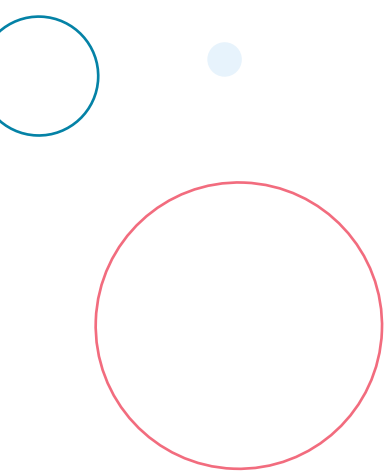


Empowering Families: Partnering with Communities to Deliver Outcomes





Communities across the country use a variety of methods to foster the well-being of families. A whole family approach where services are provided to both adults and children in a coordinated way allows the potential for creating economic well-being that continues from generation to generation. And while local and state government pursue whole family and two-generation approaches, there is still a critical need to advance how these approaches are implemented in order to disrupt the cycle of poverty.

In the course of delivering human services to children and families, local and state governments collect vast amounts of information, yet many government agencies are unable to use that valuable data to assess program impact and improve quality. This is because data are rarely connected across the multiple agencies which serve children and their families. Furthermore, this integrated view is almost never used to allocate public funding. In the absence of integrated data and outcomes-oriented contracting, governments struggle to make informed decisions about how to spend public dollars or engage in the continuous improvement required to truly make a difference in people's lives.

Third Sector collaborates with federal, state, and local government agencies to help ensure that public funding drives positive results.

We are able to accomplish all of this by:

- Starting with an implementation mindset, we engage stakeholders across agencies and providers and within the community to collectively articulate a vision. We put the human experience at the center of the strategic priorities.
- Building a baseline understanding from existing and accessible data sources and identifying data sharing pathways, potential for inter-agency agreements, and continuous improvement forums and practices.
- Looking at whole systems and the full-service life cycle from concept inception to measurable results.
- Crafting structures that help providers exceed their goals and continually improve outcomes by analyzing existing local data and services to develop customized outcomes and incentive structures.



The Empowering Families Initiative

Supporting State and County Government Agencies to Achieve Better Outcomes for Families

In 2018, Third Sector partnered with six state and local government agencies with the goal of demonstrating how government agencies could align Two-Generational social services to outcomes using strategies such as innovative contracts and data sharing agreements. The Empowering Families Initiative provided two years of individualized Technical Assistance (TA) from Third Sector on outcomes-based contracting strategies, while Actionable Intelligence for Social Policy (AISP) at the University of Pennsylvania provided support in developing integrated data systems.

Through the Empowering Families Initiative, government agencies in Iowa, Colorado, Connecticut, Massachusetts, Florida, and North Carolina collaborated to explore ways to:

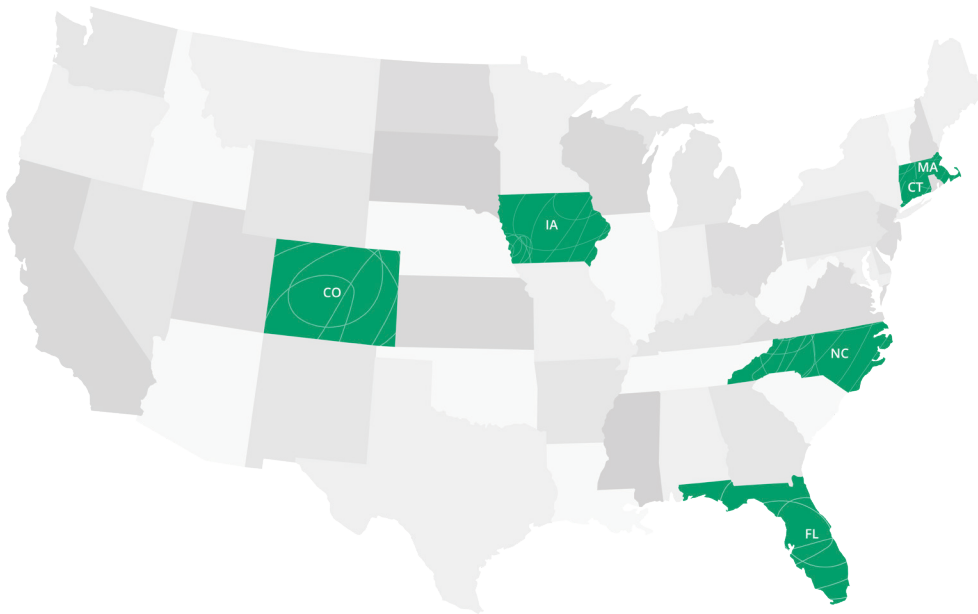
- Create an Outcomes Strategy including stakeholder engagement and strategic planning
- Improve Procurement and Contract Performance to better achieve outcomes
- Craft Effective Incentive Structures to support alignment and coordination

This cohort of six agencies formed a national learning community through a mix of virtual and in-person convenings where they received group-based TA, shared learnings, networked, and supported each other. Together, the group of peers challenged and learned from each other. And they progressed further in their outcomes journey by working together than they would have if they had gone alone. The strategies and tools they created and implemented are allowing them to shift hundreds of millions of dollars in contracts to drive improved outcomes year after year, benefiting thousands of children and families across the country.

