



Pay for Success Feasibility Assessment Technical Assistance Request for Proposals

The National Council on Crime and Delinquency (NCCD) will select up to three entities to receive extensive technical assistance to determine the feasibility of using Pay for Success (PFS) to support evidence-based or promising youth development programming, with an intentional focus on reducing racial inequities in child welfare and juvenile justice systems through preventing entry into these systems and/or improving life outcomes for system-involved youth and young adults of color.

NCCD is a 100-year-old nonprofit organization with a mission to promote just and equitable social systems for individuals, families, and communities through research, public policy, and practice. As part of this work, we are committed to addressing and reducing racial inequity in child welfare and juvenile justice systems. Through an award from the Social Innovation Fund's Pay For Success grant competition, we will assess the feasibility of using PFS to scale promising interventions aimed at reducing racial and ethnic inequity in the child welfare and juvenile justice systems.

Pay for Success

PFS projects bring together government agencies, private investors, service providers, and other stakeholders to finance, implement, and evaluate programs that have proven to be effective in meeting an identified social need. PFS is a strategy that links payment for services to true community impact. When used by government entities to address social issues, PFS provides a focus on desired outcomes as well as evaluation to measure those outcomes. Commonly, PFS projects start when government leaders seize an opportunity to improve outcomes for a particularly vulnerable, underserved, or needy population within their community through scaling up or implementing a proven service or intervention. In PFS financing, private investors are engaged to pay for the service; an experienced, successful service provider engages with the target population and provides the identified service; and an outside evaluator collects data from the service provider and other sources to measure for the agreed-upon outcomes. If the outcomes are achieved, the investors are paid back the amount of their investment, as well as the previously agreed-upon return on investment. The source of repayment may be government funds that were saved as a result of the improved outcomes that were achieved. Governments and other potential back-end payers may also commit to "success payments" for improved outcomes, due to the longer-term benefits to the community that will result from the improved outcomes.

Focus on Racial Inequity in the Child Welfare and Juvenile Justice Systems

Across the nation today, youth and young adults of color are at much greater risk than White youth of becoming involved in the child welfare or juvenile justice systems. Black youth are twice as likely to be in foster care as White youth and five times as likely to be in juvenile justice out-of-home placements. Latino youth are 20% more likely to be in foster care than White youth and twice as likely

to be in juvenile justice placements. Significant overrepresentation also exists for American Indian/Alaska Native youth.

However, the disparities do not end with a young person's exit from the child welfare, juvenile justice, and/or criminal justice systems. Studies have shown that young adults with a history of child welfare or juvenile justice involvement are far more likely to experience negative life outcomes than those without a history of system involvement. The list of potential negative life outcomes is long and includes arrest, incarceration, substance abuse issues, deepening involvement with the criminal justice system, public assistance dependence, homelessness, involvement with the child welfare system as parents, and low educational achievement.¹ Moreover, youth who are system-involved have a higher chance of continuing into the adult criminal justice system. Once in the adult system, young adults under the age of 25 who are released from confinement have a 77% chance of being rearrested.²

These troubling outcomes are greatly increased for those involved in both the child welfare and the criminal justice systems. Across these groups, youth and young people of color are significantly more likely to suffer the harshest outcomes. Individuals, families, and communities of color continue to bear the fiscal and human costs of these negative outcomes for years after the end of their system involvement.

Given the dismal outcomes for young people of color who are system-involved, NCCD seeks applicants to its PFS competition that use a positive youth development model and target their programming toward improving the lives of youth and young adults of color who are at risk of becoming involved, who are already involved, or who are transitioning out of involvement with the child protection and/or juvenile justice systems.

Youth development interventions, as defined by the Corporation for National and Community Service (CNCS), prepare youth for success in school, active citizenship, productive work, and healthy and safe lives. The theory of change associated with youth development interventions is that youth can avoid risky behavior, overcome hardships, and successfully transition from adolescence into early adulthood when they are supported through positive relationships with adult family and community members; gain strong interpersonal coping skills and a sense of self-efficacy through skills-based training; have access to quality, structured services appropriate to their developmental age; and are pro-socially engaged with their families, friends, and community.

