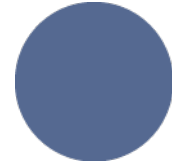


▶ THE CTE PAY FOR SUCCESS WEBINAR WILL BEGIN MOMENTARILY
Thank you for joining us!

- In the meantime, please introduce yourselves via the chat box
- All participants will be automatically muted upon entry to the webinar in order to reduce background noise
- This webinar will be recorded and subsequently posted as a video at www.jff.org/payforsuccess, along with the slide deck



JOBS FOR THE FUTURE



**SOCIAL
FINANCE**

**CATALYZING CAREER AND TECHNICAL EDUCATION
THROUGH PAY FOR SUCCESS COMPETITION**

U.S. DEPARTMENT OF EDUCATION'S OFFICE OF CAREER,
TECHNICAL, AND ADULT EDUCATION

JANUARY 27, 2017

▶ WEBINAR HOSTS



Anna Fogel
Director of Advisory Services
Social Finance



Amy Loyd
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Pathways for Youth
Jobs For The Future

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▶ AGENDA

- Overview of Opportunity
- Introduction to Social Finance and Jobs for the Future
- What is Pay for Success (PFS)
- Catalyzing Career and Technical Education Through Pay for Success Competition
- Questions

► OVERVIEW OF OPPORTUNITY: FIRST DEPT. OF ED PAY FOR SUCCESS GRANT

Social Finance (SF) and Jobs for the Future (JFF) will support projects to expand high-quality career and technical education (CTE) through Pay for Success

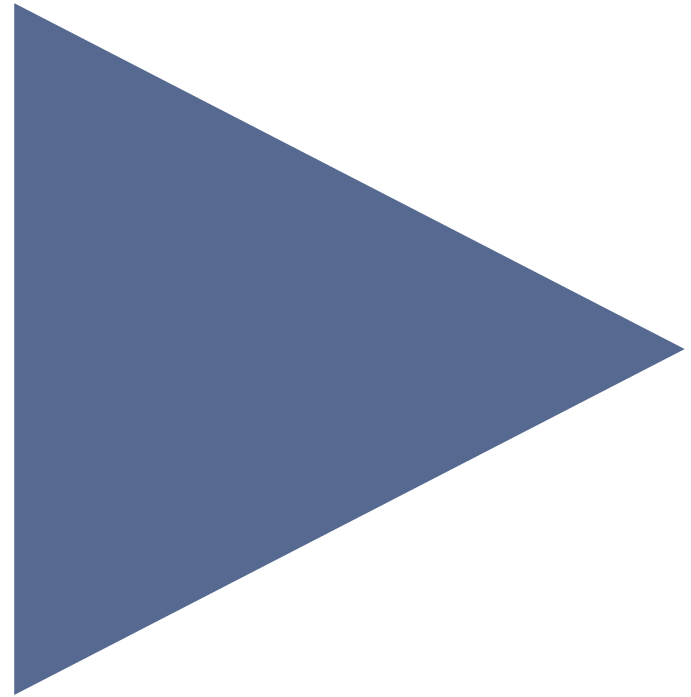
Opportunity

SF and JFF are holding a national competition to select high-quality CTE programs with potential to expand via Pay for Success financing. Each selected CTE site will receive technical assistance and participate in a PFS feasibility study.

Competition Details

Eligible applicants	Applicants can include area career and technical education schools, education service agencies, local education agencies, or postsecondary institutions. Perkins-eligible entities will receive preference.
Target Population	High-need underserved youth, including low-income populations and underrepresented minority populations
Program and Selected Outcomes	High-quality evidence-based CTE programs that are proven to propel students to postsecondary and career success. The program should impact one or more of the following outcomes: A) High school graduation; B) Enrollment in postsecondary programs of study; C) Completion of postsecondary credentials; D) Family-sustaining employment and wages
Timeline	RFP released: January 17, 2017 LOI due: February 10, 2017 Applications due: March 17, 2017

▶ ABOUT THE PARTNERSHIP





Social Finance, Inc. is a 501(c)(3) non-profit organization dedicated to **mobilizing capital to drive social progress**

Social Finance is committed to using Pay for Success to tackle complex social challenges, facilitate greater access to services for vulnerable populations, and direct capital to evidence-based social programs — all with the goal of measurably improving the lives of people most in need.

Our History

- **Founded in January 2011** by David Blood, Sir Ronald Cohen, and Tracy Palandjian
- One of the **first dedicated PFS intermediaries in the country**

Our Global Network

- Social Finance UK, was founded in 2007 and launched **the world's first Social Impact Bond** in 2010
- We partner with Social Finance UK and Israel in the world's only **Global PFS Network** – we have launched 30% of all PFS projects worldwide

Our Team

- **Team of 40** includes experienced professionals from the public, private, and nonprofit sectors
- Three offices in **Boston, MA, Austin, TX, and the Bay Area, CA**

Our Work

- Social Finance has **deep experience in the design and implementation of Pay for Success projects**, from early stage feasibility assessment, to project development and capital formation, to post-launch performance management support
- **We have conducted 30+ feasibility studies and are actively developing or managing 15+ PFS projects across a diverse array of issue areas around the country**

► WHAT WE DO – SOCIAL FINANCE

Our Services



Field Building and Market Education

Through research, advocacy, and publications, we support the development of the Pay for Success market and the broader impact investment movement.

