

Leveraging Procurements and Contracts to Align on Outcomes

LASER TANF Learning Community

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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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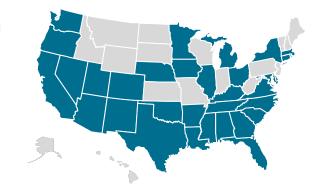


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Since 2011, Third Sector has worked with 50+ communities to reorient more than \$1.2 billion in public funds toward outcomes.



Why Procurement is a good opportunity to align on outcomes

Goal Alignment

System
Change

Past
Continuous
Improvement

Connect agency goals to results

What systems change in regards to service delivery, equity lens, and client engagement can be achieved?

Identify the ways past goals may have fallen short of goals during previous procurement cycles

What opportunities do you have to improvement outcomes and tracking progress?



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

Stakeholder Engagement

Identify and collaborate with a community of agencies, providers, and service recipients

Performance Measures

Define "success" (outcomes) to be collectively achieved by agencies and providers for a defined population with a specific intervention

Continuous improvement

Develop processes for agencies and providers to discuss and improve outcomes

Impact Metrics & Goals

Develop tools and a plan for agencies and providers to measure progress against quantifiable metrics and outcome goals

Data & Evaluation

Establish data collection and accountability by integrating and sharing performance data and qualitative data

Resource Allocation

providers that meet/exceed outcome goals with financial and non-financial incentives



= 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 reprocurements to refresh program expectations, incentivize outcomes achievement, and adapt systems in support.

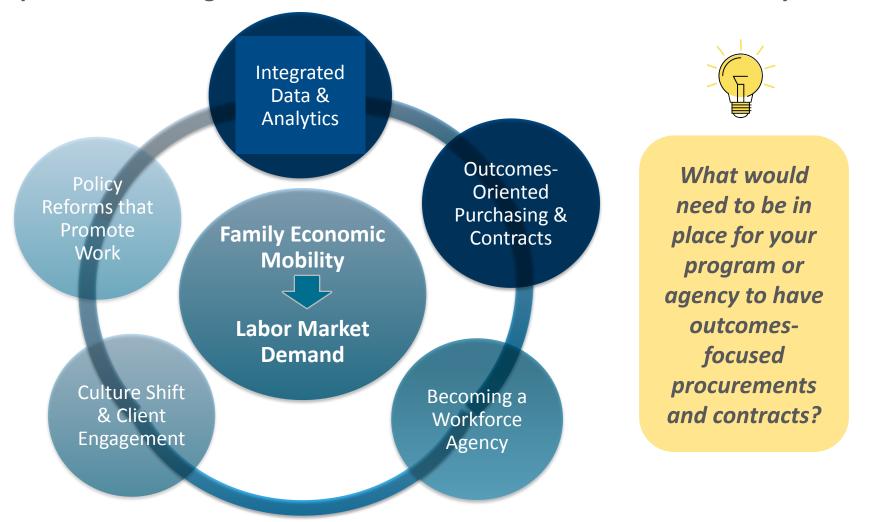
"We have to do something different to break the cycle of intergenerational poverty."

- 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







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DTA decided to leverage reprocurements 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?	
Provide individualized, client-centered services	 Promote a 2Gen approach that prioritizes outcomes for both parents and their children Tie allowable activities directly to research-based career readiness indicators 	
Pay for outcomes achievement	 Maintain high expectations for participants, provide flexibility on their path Maintain high expectations for providers, provide flexibility towards achieving expected outcomes 	
Build a workforce pipeline in high-demand and growth industries	Link education and training opportunities to local labor market	



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 compared to the compared providers, contract managers, and local offices to manage to outcomes

Phase 1: **YPP**

Reprocurement

Jan-Feb 2018

Jan-Feb 2019

Mar-June 2019

Jul-Dec 2019

Feb-June 2020

Phase 2: **CIES**

Reprocurement

Phase 3:

Contract Management **Support**

Phase 4:

Local Office & Provider Coordination

Phase 5:

Employment & Training **Integration**

- 2 half-day workshops
- **Draft Request** For Response (RFR) language see final bid solicitation here released Apr 2018
- 2 half-day workshops
- Draft RFR language
- Draft contract language, including outcomes validation language
- Contract Manager interviews
- 5 Contract Manager **Working Group** Meetings
- Contract Manager Toolkit, including tools and process maps for referrals and site visits

- Continue to support Contract Management
- Review YPP Year 1 Results
- **Provider Surveys** & Focus Groups
- Local Office interviews & technical assistance
- **Funding Stream** Review

- Contract Manager **Working Group** on site visits & data analysis
- **SNAP E&T** Specialist Support
- **FEW Meeting Trainings**
- WIOA Coordinator Tools
- DTA E&T **Integration Tools**



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



Measureable **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 enroll- ment or reenroll- ment per year	Acceptance into program, completion of assessment and establishment of goals across three domains, 30-day participation	 Life & Personal: Ability to understand and meet physical and behavioral health needs Skills to manage stress and adversity Financial management skills Stable living and housing plan Stable transportation plan
Contracted Outcomes	~20% of total (80% if all four outcomes are achieved)	Up to four outcomes per client per year	 Improved Educational Functioning Level (EFL) Achievement of High School Equivalency Achievement of English Language Proficiency Completion of nationally- recognized certificate Completion of 12 college credits 	 Parenting & Family: Increased knowledge of child development Ability to understand and meet child's health, emotional, and learning needs Established goals for child's education Reliable network

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

Collaboratively building a local system that supports **strong referrals** and co-case management

Working in partnership and using data to support DTA participant engagement in activities that support participant-specific self-sufficiency goals Long-term self-sufficiency and economic mobility outcomes for DTA participants

DTA Employment and Training Providers

Enabling providers to deliver
client-centered employment
services that promote
meaningful engagement and
long-term self-sufficiency
outcomes by providing
data-driven TA

THIRD

DTA Employment and Training (Leadership + Team Members)

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



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