Eligible Applicants

Eligibility for this RFP is open to state, local, or tribal government entities or nonprofit entities (including faith-based organizations, community-based organizations, and institutions of higher learning) in the United States. This RFP is an opportunity to apply for technical assistance to complete a PFS feasibility assessment on the use of youth development interventions to improve outcomes for

¹ Sickmund, M., Sladky, T. J., Kang, W., & Puzzanchera, C. (2013). *Easy access to the census of juveniles in residential placement: 1997–2013*. Pittsburgh, PA: National Center for Juvenile Justice. Available at <http://www.ojdp.gov/ojstatbb/ezacjrp/>

² Durose, M. R., Cooper, A. D., & Snyder, N. (2014). *Recidivism of prisoners released in 30 states in 2005: Patterns from 2005 to 2010*. Washington, DC: US Department of Justice, Bureau of Justice Statistics. Available at <http://www.bjs.gov/content/pub/pdf/rprts05p0510.pdf>

youth and young people of color, who are overrepresented in the child welfare, juvenile justice, and criminal justice systems. This includes interventions designed to prevent entry into these systems.

While many community-based youth development programs are open to all young people in the community, for the purposes of this PFS competition, NCCD is interested in partnering with organizations that (1) intentionally focus resources on youth, families, and communities who are most at risk of or most impacted by involvement with the child protection or justice systems; and (2) are using data to monitor interventions for the purpose of supporting improved outcomes. These interventions may include programming that supports youth and young people at risk of system involvement, those that are system-involved, and system-involved young people as they transition into adulthood. Potential programs include but are not limited to those that provide one or more of the following:

- Transitional or post-system involvement support, mentoring, services, and/or case management;
- Assistance with high school/GED completion, post-secondary school enrollment and persistence, and/or post-secondary training;
- Family support services, including parenting support for system-involved young parents;
- Leadership and civic engagement training and opportunities;
- Interventions that promote alternatives to violence, including alternatives to retaliatory violence; and
- Safer living environments, and supports and training to maintain a safe living environment.

Organizations that operate non-traditional and innovative support programming that has been demonstrated to be promising or effective are encouraged to apply.

Eligibility Requirements

1. Applicants must be state, local, or tribal government entities or nonprofit organizations (including faith-based organizations, community-based organizations, and institutions of higher learning) in the United States. Collaborative applications from a jurisdiction are strongly encouraged and must be submitted by the lead organization. Each application can have only one lead organization.
2. Applicants must request technical assistance in determining the viability of a PFS transaction that uses a youth development intervention, which is defined as an intervention that prepares youth for success in school, active citizenship, productive work, and healthy and safe lives.

3. Applicants must specifically address how they anticipate the proposed intervention will improve outcomes for youth and young people of color who are involved with, or at risk of entering, the child welfare and/or justice systems. This may include safely preventing entry into one or both of these systems.
4. Successful applicants will be required to provide in-kind **or** cash match funding, valued at no less than \$50,000, from non-federal sources. In-kind match funding may be provided through dedicated staff time for project management, information gathering, establishing data-sharing agreements, and other tasks as needed to complete the mutually established work plan. Cash match funding may be provided through any non-federal cash funding, including philanthropic grants.
5. Successful applicants will be required to enter into a Memorandum of Understanding with NCCD that details the terms and conditions required for receipt of the requested technical assistance, which include but are not limited to:
 - Providing in-kind or cash match funding, valued at no less than \$50,000, from non-federal sources. In-kind match funding may be provided through dedicated staff time for project management, information gathering, establishing data-sharing agreements, and other tasks as needed to complete the mutually established work plan. Cash match funding may be provided through any non-federal cash funding, including philanthropic grants;
 - Entering into data-sharing agreements and providing case-level data from juvenile justice, child protection, and/or educational systems as needed to complete feasibility assessment activities;
 - Recognizing affiliations with NCCD and the Social Innovation Fund; and
 - Participating in knowledge-sharing activities regarding processes, tools, and products developed as part of the feasibility assessment process.

Provision of Technical Assistance to Support a PFS Feasibility Assessment

Applicants who are selected will receive extensive technical assistance from NCCD and its award partners—the City University of New York Institute for State and Local Governance, Kirkland & Ellis LLP, Potrero Impact Investing, and the Raben Group—to support the completion of a PFS feasibility assessment. This technical assistance may include one or more of the following components. (A specific work plan will be developed with each selected applicant.)