Empowering Families At A Glance



Six state & local governments agencies that
deliver social services



1. Colorado Department of Human Services
2. Connecticut Office of Early Childhood
3. Iowa Department of Human Rights
4. Children's Services Council of Broward County (FL)
5. Commonwealth of Massachusetts
6. North Carolina Department of Health and Human Services

EMPOWERING FAMILIES RESULTS



90+

outcomes-focused
contracts created
impacting more than
70,000 individuals



\$170M

in funding deployed through
outcomes-focused contracts



1

State-Level Data
Sharing Agreement
involving 14 agencies

GOVERNMENT AGENCY SATISFACTION

- **100% strongly agreed that** Empowering Families was valuable to them as agencies administering/contracting or funding social services
- **100% said they would participate in** Empowering Families again, or a similar type of initiative
- **100% said they would refer** Third Sector to another agency
- **50% of agencies have** immediately engaged Third Sector in paid follow-on work
- **100% are actively engaged** in Third Sector's Alumni Network

Our Learnings

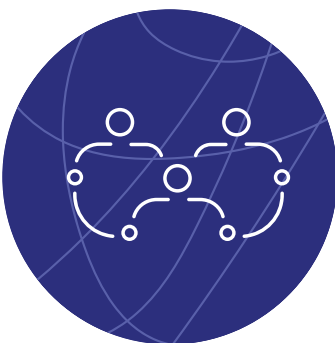
Through the work of the Empowering Families cohort, we now have a deeper understanding of where hurdles exist and what support is needed to implement the changes to better connect publicly funded resources to results for families. As each site explored and worked through developing an outcomes strategy, the related data sharing and analysis, the procurement to contract life cycle, and the potential for effective incentive structures, we collectively gained learnings and insights:



OUTCOMES STRATEGY

Achieving better outcomes is a collective effort that requires an aligned coalition of partners and stakeholders

There is universal agreement across the cohort that the process for defining outcomes goals and targets for services should be done with community stakeholders and not to them or for them. Accordingly, each agency we worked with created and/or increased opportunities for (some combination of) providers, program participants, and community stakeholders to provide feedback on services—from design and procurement to delivery and evaluation. Government agencies also engaged with and built systems for their internal and external allies to become partners in the outcomes achievement process. Internally, this meant engaging with parties not directly leading these efforts (e.g. the accounting unit) to build an understanding of and support for the outcomes being pursued. Externally, agencies developed and/or strengthened partnerships with other government agencies that deliver wrap-around services or collect data on the communities being served.



DATA SHARING AND ANALYSIS

While many agencies agree on the benefits of shared data, the required agreements and infrastructure are more often preliminary obstacles for agencies rather than an initial asset

The vision of a multi-layered picture that offers insight and tangible opportunities for improvement was shared across the cohort. Each site shaped a pilot designed to make steps towards implementing integrated data systems. Some sites made very tangible progress through inter-agency data sharing agreements, but many were challenged by the lack of access to government data to provide a comprehensive picture of outcomes for individuals and communities receiving services. Without the capability (infrastructure and access) to leverage data, the analysis needed to identify potential service improvements is far more difficult.



CONTRACT PERFORMANCE

Pilot projects are a catalyst for change within government and communities

Funding flexibility was a common obstacle. The traditional approach used by government agencies to fund service providers relies heavily on cost-reimbursement contracts. Without a strategic shift from contracting for services to contracting for outcomes, agencies will be unable to translate compelling insights from data into the strategies needed to drive meaningful impact.

One consistent strategy deployed by partner agencies across the Empowering Families cohort was the development of pilot projects within programs or divisions to identify and test process changes, demonstrate success, and begin to shift the prevailing mindset. In North Carolina, outcomes-based contracting is first being piloted in the state-wide Healthy Social Behaviors Program contract. This pilot (as well as similar ones across the Empowering Families cohort) serves as an example of potential strategies that could be deployed for other programs within the division and across the agency. Sharing the learnings from each pilot project is therefore critical. Each agency within the Empowering Families cohort worked to develop communication materials and to identify platforms to share learnings, as well as their plans for sustaining and scaling change.



