Education, Labor and Workforce Development, and Housing and Economic Development to align education, economic development, and workforce policies and to strategize around how to meet employers’ demand for skilled workers in each region of the state.

The following two case studies illustrate our administration’s focus on making smart investments in promising, evidence-supported programs, coupled with a rigorous evaluation of results. These programs enable a diverse array of people to make meaningful progress up the economic ladder through successful transitions to employment, higher wage jobs, and higher education.

Case Study

EXPANDING ECONOMIC MOBILITY FOR IMMIGRANTS AND REFUGEES

/ Secretary James Peyser + Assistant Secretary Mark Attia /



Photo credit: JVS Boston

Immigrants and refugees are important drivers of the economy in Massachusetts. Given the nature of our economy and our changing demographics—an aging workforce and growing diversity—adult education is not only essential to creating opportunity for low-income individuals and families but also an economic imperative. As a key segment of our workforce, new Americans offer a historically untapped talent pipeline that can be part of a viable solution to the growing skills gap. English language acquisition, married to marketable skills and complemented by career readiness and job search supports, can help to unlock better opportunities for tens of thousands of immigrants who have the potential to build their careers and contribute to our state’s growth.

In the U.S., foreign-born workers who are proficient in English have higher median wages than those who are

not—\$45,954 compared to \$29,185.² English proficiency is a key factor in predicting employment rate, earnings, achievement of managerial roles, as well as home ownership and household self-sufficiency.

While Massachusetts has long had some of the highest educational performance in the country, the state recognized challenges in supporting the employment and career success of English language learners and those who have not achieved high school credentials. The Greater Boston area is home to about 230,000 adult English language learners.³ Studies estimate that limited English speakers in Massachusetts earn roughly \$24,000 less annually than immigrants who speak English fluently.⁴ A significant portion of residents do not hold a high school diploma or equivalent (approximately 11%) and/or earn less than \$15,000 per year (approximately 12%).⁵ In addition, roughly 10% of the adult population lacks proficiency in English.⁶



We built a mechanism that paid for outcomes: releasing funding to the extent that programs are successful at getting English language learners into stable, well-paying jobs.

² The Workforce Skills Cabinet brings together the secretariats of Education, Labor and Workforce Development, and Housing and Economic Development to align education, economic development, and workforce policies and to strategize around how to meet employers' demand for skilled workers in each region of the state.

³ Commonwealth of Massachusetts Executive Office for Administration and Finance, *Social Innovation Financing for Adult Basic Education—Intermediaries*, February 2014.

⁴ Lisa Soricone, et al., *Breaking the Language Barrier: A Report on English Language Services in Greater Boston* (The Boston Foundation, March 2011), www.tbf.org/~media/TBFOrg/Files/Reports/ESOL_Report_Final18.pdf.

⁵ Commonwealth of Massachusetts Executive Office for Administration and Finance, 2014.

⁶ Boston Planning & Development Agency Research Division, *Demographic Profile of Adult Limited English Speakers in Massachusetts*, February 2019, www.bostonplans.org/getattachment/dfe1117a-af16-4257-b0f5-1d95dbd575fe.

Although considerable resources have been devoted to providing workforce initiatives and basic adult education to aid these individuals in gaining competitive employment in the labor market, demand for services remains high as the majority of new jobs are projected to require at least some postsecondary education. Access to the right services can be especially important in helping those with limited English skills increase their earnings and make successful transitions to higher education.

While English fluency on its own has clear employment benefits for workers and for the economy, it is often not enough to help people attain good jobs or advance their careers. Research and practitioner experience indicate that the vast majority of English for Speakers of Other Languages (ESOL) programs are not well-designed to meet the employment needs of the population it serves.⁷ Enrollment and “seat time” in narrowly crafted language acquisition programs are not always a clear proxy for future earnings.

Instead of paying for hours that students spend in classrooms, we built a mechanism that paid for outcomes: releasing funding to the extent that programs are successful at getting English language learners into stable, well-paying jobs after training.

This can help to tap into new sources of talent. The Commonwealth, like the nation, faces a skills gap: a disconnect between available jobs employers want to fill and the readiness of the labor market to fill those jobs.⁸ Nationally, this gap leaves 4.4 million jobs unfilled.⁹ Immigrants may arrive in the Bay State with in-demand

⁷ Soricone, et al., *Breaking the Language Barrier*.

