



# Leveraging Procurements and Contracts to Align on Outcomes

## LASER TANF Learning Community

September 13, 2022

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# Introductions

**Third Sector is a national nonprofit technical assistance organization that advises our government agencies on effective ways to reshape their policies, systems, and services toward better outcomes for all people no matter their race, background, and circumstances.**



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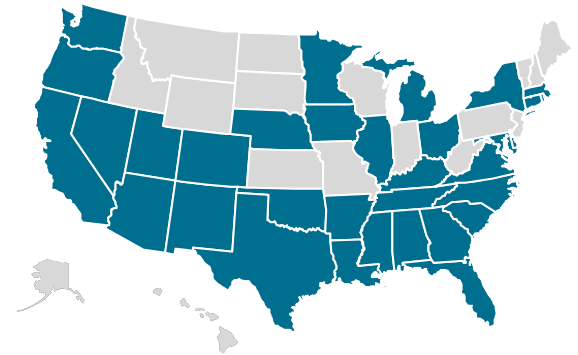


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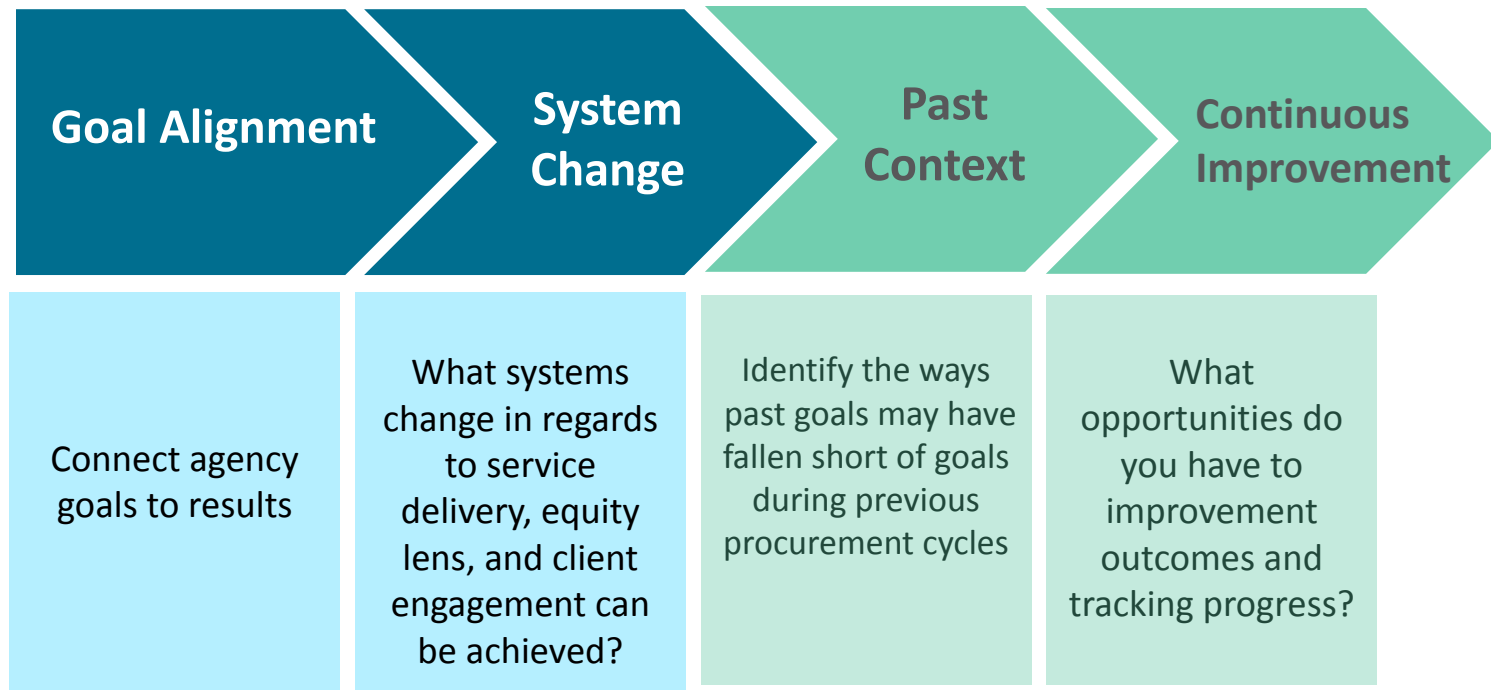
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Since 2011, Third Sector has worked with 50+ communities to reorient more than \$1.2 billion in public funds toward outcomes.