- **Stakeholder engagement, facilitation, and project planning:** Provide onsite and remote-based technical assistance to bring stakeholders together for the purposes of refining and focusing the proposed intervention; developing consensus on the feasibility assessment project’s goals, objectives, and work plan; cultivating stakeholder commitment and buy-in; and developing data-sharing agreements. Stakeholders are critical to a successful feasibility assessment, and in PFS transactions, they include but are not limited to government leaders, nonprofit

organizations/service providers, potential investors, and leaders from affected communities.

- **Identifying the target population:** Apply extensive subject-matter expertise and experience in applied analytics and complex data systems to (1) test assumptions about the target population(s); and (2) estimate potential program impact on this population.
- **Process flow analysis:** Conduct process flow analyses of programmatic components of the PFS project, in order to thoroughly understand how individuals will move through and experience the intervention; identify how the intervention could be improved; establish a quality assurance process to increase the likelihood of program fidelity over the course of the PFS timeline; improve reporting processes for purposes of data collection; fine-tune these processes for the identified target population; and document hiring and training policies and procedures.
- **Articulating anticipated program impact and cost savings:** Develop logic models for each intervention and identify the necessary resources and potential limitations or constraints; propose strategies to address identified constraints related to program implementation. Facilitate a request-for-information process to identify an appropriate service provider(s). Calculate the anticipated costs and benefits of the proposed intervention by building on the target population analysis and factoring in (1) the financial cost of the intervention as compared to the financial costs of continuing current practices; and (2) other potential sources of cashable savings that will be realized over time, through implementation of the intervention.
- **Defining success and mitigating risks:** Clearly define outcome success metrics, in order to set a foundation for future structuring of success payments for demonstrated outcomes; assess the potential risks associated with the defined success metrics; and develop mitigation strategies to prevent any unintended harm to the target population that might result from the provision of financial incentives for specific outcomes.
- **Developing a high-level evaluation design:** Assess the specific circumstances that surround each potential intervention, in order to determine a low-cost and accurate means of measuring levels of impact on intervention performance metrics.
- **Early communication with potential funders:** Share information about the developing social investment opportunities provided by the PFS project with individuals and foundations who have an interest in impact investing.

Application Activities and Timeline

All applications must be submitted through ZoomGrants, at [this webpage](#).

- January 4, 2016: The question and response period opens.

- January 12, 2016: NCCD will hold a webinar to explain the application process and eligibility; register for the webinar [here](#).
- February 12, 2016: The question and response period closes.
- February 19, 2016: Complete applications are due no later than 5:00 p.m. PST.

Questions about the RFP:

NCCD staff are available during the question and response period to discuss the elements of the application, eligibility criteria, and PFS as a funding model. Each potential applicant can receive up to two hours of specific assistance from NCCD staff regarding this solicitation. Assistance will be provided by phone and email. If needed, frequently asked questions and facts that are generally applicable (i.e., not specific to a particular jurisdiction) will be posted on the NCCD website, and updated as questions arise.

Contact NCCD by email at payforsuccess@nccdglobal.org, or by telephone at (800) 306-6223, with questions or to schedule a time for individual assistance related to this solicitation.

Webinar

An informational webinar on this RFP will be held on January 12, 2016, from 1:00 to 2:30 p.m. EST. Register for the webinar [here](#).

Application Details

Each applicant will need to submit a complete application via ZoomGrants. Applications must be submitted at [this webpage](#).

The application includes the following fields and questions.

- Application title/project name
- Lead organization and primary contact person
- CEO/executive director of lead organization
- Additional contacts for the application (email only)

Questions (100 total points possible)

1. **Project leadership** (20 points possible; no more than two pages/6,000 characters): Describe the leadership capacity of the lead organization to spearhead a PFS feasibility assessment; the level of experience the lead organization has with successfully developing and implementing projects that require development of a shared vision of success and strong collaboration in implementation; and any knowledge or experience the lead organization has with the PFS funding model. List all organizations engaged in the application and any organizations or system stakeholders that have been identified as needing to participate in feasibility assessment activities. Describe any current or previous collaborative projects undertaken by organizations included in this application, including the impact of those activities.