⁸ Elizabeth Mann Levesque, *Understanding the Skills Gap—And What Employers Can Do About It* (Brookings Institution, December 2019), www.brookings.edu/research/understanding-the-skills-gap-and-what-employers-can-do-about-it.

⁹ Dan Restuccia, Bledi Taska, and Scott Bittle, *Different Skills, Different Gaps: Measuring & Closing the Skills Gap* (Burning Glass Technologies, March 2018), www.burning-glass.com/wp-content/uploads/Skills_Gap_Different_Skills_Different_Gaps_FINAL.pdf.



One of the Commonwealth's goals in spearheading this project is to better understand what works in the adult education and workforce development space.

technical knowledge, but without strong language skills or industry credentials and career readiness they may not secure jobs that draw on their full potential.

LEADING THE WAY IN PAY FOR SUCCESS

Massachusetts has been the nation's leader in developing a new set of outcomes-based public funding tools. Since 2012, the Commonwealth has innovated with contracting strategies that link payment to results (often referred to as Pay for Success).¹⁰ These tools have funded programs across a wide range of issues, such as improving outcomes for young men exiting the juvenile justice system, creating stronger supports for people experiencing chronic homelessness, and expanding job services for veterans.

Tools like these let the state pay only for successful results achieved, rather than for program delivery. Taxpayer money is released only to programs that are effective. Meanwhile, programs are given a mandate to move beyond the compliance mindset of many service-focused contracts and be more adaptive and responsive in their delivery.

¹⁰ In 2012 the Commonwealth authorized the Secretary of Administration and Finance to enter into "Pay for Success contracts," pledging its full faith and credit to payments made under such contracts up to \$50 million in the aggregate. Massachusetts General Laws, Part I, Title II, Chapter 10, Section 35VV: Social Innovation Financing Trust Fund, <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleII/Chapter10/Section35VV>.

¹¹ The Harvard Kennedy School Government Performance Lab provided technical assistance to the Commonwealth in setting up this initiative.

MASSACHUSETTS PATHWAYS TO ECONOMIC ADVANCEMENT

Recognizing that vocational training for adult English language learners can help address the skills gap in the Massachusetts economy, in 2017 the Commonwealth partnered with JVS Boston and Social Finance to launch Massachusetts Pathways to Economic Advancement, aimed at increasing employment opportunities for those with limited English skills and helping them move up the economic ladder.¹¹

The three-year program is designed to serve 2,000 adults in Greater Boston. Vocational English classes, integrated with job search assistance and coaching, help limited English speakers in making successful transitions to employment, higher wage jobs, and higher education. Programs are conducted by JVS, one of Boston's oldest and largest community-based workforce and adult education providers. The project intermediary, Social Finance, raised \$12.43 million from over 40 investors—including financial institutions, donor-advised funds, individuals, and foundations—to fund JVS' services. Meanwhile, an independent evaluator, Economic Mobility Corporation, is measuring outcomes among project participants: post-program earnings, successful transitions to higher education, and program engagement.

At the center of all of this work is a contract: The Commonwealth has agreed to release funds on the basis of the evaluator's findings—that is, to pay *to the extent* that JVS successfully achieves positive outcomes for participants.

One of the Commonwealth's goals in spearheading this project is to better understand what works in the adult education and workforce development space. The robust data collection and evaluation elements of this project support the partners' objective to drive resources toward

programs that achieve positive results for participants. Learnings from the evaluation results of this project can inform program design as well as our state’s public policy.

WHAT WE HAVE LEARNED SO FAR

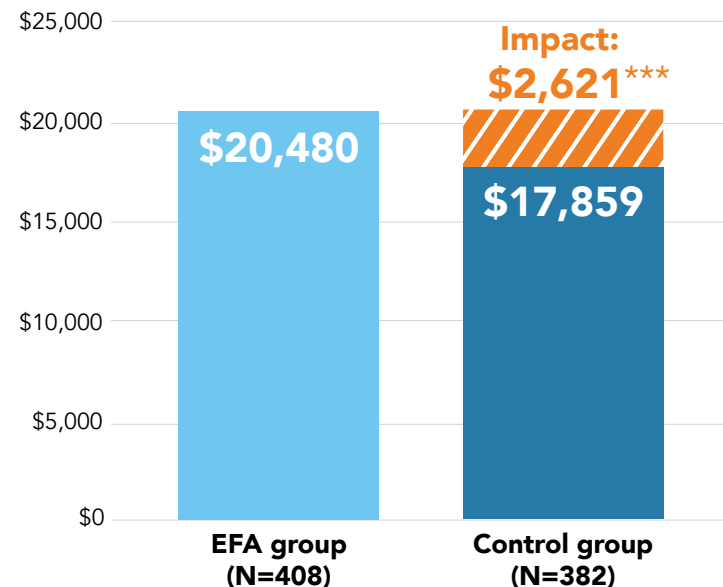
According to the first results of Economic Mobility Corporation’s independent randomized controlled trial, people in the English for Advancement track of the program increased their earnings by \$3,505 over the first two years as compared with those in the control group. Participants who were unemployed when they first enrolled with prior U.S. work experience earned \$7,100 more in the second year after enrollment as compared with the control group.¹² The program has now engaged more than 1,000 immigrants and refugees across four cities.