▶ ABOUT JOBS FOR THE FUTURE (JFF)

OUR MISSION

JFF works to ensure that all young people and workers have the skills and credentials needed to succeed in our economy.

OUR VISION

The promise of education and economic mobility in America is achieved for everyone.



PHOTOGRAPH © 2008 Jerry Davis

OUR GOALS

1. PREPARING FOR COLLEGE AND CAREER:

All young people graduate high school on a clear path to college completion and career success.

2. EARNING POSTSECONDARY CREDENTIALS:

All students gain the skills they need to earn postsecondary credentials with high labor market value.

3. ADVANCING CAREERS AND ECONOMIC GROWTH:

All workers obtain the education and training required to move into family-supporting careers with clear paths for advancement.



► HOW JFF WORKS: SCALING SOLUTIONS



Develop
Evidence-Based
Innovations



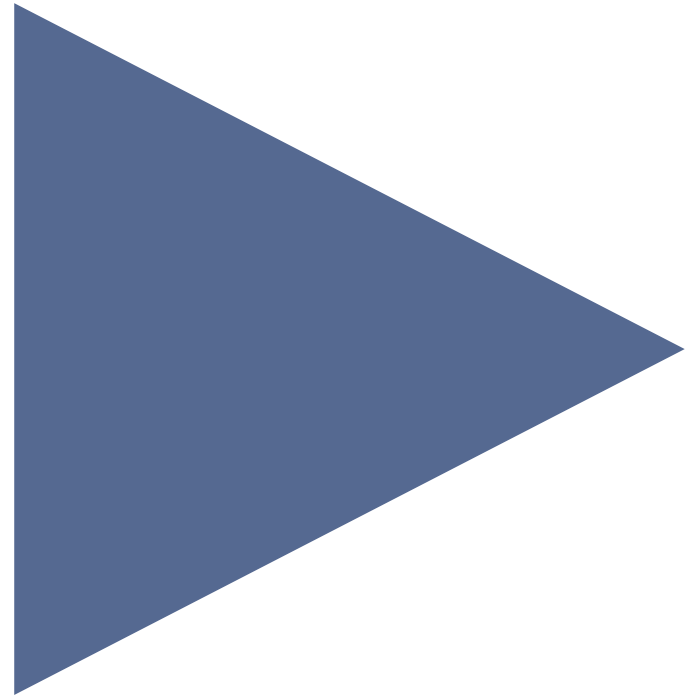
Build Systems
and Field
Capacity



Advocate and
Influence Policy

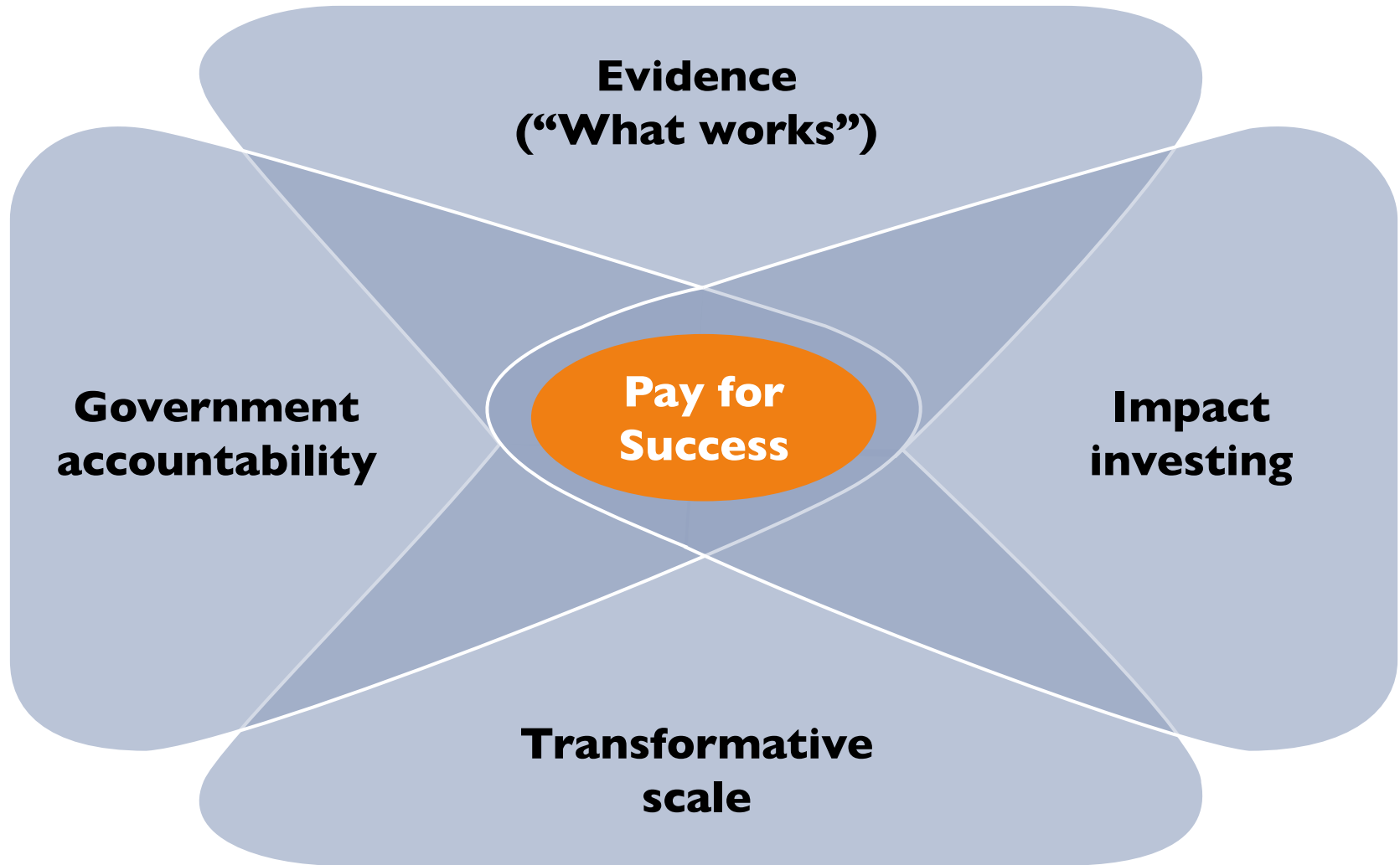
ALIGNMENT ACROSS SECONDARY—POSTSECONDARY—WORKFORCE

▶ WHAT IS PAY FOR SUCCESS?