# Why Procurement is a good opportunity to align on outcomes



***Outcomes-focused procurements tend to lead to outcomes-focused contracts***

# A quick look at the application of outcomes orientation during the contracting process

## I. Scoping



Define program scope, needs, and funding

## II. Procurement



RFP development

Provider response period

Agency proposal review and provider selection

Contract development

Contract approval by agency and provider

## III. Management



Service delivery

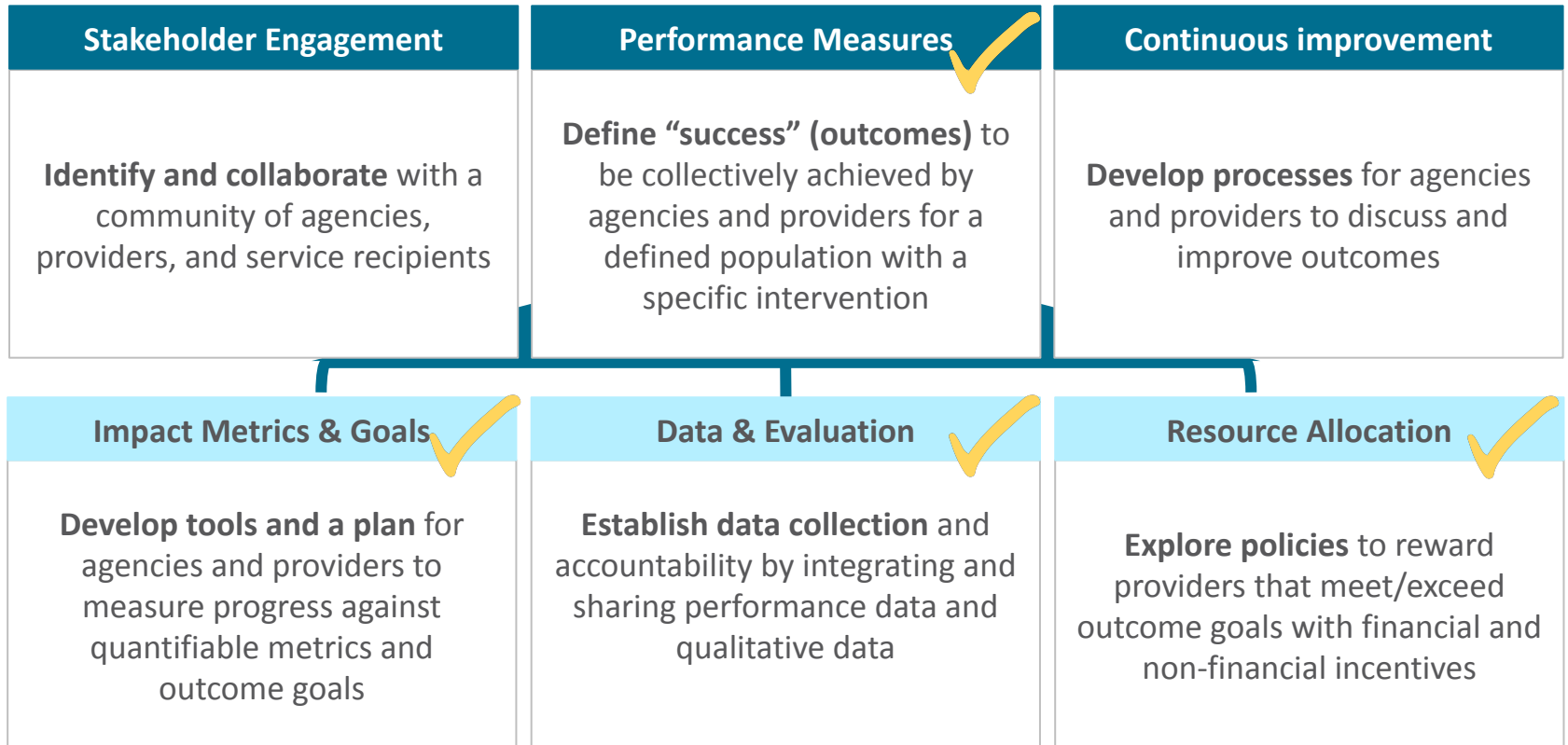
Data sharing, reporting, and monitoring

## IV. Reflection



Contract renewal and re-procurement decisions

# Process for Developing Procurements and Outcomes-Focused Contracts



= components to be included in a outcomes-focused contract

# In examining their baseline data, the Massachusetts Department of Transitional Assistance (DTA) realized outcomes were falling short

## MA DTA Background

### The Challenge

45% of adults who received economic assistance under the Massachusetts Transitional Aid to Families with Dependent Children (TAFDC) program in January 2018 had grown up in families that also depended on TAFDC.

