



FOR IMMEDIATE RELEASE

### THIRD SECTOR CAPITAL PARTNERS UNVEILS FIVE AWARDEES AS PART OF NATIONAL PAY FOR SUCCESS COMPETITION

*Awardees will receive technical assistance to develop national models for Pay for Performance contracting in the area of youth workforce development.*

Boston, MA – April 13, 2016 – Third Sector Capital Partners, Inc. (Third Sector), a grantee of the Social Innovation Fund’s Pay for Success program, announced today the selection of five awardees to receive federally funded technical assistance to assess the feasibility of implementing Pay for Performance (“P4P”) in the area of youth workforce development. Annually, state and local workforce boards receive over \$800 million in federal funding for youth workforce development programs. Third Sector’s goal is to transition these funds into more outcomes-based contracts by positioning awardees as national models for scaling P4P contracting.

The five awardees (“Sub-Recipients”) are:

- **Austin, TX** – Workforce Solutions Capital Area will explore how P4P can improve education and employment outcomes for Opportunity Youth through the Back on Track Through College model.
- **Boston, MA** – The Economic Development & Industrial Corporation of Boston/Office of Workforce Development will explore how P4P can build upon current achievements in financial literacy and job readiness for youth through its Summer Youth Employment Program.
- **Denver, CO** – The Denver Office of Economic Development will explore how P4P can improve outcomes for youth facing workforce barriers such as homelessness, involvement with foster care or justice systems, or disabilities. These include education and employment outcomes and increased self-sufficiency.
- **Northern Virginia** – The SkillSource Group, Inc., the nonprofit entity of the Northern Virginia Workforce Development Board, will explore how P4P can improve outcomes in educational attainment, sustainable employment and criminal behavior for youth involved in the foster care and juvenile justice systems.
- **San Diego, CA** – The San Diego Workforce Partnership will explore how P4P can improve education, employment, and recidivism outcomes for youth involved in the juvenile justice system, and is willing to stand as a model to other California counties interested in outcomes-based payments in the public sector.

Through the Workforce Innovation and Opportunity Act (WIOA), new funding dollars for PFS are being made available to states. Specifically, WIOA permanently establishes pay-for-performance (a form of PFS) as an eligible use in all three of its funding streams (Adult, Youth, and Dislocated Workers), allowing states to use a portion of their Governors’ Reserve set-aside funds, which are set at 15% of their total formula funds in the coming program year, and authorizing local workforce boards to devote up to 10% of total funds toward pay-for-performance programming. Together, the Sub-Recipients receive over \$10 million a year in federal WIOA funding for youth, which they will explore deploying in P4P contracting models.

“We are excited to work with our awardees to leverage WIOA funding for pay for performance initiatives,” said Third Sector Co-Founder and Co-President Caroline Whistler. “Support from the Social Innovation Fund has expanded Third Sector’s work developing scalable Pay for Success projects across the country.”

This SIF-funded technical assistance aims to advance performance-based initiatives that promote long-term outcomes in Youth Development and Economic Opportunities. These issue areas are consistent with the priorities of the WIOA Youth Program: career exploration and guidance, support for educational attainment, opportunities for skills training in in-demand industries and occupations, and culminating in a good job along a career pathway or enrollment in post-secondary education.



The five Sub-Recipients will each receive specialized technical assistance services to develop a blueprint for the construction of a viable PFS project specific to their region. To deliver the technical assistance, Third Sector is partnering with Abt Associates, America Forward, National Association of Counties, and National League of Cities.

In 2014, Third Sector received \$1.9 million from the Social Innovation Fund (SIF), a program of the Corporation for National and Community Service, to help strengthen the pipeline of state and local governments and service providers prepared to implement PFS projects. Third Sector's first cohort of awardees has been working since mid-2015 to advance PFS in nine jurisdictions.

"The Social Innovation Fund is eager to support this new slate of sub-recipients that will receive Third Sector's expert advisory services to design high-quality Pay for Success projects in the field of workforce development," said SIF Director Damian Thorman. "Through SIF's investment in building capacity for cutting-edge Pay for Success projects, more local and state governments across the country will allocate their resources in a smarter way. From reduced involvement in the juvenile justice system, to increased employment for at-risk youth and young adults, we look forward to these projects driving better outcomes for those most in need."

Pay for Success (PFS) is an innovative contracting model that drives government resources toward high-performing social programs in areas such as poverty, education, child welfare, recidivism, homelessness, and wellness. PFS contracts track the effectiveness of programs over time to ensure that funding is directed toward programs that succeed in measurably improving the lives of people most in need.

#### **About Third Sector Capital Partners, Inc.**

Third Sector leads governments, high-performing nonprofits, and private funders in building evidence-based initiatives that address society's most persistent challenges. As [experts](#) in innovative public-private contracting and financing strategies, Third Sector is an architect and builder of the nation's most promising [Pay for Success](#) projects including those in [Commonwealth of Massachusetts](#), [Cuyahoga County, Ohio](#), and [Santa Clara County, California](#). These projects are rewriting the book on how governments contract for social services: funding programs that work to measurably improve the lives of people most in need while saving taxpayer dollars. A 501(c)(3) nonprofit based in Boston and San Francisco, Third Sector is supported through philanthropic and government sources, including a grant from the Corporation for National and Community Service's [Social Innovation Fund](#).

#### **About Third Sector's SIF Award Partners**

**Abt Associates** is a mission-driven, global leader in research and program implementation in the fields of health, social and environmental policy, and international development. Known for its rigorous approach to solving complex challenges, Abt Associates is regularly ranked as one of the top 20 global research firms and one of the top 40 international development innovators. The company has multiple offices in the U.S. and program offices in more than 40 countries.

**America Forward** is a national non-partisan policy initiative, spearheaded by the nonprofit social innovation organization and venture philanthropy fund New Profit, Inc. We unite national policymakers with innovators who lead high-impact and results-driven organizations, to advance a public policy agenda that champions innovative and effective solutions to our country's most pressing social problems.

**The National Association of Counties (NACo)** is the only national organization that represents county governments in the United States. Founded in 1935, NACo assists America's 3,069 counties in pursuing excellence in public service to produce healthy, vibrant, safe and resilient counties. NACo promotes sound public policies, fosters county solutions and innovation, promotes intergovernmental and public-private collaboration and provides value-added services to save counties and taxpayers money.



**The National League of Cities (NLC)** is dedicated to helping city leaders build better communities. NLC is a resource and advocate for 19,000 cities, towns and villages, representing more than 218 million Americans. The Institute for Youth, Education, and Families, an action tank within NLC, helps municipal leaders take action on behalf of the children, youth, and families in their communities.

**About the Corporation for National and Community Service**

The Corporation for National and Community Service is a federal agency that engages more than five million Americans in service through its AmeriCorps, Senior Corps, Social Innovation Fund, and Volunteer Generation Fund programs, and leads the President's national call to service initiative, United We Serve. For more information, visit <http://www.nationalservice.gov/>

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