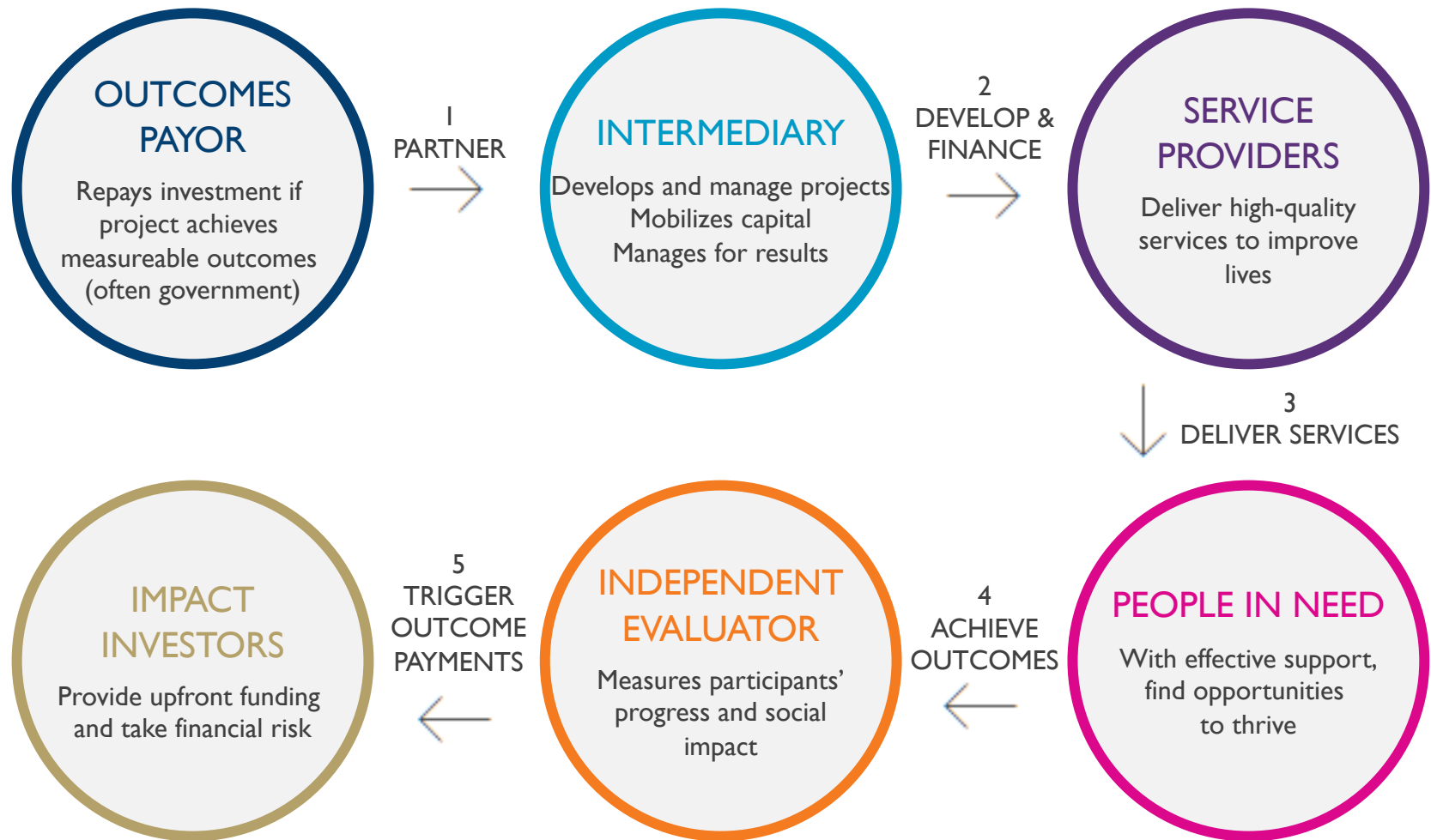


Pay for success is about
measurably improving the lives
of **people most in need**
by driving government resources
toward **more effective programs**

▶ **PAY FOR SUCCESS SITS AT THE INTERSECTION OF FOUR POWERFUL MOVEMENTS**



► HOW DOES PAY FOR SUCCESS WORK?



► 15 PAY FOR SUCCESS DEALS HAVE REACHED THE MARKET TO DATE

...and more are on their way

Criminal Justice / Recidivism



- 1 New York City
- 2 Massachusetts
- 3 New York State
- 4 Salt Lake County

Early Childhood Education



- 5 Salt Lake County
- 6 Chicago

Homelessness & Family Stability



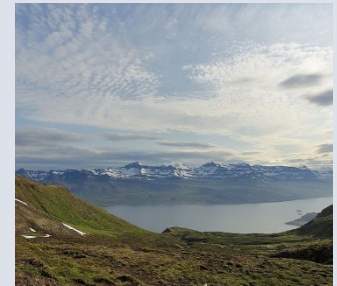
- 7 Cuyahoga
- 8 Massachusetts
- 9 Santa Clara
- 10 Denver
- 11 Connecticut
- 12 Salt Lake County

Maternal & Child Health



- 13 South Carolina
- 14 Michigan

Environment / Sustainability



- 15 Washington, DC

Additional projects in development:

Workforce

