Pay for Success Models & Projects in Other States & Jurisdictions

September 2016

Jeffrey Liebman & Rob Koenig
The Government Performance Lab has worked with more than 30 jurisdictions

**Issue Areas:** Behavioral Health | Child Welfare | Criminal Justice | Early Childhood | Homelessness | Juvenile Justice | Pre-K | Workforce
5 skills used across our 3 types of work

**Project types**
- **Pay for success**
- **Results-driven contracting**
- **Performance improvement**

**Skills employed**

1. Use historical outcomes data to **better target and match** populations to services
2. Develop **problem-based procurements** that solicit innovative and evidence-based solutions
3. Use contracts to **set clear, meaningful outcome targets**, tying a portion of payments to performance when appropriate
4. Shift contract management from a compliance-oriented activity to a **performance-oriented approach**
5. Create mechanisms to **rigorously evaluate programmatic impact**, and use that learning to inform future spending
Key benefits of the PFS structure

1. Match the right individuals with the right services

2. Ensures focus on performance management once a contract is signed

3. Creates systems in which project results can inform budget decisions
# Growth in launches of PFS projects

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2013</td>
<td>2014</td>
<td>2015</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>New York City Juvenile Justice</td>
<td>Salt Lake City, UT Pre-K</td>
<td>New York State Recidivism Reduction</td>
<td>Cuyahoga County, OH Foster Care and Homelessness</td>
<td>South Carolina Early Childhood Health</td>
<td>Not Announced Yet</td>
</tr>
<tr>
<td>Massachusetts Juvenile Justice</td>
<td>Santa Clara County, CA Homelessness</td>
<td>Denver, CO Homelessness</td>
<td>Not Announced Yet</td>
<td>Not Announced Yet</td>
<td>Not Announced Yet</td>
</tr>
<tr>
<td>Chicago, IL Pre-K</td>
<td>Massachusetts Homelessness</td>
<td>Connecticut Child Welfare</td>
<td>Michigan Early Childhood Health</td>
<td>Not Announced Yet</td>
<td>Not Announced Yet</td>
</tr>
<tr>
<td>Not Announced Yet</td>
<td>Not Announced Yet</td>
<td>Not Announced Yet</td>
<td>Not Announced Yet</td>
<td>Not Announced Yet</td>
<td>Not Announced Yet</td>
</tr>
</tbody>
</table>

**KEY**

- = launched
- = anticipated launch
- = GPL projects
- = No GPL TA
Factors to evaluate when exploring a PFS project

A. **Enthusiasm and commitment** among an Administration’s leadership—it should be a high-priority issue

B. **Potential for a broad, scalable impact**—setting up PFS projects can be time- and labor-intensive, so only projects with sufficient scale should be considered

C. **Possibility of high net benefits**

D. **Potential for rigorous evaluation**—measurable outcomes, reliable comparison group or counterfactual

E. Well-defined **treatment population**

F. **Potential payer(s)**