SHARED INCENTIVE STRUCTURES

Government and provider agencies have embraced a collaborative approach to contract-based strategies for driving the focus on achieving better outcomes

Based on program and provider context, government agencies have wide discretion on leveraging financial (e.g. bonus payments) and/or non-financial incentives (e.g. data sharing) as contracting strategies to increase alignment on desired results for individuals and communities. Agencies across the Empowering Families cohort have employed both strategies. For example, the Colorado Department of Human Services piloted financial incentives by issuing bonus payments to providers for achieving specific targets identified in their contract. In Broward County, Florida, our partner developed data sharing strategies that enabled providers to continuously improve service delivery and see how their peers were performing. They also created opportunities for providers to share best practices with each other. These examples demonstrate that a contract that focuses on clearly defined goals and the use of data to not only measure goal attainment but to support real-time learning, and drive continuous improvement in service delivery, can yield more tangible results for children and families receiving services.



SHARED FOCUS LEARNING COMMUNITY

A cohort-based approach to providing technical support allows government agencies to reach higher and progress further as they learn together

In addition to receiving individualized technical support, the Empowering Families cohort of agencies participated in a learning community. The series of in-person and virtual convenings allowed agencies the chance to not only learn together and share, but also the chance to network and support each other as a community of peers tackling similar issues and driving towards a common goal. Government leaders have shared that the learning community convenings provided critical time and space away from their usual day-to-day work duties and environment to zero in on challenges and develop strategies for tackling them. As cohort convenor, Third Sector played a special role in making relevant connections within the cohort as well as across the wider network of agencies, philanthropies, and non-profits we work with.



Our Empowering Families Impact

The Empowering Families Initiative helped to accelerate each participating community in their efforts to ensure public funding drives positive and equitable results for their families. The experience offered an end-to-end guide for developing an outcomes strategy, improving data sharing and analysis, connecting service procurement and contract performance to outcomes, and designing effective incentive structures. Each community built projects to deeply explore the application of outcomes orientation and is now driving place-based strategies to move the needle on the desired outcomes for those they serve.

The work of the Empowering Families cohort members resulted in innovative approaches and meaningful results for children and families across the country. These projects were an important step for each of these agencies as they work to increase outcomes-based approaches for social service delivery. Ultimately, the exploration and implementation of the following strategies and tools is allowing these communities to shift millions of dollars to meaningful outcomes each year. Together these six agencies serve as proof points of what is possible and have made critical contributions to growing the movement to advance outcomes-oriented government.



OUTCOMES STRATEGY

Equitable Access to Child Care in Connecticut

The Connecticut Office of Early Childhood (OEC) administers state and federally-funded child care and early childhood education for more than 30,000 families in the state of Connecticut. The establishment of the OEC in 2013 united staff and funding from five state agencies. While this unification consolidated staffing and funding, a lack of alignment across OEC's programs persisted. This left many families forced to navigate a burdensome system with different applications and eligibility requirements.

OEC is creating opportunities to engage providers and families for feedback and using feedback to inform policy changes in OEC's 2019-2021 Federal Child Care Development Fund Plan. These efforts were possible because of significant early wins including:

- **Increased Staff Capacity and Skills:** OEC staff were tasked with rethinking program design, community engagement, and procurement processes.
- **Partnerships to Enable Family Centered Programs:** OEC strengthened cross-agency partnership with the Connecticut Coalition to End Homelessness (CCEH) to increase access to childcare supports for families experiencing homelessness, worked with Connecticut State Colleges and Universities (CSCU) to explore increasing access to childcare supports for student-parents, and supported the establishment of family childcare networks.
- **Fostered New Approaches for Engaging Community:** OEC deepened collaborative relationships with service provider working groups and community partners in support of its vision of developing a more holistic early care and education field across Connecticut. OEC partnered with Third Sector to facilitate conversations with providers on the impact of short-term policy changes, and these groups continue to meet to inform OEC's long-term strategic vision.



OEC set-out to break down agency silos, improve staff capacity to support long-term strategic planning, and build alignment across Early Care and Education programs. This culminated in four key action areas:

1. **Community Driven Action Planning:** Hosted statewide series of action sessions in February of 2018 among legislators, foundations, providers, and families to translate pain points in the system into short-term, mid-term, and long-term priorities.
2. **Capacity Building for Agency Staff:** Conducted interactive design sessions grounded in common frameworks which led to the prioritization of outcomes metrics as they develop two-generation pilot projects that will influence long-term policy decisions.
3. **Recommendations for Legislative Reform:** Supported legislative reform, including House Bills 5169 and 5449 and Senate Bill 437, during the 2018 Legislative Session that increases access to childcare for children experiencing homelessness, prioritizes infants and toddlers on the childcare subsidy waitlist, and authorizes a 2% funding carve out for piloting program improvements and evaluation.
4. **Policy Alignment:** Drafted OEC's 2019-2021 Federal Child Care Development Fund (CCDF) Plan and reformed agency-level policies leveraging national best practices, two-generation approaches, and the community action plan. Federal funding stream policy work included strengthening cross-agency partnerships with Connecticut State Colleges and Universities to improve outcomes for under-served populations.