K-12 education

Early childhood

Foster care

Asthma

► WHY DO WE CARE ABOUT PAY FOR SUCCESS?

Focus on evidence and outcomes

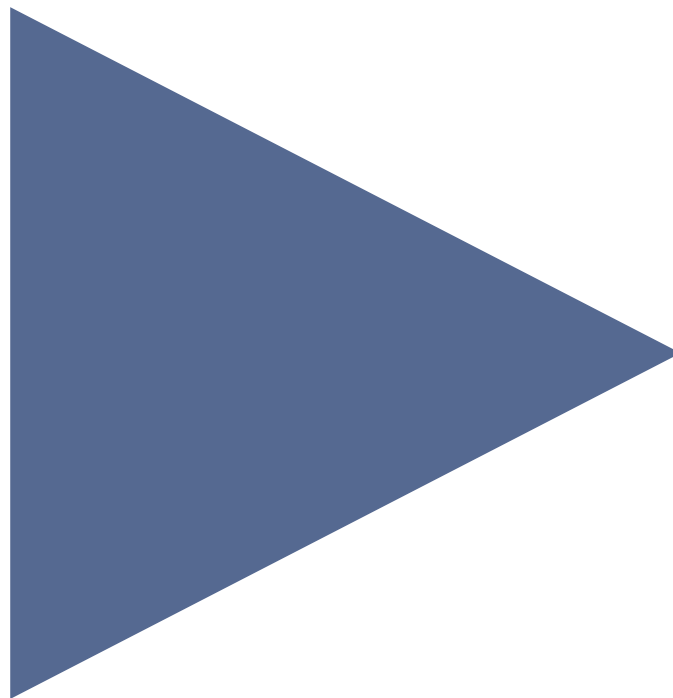
Promotes measurement

Attracts new resources

Helps scale up high-quality services

Optimizes government resources for results

▶ CATALYZING CAREER AND TECHNICAL EDUCATION THROUGH PAY FOR SUCCESS COMPETITION



► COMPETITION GOALS

The RFP goal is to **expand** high-quality **career and technical education models** through Pay for Success

FEASIBILITY

Four career and technical education providers will be selected to participate in **feasibility studies** (4-6 months)

TRANSACTION
STRUCTURING

Following feasibility, **up to three** career and technical education providers will be selected to receive **transaction structuring services** to launch Pay for Success projects (12 months)

▶ WHAT IS HIGH-QUALITY CAREER AND TECHNICAL EDUCATION?