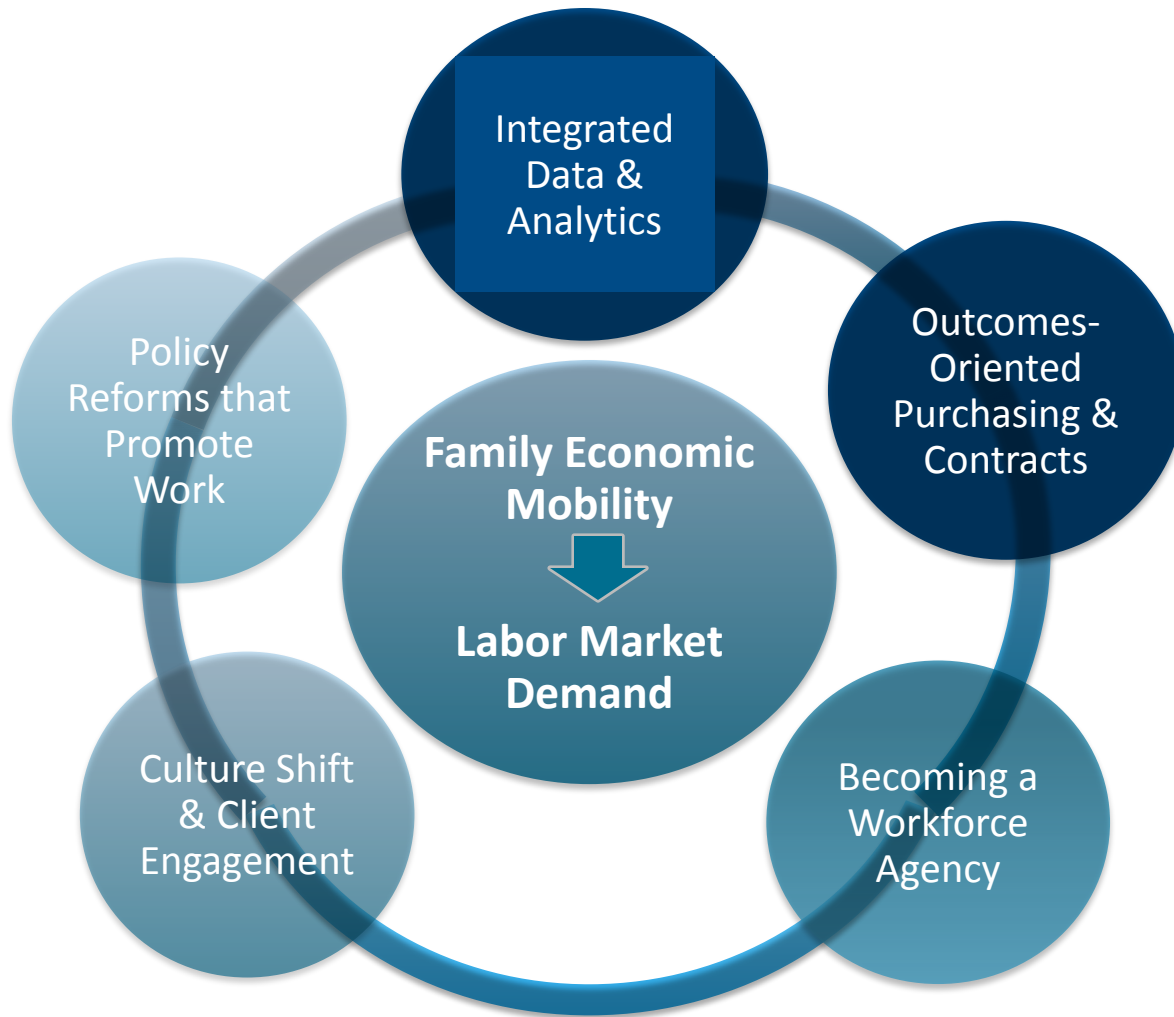
### The Opportunity

DTA decided to leverage upcoming procurements to refresh program expectations, incentivize outcomes achievement, and adapt systems in support.