- **Testing innovation:** While they are sometimes complex to structure and implement, outcomes-based contracts can provide flexibility and space to innovate. In Massachusetts Pathways, JVS was able to expand English for Advancement, a relatively new program, and carefully measure its effectiveness through an experiment—the results of which will inform the state’s policies and the national workforce literature.
- **Data-driven insights:** Massachusetts Pathways was able to make use of a rich state dataset to measure project outcomes. Project partners created a novel data-sharing mechanism to use the state’s Department of Unemployment Assistance data to track participant earnings, enabling reliable measurement of program impact for far longer than would be possible using service provider or self-reported data.

¹² Anne Roder and Mark Elliott, *Stepping Up: Interim Findings on JVS Boston’s English for Advancement Show Large Earnings Gains* (Economic Mobility Corporation, November 2020), <https://economicmobilitycorp.org/stepping-interim-findings-jvs-bostons-english-advancement-show-large-earnings-gains>.

/ **FIGURE 1** /

Average Annual Earnings in the Second Year



Note: Figures are for all study participants, including those with zero earnings during the period. Statistical significance level: ***p<.001

Original chart: Economic Mobility Corporation

Massachusetts Pathways has begun to establish what works and for whom. For example, there is growing evidence to suggest the importance of establishing a learning community—a cohort of people who can turn to one another, with the support of their coach, for questions about the program and beyond—to reinforce the program model. Approaches like this program give us greater, and more specific, insight into emerging best practices and how they apply for specific groups of people.

- **Collaborative, adaptive governance:** Three secretariats of the Commonwealth—the Executive Office for Administration and Finance, the Executive Office of Labor and Workforce Development, and the Executive Office of

Education—meet regularly with JVS and Social Finance to review project progress, troubleshoot challenges, and adapt to changing realities. This governance structure provides regular channels of communication between project partners, enabling us to realize greater impact through real-time, continual improvement efforts and close cooperation.

WHAT'S NEXT?

Models like Massachusetts Pathways are more important than ever in the wake of the pandemic.

Having built evidence around what works, we've begun to bring these kinds of successful practices to scale. In 2020, the Commonwealth's Adult and Community Learning Services division built on the Massachusetts Pathways model by launching a new outcomes-based procurement focused on funding client assessments, adult education training, and job placement services to people with limited education and job history and challenges such as housing insecurity, criminal justice involvement, and physical or behavioral health needs. Also in 2020, the Workforce Skills Cabinet launched the Career Technical Initiative, a program aimed at training an additional 10,000 skilled trade workers over the next four years by leveraging the underutilized capacity of the state's network of vocational-technical schools in partnership with local employers, using a performance-based funding model that pays for successful program completion and sustained post-graduate employment. In the initiative's launch year, 10 regional vocational-technical schools have been approved to host evening programs for adult learners pursuing industry-recognized credentials in transportation, construction, and manufacturing.

As we structure broad procurements to shape the future of workforce development, we will use these lessons to shape

the ecosystem of services, ensuring that powerful programs like those funded through Massachusetts Pathways will continue to be available to the community as we face the hard work of recovery.

Looking ahead, we will continue innovating by tying funding to results, using administrative data to validate progress and guide adaptation, and building collaborative partnerships with education and training providers to get better outcomes for participants across the Commonwealth.