According to criteria established by OCTAE, a high-quality CTE program:

- **Supports career** pathways in in-demand industry sectors and occupations
- Provides students **with information about occupations in in-demand industry sectors** or occupations and may offer career exploration activities
- Offers a series of courses that may lead to **an industry-recognized credential** (in sectors where those credentials exist and are appropriate) and to a **postsecondary certificate or degree**
- Provides students with **academic, employability, 21st-Century, and technical skills**
- Offers opportunities for students to earn **academic credit and postsecondary credit**
- Provides all participating students with **work-based learning**
- Provides **supplemental services** to participating students who are members of underserved populations and provides **support services to all participating students**
- Offers opportunities for participating students to develop **leadership skills**

▶ EXAMPLES OF STRONG HIGH-QUALITY CAREER AND TECHNICAL EDUCATION MODELS

Program model examples provided by the U.S. Department of Education within Federal Register Vol. 81, No. 143 on Tuesday, July 26, 2016 notices:

- **Early College High School (ECHS) Designs**

- Provide students with exposure to college and the opportunity to take college courses while in high school
- Partner with colleges and universities to offer all students an opportunity to earn an Associate's degree or up to two years of college credit towards an Associate's or Bachelor's degree during high school at no or low cost to students

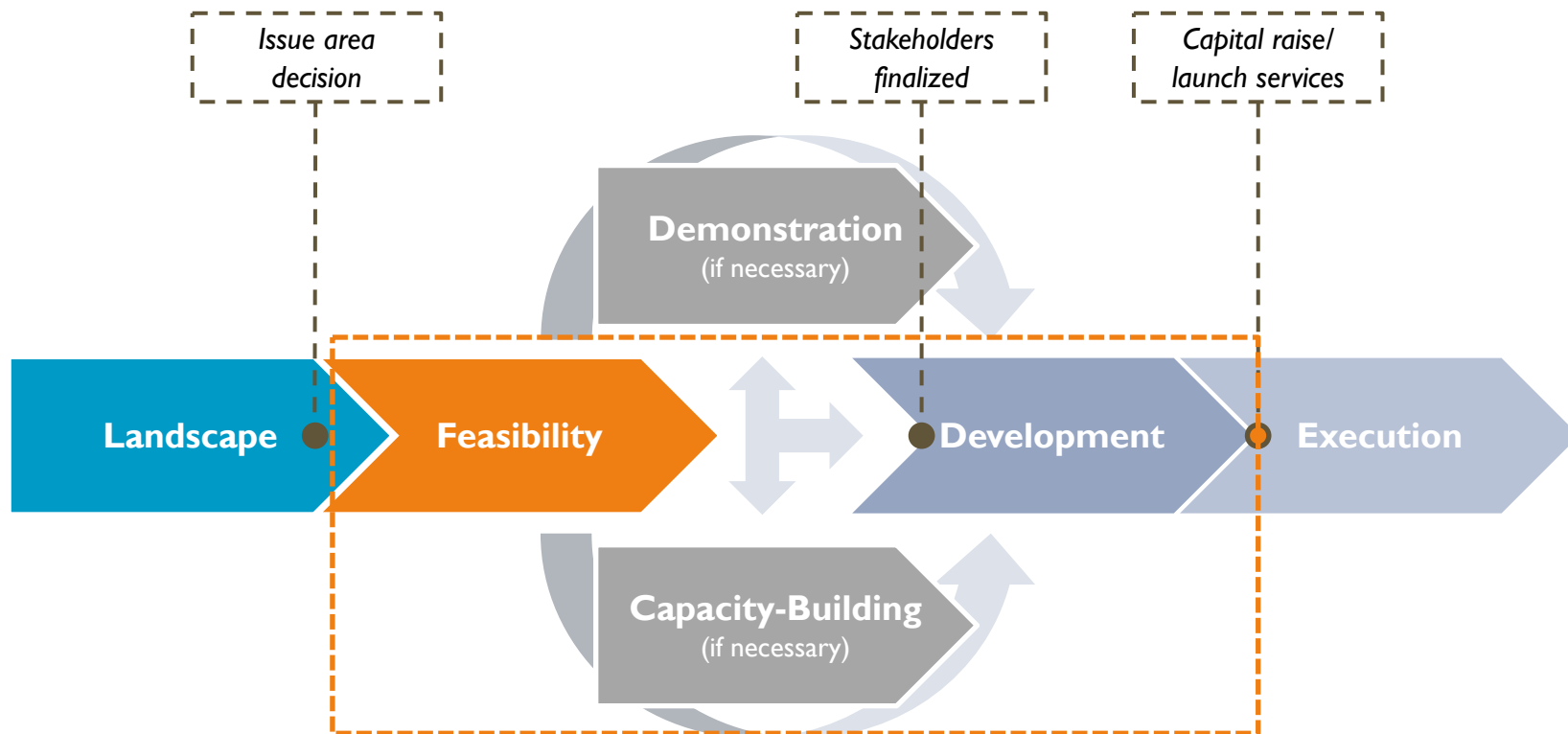
- **Career Academies**

- Restructure large high schools into smaller learning communities
- Offer courses and activities connected to career or occupational themes and typically require all students to complete a work-based learning experience