- a. Applications submitted by a public child welfare or juvenile justice organization as the lead organization will be given priority consideration.
 - b. For applications in which the lead organization is not a public child welfare or juvenile justice organization, the lead organization is strongly encouraged to provide a letter of commitment from a director of a public child welfare and/or juvenile justice organization that commits the organization to full participation in the feasibility assessment.
 - c. Letters of commitment from additional stakeholder organizations are encouraged, but are not required.
2. **Description of intervention and evidence of impact** (30 points possible; no more than three pages/9,000 characters): Describe the specific high-quality service/intervention the applicant has identified; whether that service is currently provided within the jurisdiction; and how the service will increase in scale or be initially implemented by service providers in the jurisdiction. Describe other services currently provided within the jurisdiction to youth who are involved, or at high risk of involvement, with the justice or child welfare systems; and describe how the proposed service will integrate with or supplant other services, support, and/or supervision provided to youth involved in one or both of these systems. Summarize any outcome evaluations of the identified program, provide a citation for published evaluations, and attach copies of evaluation documents that are not publicly available. Describe how the scaling up or initial implementation of this program is expected to improve outcomes for system-involved or high-risk youth or young adults.
 3. **Significant need** (20 points possible; no more than two pages/6,000 characters): Describe the proposed intervention's target population. State the current and historic needs of the target population, focusing on impacts felt by children, youth, and families of color. Describe the relevant disparities between the target population and the local, state, or national population, as applicable. Describe any previous or current activities undertaken by the lead organization or collaborators to improve outcomes for children, youth, and families of color involved with the juvenile justice or child welfare systems—specifically, any interventions intended to reduce system involvement for youth in high-disparity communities and/or population subsets.
 4. **Credible data and established data-sharing agreements/commitments** (15 points possible; no more than two pages/6,000 characters): NCCD's team will need access to client-level and cost data to complete the target population analysis and the cost-benefit analysis. Describe the relevant case-level data that will be available for these analyses, as well as the ways in which the organization(s) currently use data to inform management decisions. Include descriptions of case-management and/or client-related data systems; also describe any fiscal or program cost-related data systems. For the cost-benefit analysis, applicants must be able to provide both client-level and cost data for service delivery and projected savings, including a line-item budget containing both the previous and current year's actual numbers and projections, and must be able to track internal and external staff time dedicated to program services. Organizations must also be able to reliably track services received by each client.

Include a description of any existing data-sharing agreements among stakeholder organizations, as well as processes to secure third-party data-sharing agreements, and any

known requirements for or barriers to securing client-level data from stakeholder organizations for the purposes of system improvement. Applicants are encouraged to attach copies of any existing data-sharing agreements between stakeholder organizations. The documents should describe methods of analysis, including matching algorithms for cross-systems research.

- 5. Readiness and commitment of resources** (15 points possible; no more than two pages/6,000 characters): Describe the jurisdiction's readiness to explore PFS by identifying local government leader(s) who have a commitment to PFS, actions that have demonstrated this commitment, and their expected role(s) in this project. If the executive director of the lead organization is someone other than a local government leader, describe the organizational leadership's commitment to PFS and their expected roles in this project. Describe the lead organization's commitment to fully staff their work on the feasibility assessment by identifying designated staff and the percentage of time that staff will commit to PFS knowledge-building, planning meetings, gathering information, document development and review, information-sharing with stakeholder organizations, and other work related specifically to feasibility assessment tasks. This section must include identification of a project lead who will be committed to this project no less than half time; a description of time commitment on the part of high-level decision makers, project support staff, fiscal staff, and data analysts; and a description of any commitments made by key partners to participate in the feasibility assessment. Commitments made by key partners must be accompanied by a letter of support describing their commitment. Applicants should also include a description of how they intend to meet the required in-kind or cash match funding.

Review and Award Process

NCCD and its award partners will perform a review of all complete and eligible applications. A small number of top applicants will be offered an interview to discuss their application and respond to any specific questions or concerns. Interviews will occur by phone, video conference, or in person during a site visit to the applicant's location, at the discretion of NCCD. The same interview method will be offered to all top applicants.

After the interviews, award decisions will be made and announced. Final selection will be based on a combination of the peer review process, interview with the applicant, and due diligence information-gathering regarding the applicant's capacity to effectively commit resources and provide local leadership for the feasibility assessment tasks.

In addition, NCCD may consider other balancing factors, such as geographic and issue-area diversity of projects already in development, in order to determine where technical assistance would be of greatest value to the PFS field. NCCD may consult with technical assistance providers funded by the Social Innovation Fund, the Urban Institute, and others, both to determine whether joint technical assistance may be warranted and to maximize the reach of technical assistance resources.

It is anticipated that top applicants will be offered an interview scheduled for the week of March 7, 2016, and that awards will be announced no later than March 31, 2015.

NCCD is a proud grantee of the Social Innovation Fund Pay for Success Program.