***“We have to do something different to break the cycle of intergenerational poverty.”***

– Former Commissioner Jeff McCue, MA DTA

# Outcomes contracts are part of DTA's significant organizational change process to untangle welfare and invest in work and economic mobility



*What would need to be in place for your program or agency to have outcomes-focused procurements and contracts?*

# DTA decided to leverage procurements to prioritize outcomes goals and align incentives to results, rather than service models

## DTA Employment Services Programs Transitioned to an Outcomes Orientation

### Young Parents Program (YPP)

#### 2018 RFR

**\$4M/year** of education and employment programming

Serves **500+ pregnant or parenting young adults**, ages 14-24, who receive TAFDC and have disengaged from education

### Competitive Integrated Employment Services (CIES)

#### 2019 RFR

**\$8M/year** of job skills, job search, and job retention support

Serves **1,000+ TAFDC recipients** who are unemployed or underemployed with the goal of placing them on a sustainable career pathway

***“We don’t buy services. We buy outcomes.”***

– Former Commissioner Jeff McCue, MA DTA



# DTA focused on achieving three goals across employment services and programs in their reprocurement process

DTA Reprocurement Goals	What does this look like?
<p><b>Provide individualized, client-centered services</b></p>	<ul style="list-style-type: none"> <li>• Promote a <b>2Gen approach</b> that prioritizes outcomes for both parents and their children</li> <li>• Tie allowable activities directly to research-based <b>career readiness indicators</b></li> </ul>
<p><b>Pay for outcomes achievement</b></p>	<ul style="list-style-type: none"> <li>• Maintain <b>high expectations for participants</b>, provide <b>flexibility</b> on their path</li> <li>• Maintain <b>high expectations for providers</b>, provide <b>flexibility</b> towards achieving expected outcomes</li> </ul>
<p><b>Build a workforce pipeline in high-demand and growth industries</b></p>	<ul style="list-style-type: none"> <li>• Link education and training opportunities to <b>local labor market</b></li> </ul>



*What do you want to re-orient providers to or go deeper with them on?*



# Third Sector supported DTA to design & implement systems changes with providers, contract managers, and local offices to manage to outcomes