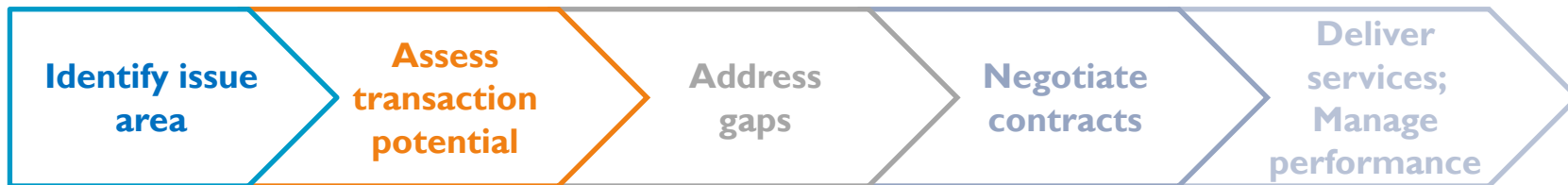
- **Linked Learning**

- Educational approach that integrates academic and high-quality career and technical education
- Sequenced to support students transitioning from middle school through high school and postsecondary education

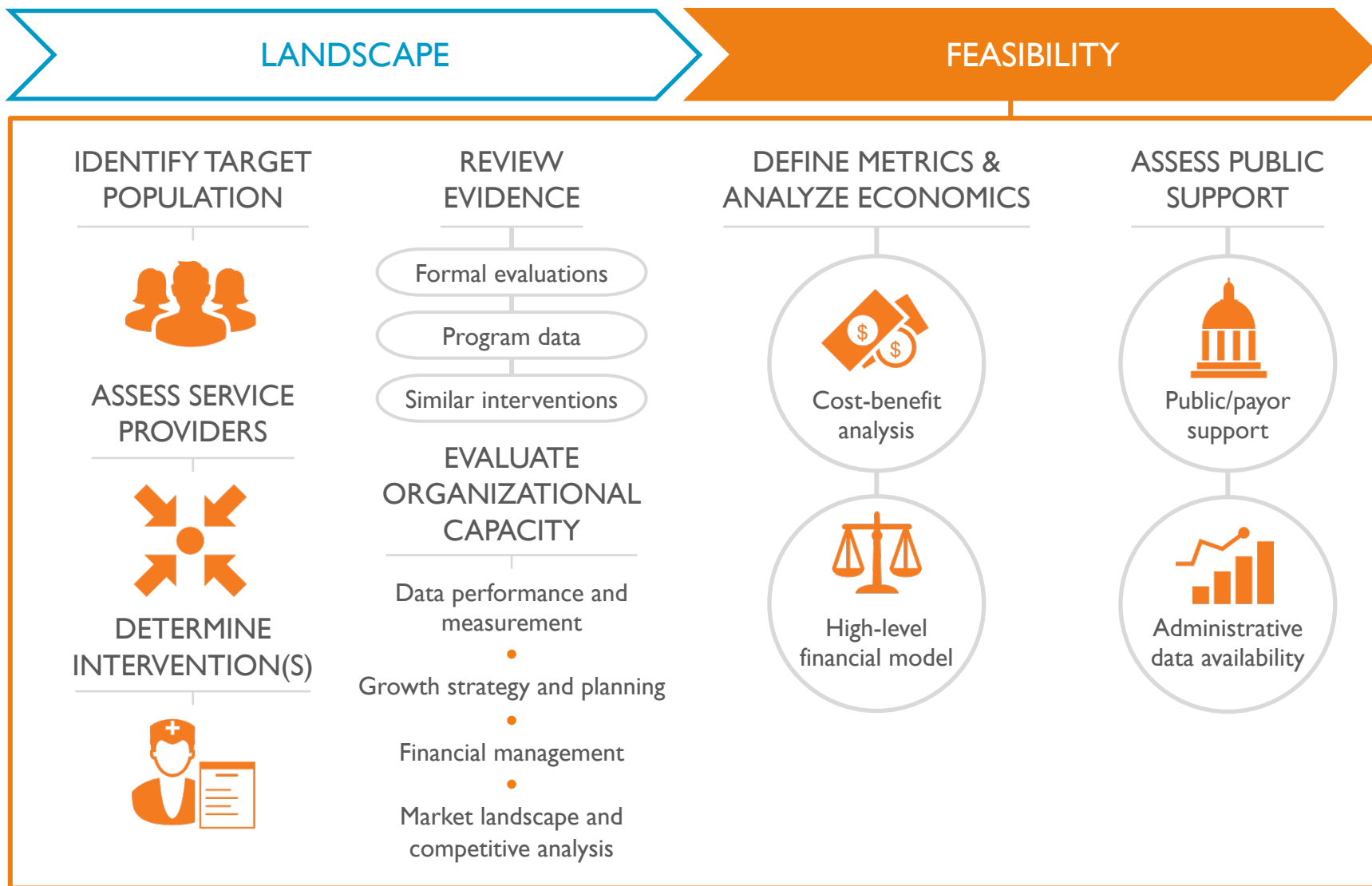
▶ PATHWAY TO TRANSACTION



Key activities



▶ WHAT IS FEASIBILITY?