Case Study

VETERANS CARE: IMPROVING EMPLOYMENT AND HEALTH OUTCOMES FOR VETERANS WITH SERVICE-CONNECTED PTSD



/ Secretary Rosalin Acosta + Assistant Secretary Mark Attia /

Massachusetts has long been committed to caring for our veterans. Over 325,000 Bay Staters have served in the active military, naval, or air service.¹³ The U.S. Department of Veterans Affairs' (VA) National Center for PTSD estimates that between 11% and 20% of veterans who served in Iraq and Afghanistan experience post-traumatic stress disorder (PTSD) in a given year.¹⁴ Some face significant challenges in transitioning back to civilian life and securing stable jobs

¹³ National Center for Veterans Analysis and Statistics, *Veterans as a Percent of County Population*, September 2018, www.va.gov/vetdata/docs/SpecialReports/State_Summaries_Massachusetts.pdf.

¹⁴ U.S. Department of Veterans Affairs, "How Common is PTSD in Veterans?" accessed April 5, 2021, www.ptsd.va.gov/understand/common/common_veterans.asp.

while living with symptoms such as anxiety, depression, and difficulty concentrating; and persistent unemployment can exacerbate symptoms, creating a negative feedback cycle. Although the VA, the U.S. Department of Labor, and others have programs to help veterans find jobs after their service, there was no employment program that focused specifically and solely on veterans with PTSD until 2018.

In 2018, we launched the Veterans Coordinated Approach to Recovery and Employment (Veterans CARE) Pay for Success project. The effort seeks to improve outcomes for veterans by scaling Individual Placement and Support (IPS)—an evidence-based intervention that has demonstrated increased competitive employment—for veterans with service-connected PTSD through rapid skills development and integration with existing veterans' mental health care programs.



Veterans CARE is the first Pay for Success project to bring together each level of the public sector. It is a powerful example of federal, state, and city governments working together to support veterans in need.

PROJECT GOALS AND STRUCTURE

Veterans CARE is a chance to collaborate closely with partners at the VA and the city of Boston to help close gaps in our service delivery ecosystem.

To launch the program, the VA Innovation Center committed \$3 million, with funds matched by the Commonwealth of Massachusetts, the city of Boston, and New York City. In total, \$6 million in outcomes funds can be unlocked through achieving success metrics: veteran earnings and sustained competitive employment, degree of job satisfaction, and high quality program implementation. An

independent evaluator, Westat, is assessing the project's impact; the program is coordinated by the Tuscaloosa Research and Education Advancement Corporation; and Social Finance supports project governance and performance management.

Veterans CARE is the first Pay for Success project to bring together each level of the public sector. It is a powerful example of federal, state, and city governments working together to support veterans in need, and we have already seen the operational partnerships between the Commonwealth and the VA result in better outcomes for the people we are serving.