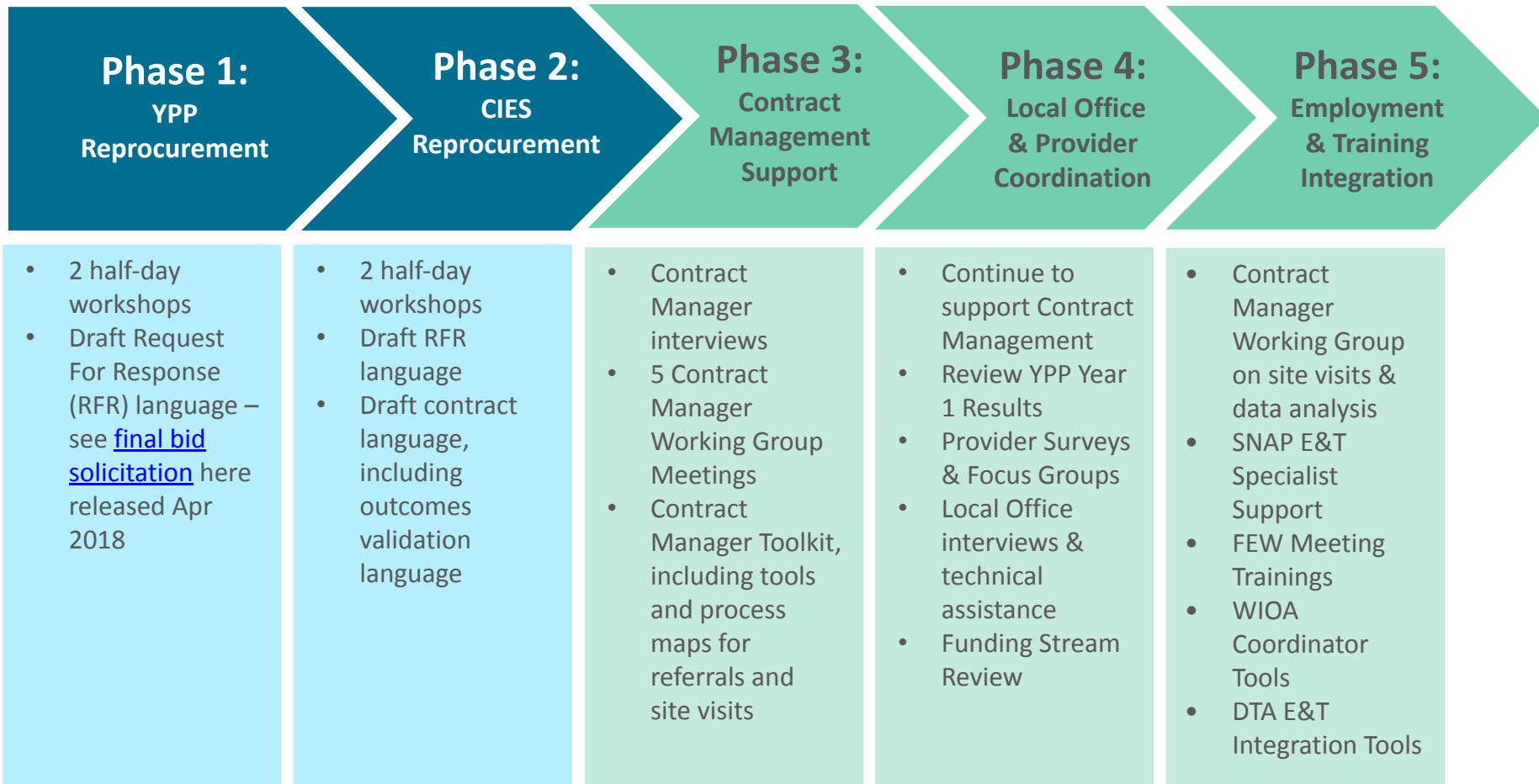
Jan-Feb 2018

Jan-Feb 2019

Mar-June 2019

Jul-Dec 2019

Feb-June 2020




Third Sector Support

# Workshops for YPP generated 2Gen goals and outcomes and developed flexible incentives to encourage providers to meet clients where they are

## DTA YPP Before and After


### Traditional Contracting

**Prescriptive Services for Individual's Needs**




Prescriptive program model for GED attainment and wrap-around services

**Narrative-Based Reporting**



Providers completed time-intensive narrative reports on client progress


**Subjective Progress Payments**



Providers paid on enrollment, narrative report of client progress, and GED completion or job placement


### Outcomes-Focused Contracting

**Flexibility for a Family-Centered Approach**




Providers have increased flexibility to meet clients where they are and to consider whole-family needs

**2Gen Outcomes Tracking**



Measurable 2Gen outcomes are tracked monthly for young parents and their families

**Validated Performance Payments**



Providers can earn up to four outcomes payments, tied to education and training metrics aligned with ed standards



# DTA selected payable metrics that mirror adult basic education outcomes and continuous improvement metrics to capture family-level impact