▶ WHAT IS INVOLVED IN DEVELOPING A PFS PROJECT?

- 1 Develop Project Hypothesis**
Identify and define target population (eligibility criteria, geography, number of clients served, outcomes to be measured)
- 2 Data Analysis**
Obtain and analyze key administrative and service provider data to confirm hypothesis and operations planning
- 3 Economic Modeling**
Develop project budget, estimate price per outcome, and model projected cash flows
- 4 Evaluation Design**
Identify desired evaluation methodology, select and procure evaluator, and design evaluation
- 5 Operations Planning**
Plan for project operations, including referral sources, local implementing agencies, data sharing agreements, etc.
- 6 Contracting**
Draft PFS main agreement and related legal documents
- 7 Financing**
Determine financing structure, finalize funding documents and funder participation, and coordinate capital raise
- 8 Ramp Up & Launch Services**
Support project launch

*Exact deliverables and work plan will be agreed upon by the Partnership and selected service recipients prior to launching work.

Award #V051B160002; This project is funded by the U.S. Department of Education

► CTE SITE ROLE AND RESPONSIBILITIES

What would participating as a CTE site entail?

- ✓ **4-6 month feasibility study:** Support fact-finding and analysis by hosting 3-4 site visits, providing programmatic data, making connections to key partners and stakeholders, and provide ongoing feedback throughout 4-6 month feasibility study
- ✓ **12 month PFS project development:** Support ongoing transaction structuring activities including facilitating access to administrative and programmatic data, incorporating capacity-building and technical assistance from SF and JFF as needed, and participating as a core member in weekly working group and steering group meetings
- ✓ **Dedicated staff time to feasibility and transaction structuring:** Preparing to launch a PFS project requires significant time commitment and a dedicated point person in the organization

▶ WHO IS ELIGIBLE TO APPLY?

SF and JFF seek applicants that meet the following criteria:

- Provide **high-quality**, evidence-based **career and technical education programs**
- Have a track record of **success**
- Serve **high-need underserved youth**, as defined in the RFP
- Preference for those eligible for Perkins funding under sections 131 or 132¹
- Apply with the support of a **potential outcomes payor**²

[1] Preference will be given to applicants that are eligible to receive Perkins funding

[2] Applicants are strongly encouraged to apply with the support of a government, or other outcomes payor

► APPLICATION MATERIALS

Required application materials:

1

Executive Summary (1-2 pages)

- Describe the proposed PFS project and partnership, including the proposed *target population*, *CTE program design*, *outcome metrics*, *project economics*, and *payor engagement*

2

Proposal Narrative (20-30 pages)

- Rationale
- Partners and Policy
- Payor Engagement
- Program Quality and Pay for Success Elements
- Provider Capacity and Commitment
- Challenges and Risks

3

Appendices

- Appendix A: IRS form 990 from most recent fiscal year
- Appendix B: Letters of support from any organizations listed as potential/confirmed partners on the application
- Appendix C: Letters of support from potential payors
- Appendix D: Letter of support from senior champion within the applicant organization
- Appendix E: Perkins data for the proposed program (if available)
- Appendix F: Past assessments and/or evaluations of the high quality CTE program described in the proposal narrative (if available)

► SCORING CRITERIA

12
points

Rationale

Description of intended impact of proposed activities is compelling; Goals are quantified over a defined time period with a clear baseline and data-driven targets; Definition of high-need underserved participants aligns with definition in RFP

13
points

Partners and Policy

Cites policies, programs, leadership, and other conditions at institutional, city, county, or state levels that are supportive of PFS and high-quality CTE; Demonstrated strong and consistent applicant track record of collaboration with regional stakeholders; Includes high-quality letters of support from partners

20
points

Payor Engagement

Lists potential outcomes payor(s) and a compelling argument for their role; Describes positive engagement with potential payor; Includes letters of support from potential payor(s) providing a compelling rationale for interest

25
points

Program Quality and PFS Elements

Describes strong experiences collecting, accessing, and utilizing data to measure outcomes and strengthen operations; Provides evidence-based support for program demonstrating ability to meet outcomes set forth in RFP; Provides compelling description of how proposed program will advance elements of high-quality CTE

22
points

Provider Capacity and Commitment

Provides compelling evidence of applicant's multi-year track record of successfully implementing high-quality CTE programs and for implementing the specific CTE program proposed (if applicable); Describes strong organizational leadership capabilities; Presents thorough plan for allocating program leadership and staff time to rigorous feasibility study and provides stated commitments from senior champions