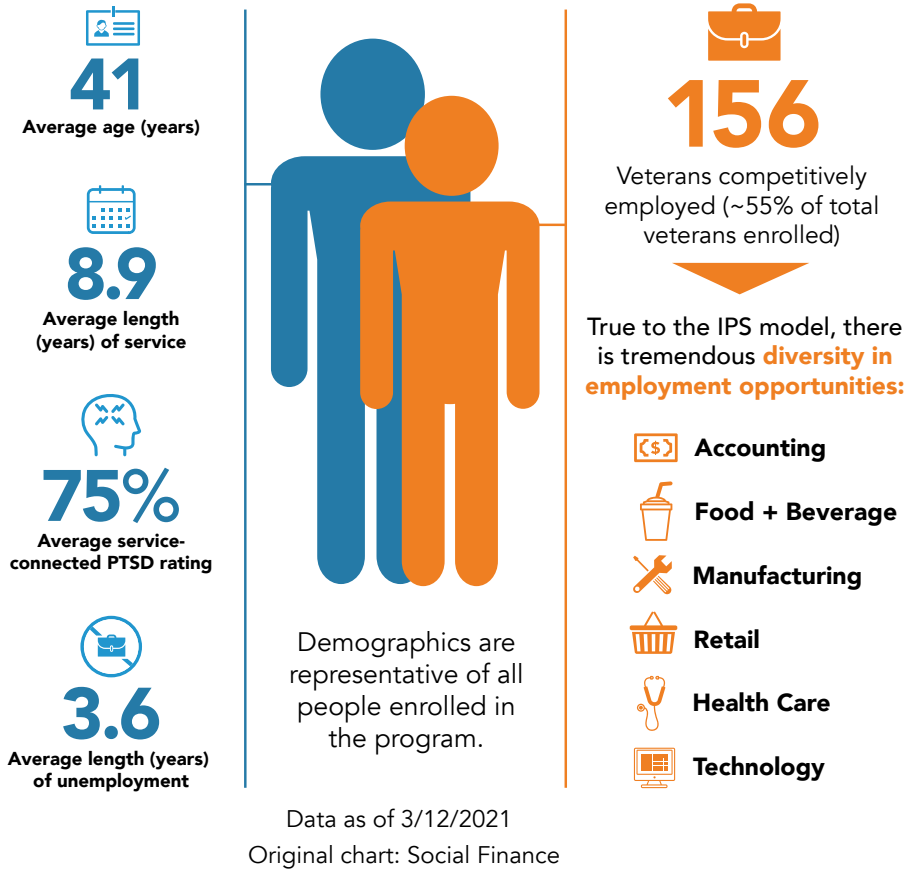
RESULTS TO DATE

At the point of enrollment, eligible veterans had, on average, been unemployed for over three years. Despite unprecedented disruptions to service delivery presented by COVID-19, as of December 2020, 55% of participants were employed. The average participant had earned approximately \$14,000 over the past year and had worked 87 days. Participants report improved management of PTSD symptoms, even following the shift to remote delivery of services.

The stories of individual participants make these numbers come alive. Christine (name changed to protect her privacy) is a veteran who was struggling with substance use and living in a transitional housing program at the time of enrollment. She worked with her IPS specialist to draft a resume, begin building her credit score, and secure a volunteer opportunity in her field, which did not pay but helped her regain her confidence. She then found a part-time job with UPS, used earnings from that job to buy a car, and secured an apartment. Her IPS specialist continues to meet with her to provide ongoing coaching.

/ **FIGURE 2** /

Demographics and Employment Outcomes



the magnitude and diversity of issues participants faced expanded far beyond employment to food insecurity, housing stability, and access to mental health care. IPS specialists were able to adjust their role to emphasize both job search help and social support services, drawing on the program’s core principles to integrate mental health, rehabilitation care, and individualized support.

We continue to learn about the priorities and the challenges of those being served by Veterans CARE, and we know there is more to be done. Veterans with military sexual trauma made up an important segment of participants; we can do more to design care tailored to their needs, such as ensuring veterans can select their paired specialist based on gender identity, if desired. As the pandemic recedes, we will need to adapt programming to a changed world: doubling down on new, remote, accessible channels of care when they are working and making a concerted and long-term effort to mitigate the impact of the pandemic on participants’ basic needs. Continuing to get good outcomes begins with listening and learning, and then meeting each veteran where they are to serve their unique needs and bolster their unique strengths.

What we have heard is that veterans appreciate the individualized approach, the integration of rehabilitation and mental health services, and the systemic yet customized approach to job development.

In the words of one participant,

“I don’t feel like a number within a large bureaucracy; it’s more personalized.”

LOOKING AHEAD

Veterans CARE continues to serve veterans today, and we are committed to scaling these effective and crucial services to where they are needed most. Despite COVID-19, we have been able to maintain continual support for participants and ongoing collection and analysis of the program's outcome data. At the time of this book's publication, we are planning to extend the program from a pilot into a two-year sustained service offering to improve accessibility, strengthen the model, and continue testing the model's efficacy in new contexts, including fully remote service delivery. For us, this is the power of outcomes funding: It lets us test new ways of getting results and then use those lessons to strengthen and scale effective programs.



This chapter came from the book *Workforce Realigned: How New Partnerships are Advancing Economic Mobility*.

Learn more at workforcerealigned.org



Governor Charlie Baker is the 72nd governor of the Commonwealth of Massachusetts. Since taking office in 2015, Governor Baker helped the Massachusetts economy create more than 200,000 jobs, leading to more people working now than at any time in state history.



James Peyser is the secretary of education for the Commonwealth of Massachusetts. He directs the Executive Office of Education, which oversees early education, K-12, and higher education. Secretary Peyser is Governor Baker's top advisor on education and helps shape the Commonwealth's education reform agenda.



Rosalin Acosta is the secretary of labor and workforce development for the Commonwealth of Massachusetts. She manages the Commonwealth's workforce development and labor departments to ensure that workers, employers, and the unemployed have the tools, training, and safety resources needed to succeed in the Massachusetts economy.



Mark Attia serves as the assistant secretary for finance and performance management at the Executive Office for Administration and Finance for the Commonwealth of Massachusetts. He is responsible for structuring complex capital and project finance transactions that require significant public infrastructure investments intended to spur economic development in the Commonwealth.