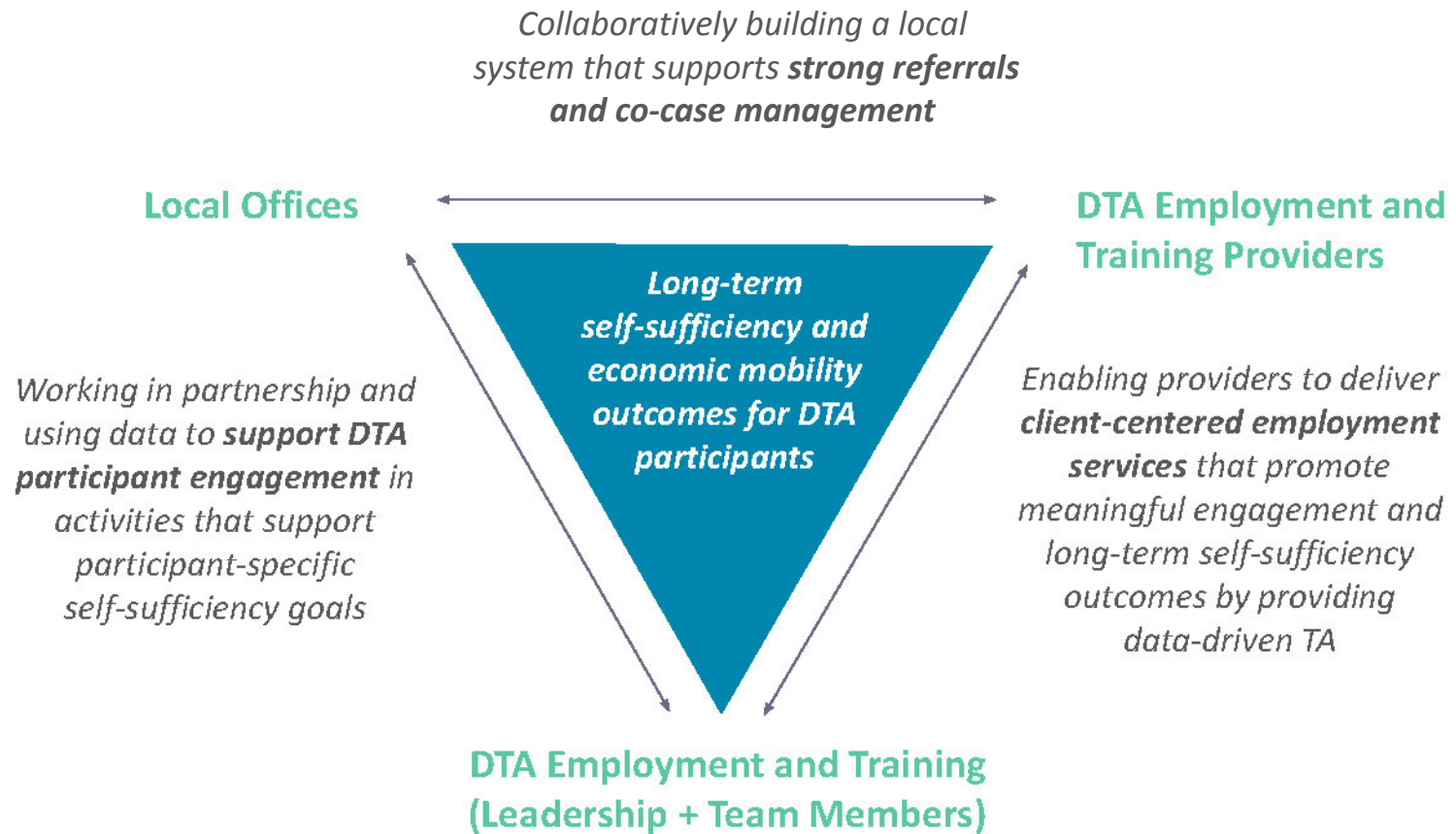
## YPP Outcomes-Focused Compensation Structure

	Payment Metrics			Continuous Improvement Metrics	
Enrollment Payments	~20% of total potential funds	One enrollment or reenrollment per year	Acceptance into program, completion of assessment and establishment of goals across three domains, 30-day participation	<b>Life &amp; Personal:</b> <ul style="list-style-type: none"> <li>• Ability to understand and meet physical and behavioral health needs</li> <li>• Skills to manage stress and adversity</li> <li>• Financial management skills</li> <li>• Stable living and housing plan</li> <li>• Stable transportation plan</li> </ul>	
Contracted Outcomes	~20% of total (80% if all four outcomes are achieved)	Up to four outcomes per client per year	<ul style="list-style-type: none"> <li>• Improved Educational Functioning Level (EFL)</li> <li>• Achievement of High School Equivalency</li> <li>• Achievement of English Language Proficiency</li> <li>• Completion of nationally-recognized certificate</li> <li>• Completion of 12 college credits</li> </ul>	<b>Parenting &amp; Family:</b> <ul style="list-style-type: none"> <li>• Increased knowledge of child development</li> <li>• Ability to understand and meet child’s health, emotional, and learning needs</li> <li>• Established goals for child’s education</li> <li>• Reliable network</li> </ul>	

Note: Continuous Improvement Metrics have been abbreviated.

# Client success is supported by alignment across the DTA system and shifting mindsets to drive towards priority economic mobility outcomes

## “One DTA” Employment and Training Integration Vision



## Adopting an outcomes orientation is supporting systems-level change towards family-centered services that promote economic mobility

*“We are shifting our system away from a compliance-driven model that holds providers accountable for ‘butts in seats’ to a human-centered approach that focuses on meaningful engagement and goal attainment for the whole family.”*

– Commissioner Amy Kershaw, MA DTA

## Disclosure

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