8
points

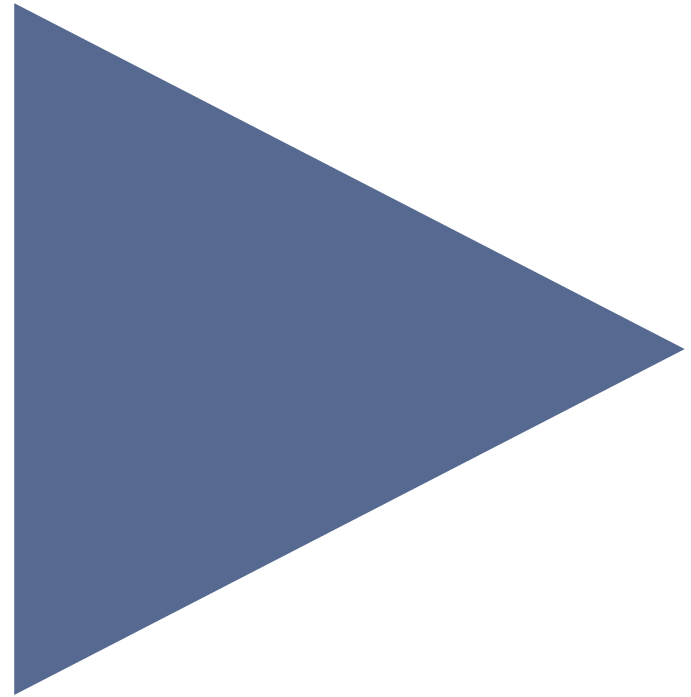
Challenges and Risks

Analyzes challenges involved in establishing program proposed; Proposes appropriate strategies for overcoming challenges; Analyzes risks to target population of using PFS to scale program; Describes relevant strategies to mitigate risk

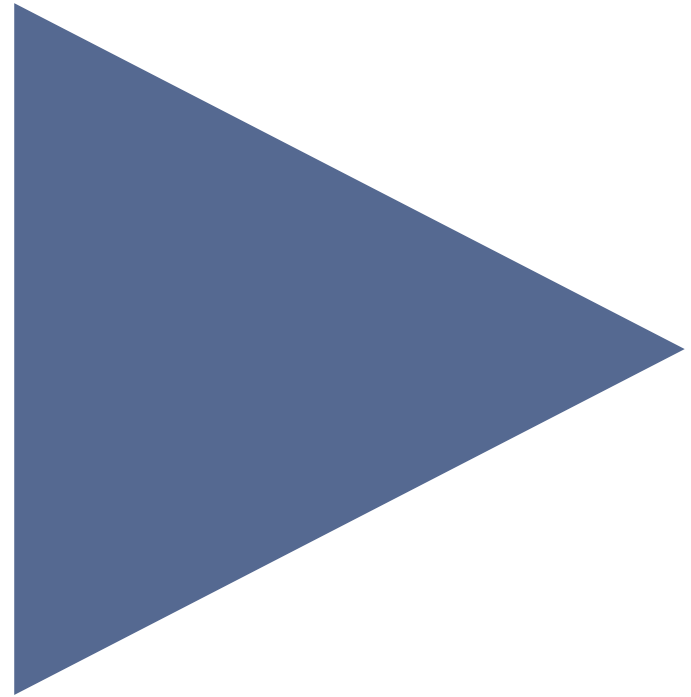
▶ IMPORTANT DATES

- **January 17, 2017:** Competition opens
- **February 10, 2017:** Deadline to notify SF/JFF of intent to apply (Optional)
- **March 3, 2017:** Deadline to submit questions
- **March 17, 2017 (5:00 pm ET):** Deadline to submit proposals
- **April 26, 2017:** Selections announced

▶ QUESTIONS



▶ APPENDIX



► PERKINS ELIGIBILITY

Organizations eligible for funding under Perkins IV Sections 131 and 132 are a. local education agencies (LEA); b. area CTE schools; c. education service agencies receiving local funding; d. postsecondary institutions; e. public charter schools that operate as LEAs and e. Perkins eligible consortia that:

- 1 Strengthen the academic, career, and technical skills of students
- 2 Link Career and Technical Education at the secondary and postsecondary levels
- 3 Provide students with strong experiences and understanding of all aspects of an industry, which may include work-based learning experiences
- 4 Develop, improve, or expand the use of technology in CTE
- 5 Provide professional development programs to teachers, counselors, and administrators
- 6 Develop and implement evaluations of CTE programs
- 7 Initiate, improve, expand and modernize quality CTE programs, including relevant technology
- 8 Provide services and activities that are of sufficient size, scope, and quality to be effective
- 9 Provide activities to prepare special populations, including single parents and displaced homemakers who are enrolled in CTE programs, for high skill, high wage, or high demand occupations that will lead to self-sufficiency

Source: <http://legcounsel.house.gov/Comps/perkins.pdf>.

Award #V051B160002; This project is funded by the U.S. Department of Education

▶ GRANT INFORMATION

- This project is funded through a \$2M award from the U.S. Department of Education's Office of Career, Technical, and Adult Education, consisting of 91% of total project funding. Nine percent of the project is financed through non-federal funding. For more information, see the following webpage:

<http://www.jff.org/payforsuccess>