



HARVARD Kennedy School

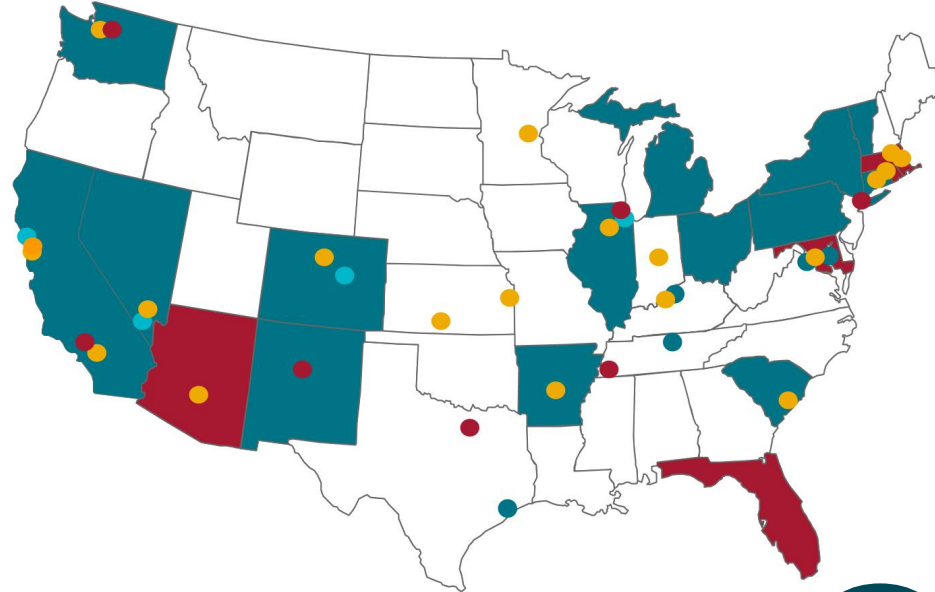
Government Performance Lab

Evidence and Outcomes Funding

November 15, 2018

Introducing the Government Performance Lab (GPL)

**We work pro bono and exclusively on the government side of projects.
90 projects with 66 jurisdictions across 31 states**



Our Projects

- Pay for Success (SIBs)
- Results-Driven Contracting
- Performance Improvement

1

Make progress on social problems

Transform how local and state governments **deliver social services**

2

Enhance how government functions

Improve the outcomes local gov'ts achieve for citizens **through procurements and other performance channels**

Shared lessons & capabilities

How can outcomes funding improve the performance of social services?

- 1 Encourages government and providers to conduct careful planning
- 2 Focuses parties on the most promising and important components of an intervention and the desired outcomes during the implementation phase
- 3 Leads to higher quality data and fosters outcomes-oriented conversations

If used inappropriately, outcomes funding for social services can introduce counterproductive incentives and risks:

- Target population should be clearly defined
- Outcomes should be measurable and fully reflect goals
- External factors should be controlled
- Data should be available and robust

What is the role of data and evidence in boosting the success of outcomes funding arrangements for social services?

Structuring funding

- Evidence guides specification of the target population as well as realistic outcome targets based on past program performance

Managing programs

- Data enables tracking of program performance, surfacing of challenges and opportunities, and development of strategies to improve results

Evaluating impact

- Data is used to evaluate programs – ideally rigorously – in order to understand what works and inform decisions about future funding

Example 1: Social Impact Bond for evidence-based program to reduce recidivism in New York State

Target Population	2,000 high risk ex-offenders in NYC and Rochester
Intervention	Center for Employment Opportunities (CEO) provides evidence-based employment services, including training, transitional employment, and job placement
Outcome Metrics	Employment, recidivism, and engagement in transitional jobs
Timing	Project launched in December 2013 with two performance-based payments in September 2017 and March 2019
Performance-based Payment	\$13.5 million upfront investment by private and philanthropic investors; up to \$21.5 million from U.S. Department of Labor and New York State for repaying investors based on success
Active Contract Management	Regular reports on process and outcome metrics support governance committees in designing course corrections to drive performance
Evaluation	Randomized control trial to inform payment and learning

Example 2: Reorienting workforce development programs toward outcomes in San Francisco, CA

PROBLEM

San Francisco's workforce development services lacked cross-departmental collaboration, effective referral mechanisms, and were not being accessed by high barrier populations.

SOLUTION

1. Better coordinating workforce development services, funding, and contracting across three departments
2. Incorporating performance-based payments in contracts held by the Office of Economic and Workforce Development (OEWD) to reward providers for producing desired outcomes for high risk clients

RESULTS TO DATE

More efficient use of federal dollars; increase in youth receiving summer employment services; improved service delivery to and outcomes for high risk clients