The Connecticut Office of Early Childhood was established in 2013 to coordinate and improve the various early childhood programs and components in the state to create a cohesive, high-quality early childhood system.

"We wanted Third Sector to help us mature as an agency by engaging a broad group of stakeholders to focus on goals and impact across the Early Care and Education system to better serve families."

- Mary Farnsworth, Former Director of Strategic Planning,
Office of Early Childhood



OUTCOMES STRATEGY

Advancing a Whole-Family Approach to Economic Well-Being and Stability in Iowa

The Iowa Department of Human Rights (Iowa DHR) has helped shape the national landscape on economic self-sufficiency through its Family Development and Self-Sufficiency (FaDSS) program. In 2018, FaDSS services improved the quality of life of over 2,800 families at risk of long-term welfare dependency or family instability by creating opportunities for economic well-being and stability.

The program has historically focused on short-term support aimed at helping families graduate from cash assistance within the complex web of Temporary Assistance for Needy Families (TANF) programs. Despite significant overlap in individuals and families served between various TANF programs, there were barriers to collaboration and data sharing across agencies. Programs often focused on short-term outcomes instead of the whole-family supports needed to realize longer-term outcomes that lead to economic well-being and family stability.





Iowa DHR is fundamentally shifting how it ‘partners with’ providers and families to advance whole-family approach to development and self-sufficiency. It began with four FaDSS providers co-designing whole-family enhancements to their programs. This includes:

- Harmonize program components and expand eligibility requirements to provide critical support to the growing number of TANF disconnected families.
- Pursue data sharing agreements between agencies and providers to make navigating the system easier for families while enabling providers to develop a system-wide, whole-family view.
- Enhance the focus on long-term outcomes through redesigned program provider contracts that promote innovation in service delivery. This includes three-year family outcomes achievable by addressing the intersecting needs of parents and children.
- Test strategies to counter potential adverse effects, such as when a family becomes ineligible for a service because of a marginal increase in their income. This includes leveraging policy flexibility and deploying engagement strategies to extend program engagement and reduce TANF reentry rates.
- Ongoing engagement with providers and families on policies and programs in order to bring families to the center of decision-making.

“Third Sector’s help with focus groups was just so crucial, everything we [Iowa DHR] did from there on tied back to family or provider feedback and has really helped us push for systems change.”

—Kelly Davydov, Program Manager, Iowa DHR



Iowa DHR set out to “shift the culture within Iowa’s TANF system from ‘service for’ to ‘partners with’ working parents [and service providers] as assets and partners” (as per Iowa Family Leadership in Policy and Practice Change). Critical activities in the development of this transformative vision and pilot were:

- Provider and family feedback was captured through a series of focus groups and surveys to better understand a family’s experience and the interface between policies and families. This included direct input to identifying the strengths of current programs and developing recommendations for policy and program enhancement.
- Agency stakeholder feedback was consolidated and leveraged to address the barriers to progress (e.g. policy and data capacity) in an outcomes-focused action plan which, once drafted, was taken back to stakeholders for review and prioritization of actions steps.
- A pilot co-designed with providers that uses the whole-family approach. This was achieved through a series of workshops to build a shared understanding of two-generational principles and by empowering providers to create solutions to program barriers.

Iowa Department of Human Rights (Iowa DHR) advocates for underrepresented Iowans and fosters hope within our communities by educating individuals, businesses and government entities about the needs, rights, and responsibilities of all Iowans.





DATA SHARING AND ANALYSIS

Commonwealth of Massachusetts Launches Cross-Agency Data Sharing Agreement to Improve Coordination Across State Agencies

State and federally funded public assistance programs are designed to support a multitude of basic needs, such as food and housing, in order to promote economic stability and mobility. As individuals and families transition from moments of crisis to short-term stability and eventually self-sufficiency and economic mobility, they are expected to identify their own needs and navigate siloed processes to secure the right mix of supports. Recognizing that intergenerational cycles of poverty are reinforced by this fragmented system, the Baker-Polito Administration launched the Learn to Earn (LTE) Initiative in 2017. LTE is a cross-agency, multi-pronged initiative intended to improve coordination of public benefits and education and workforce programs to help unemployed and underemployed individuals and families access and sustain a path to economic mobility. One key aspect of LTE is sharing and analyzing data to identify and better understand the individuals and families currently receiving one or more public benefits and interacting with multiple agencies' programs.





The Commonwealth sought to create intentional and impactful coordination across agencies to promote better services, experiences, and outcomes for individuals and families receiving public assistance. The LTE “Data Team,” supported by Third Sector, aimed to advance this goal by, for the first time, using shared agency data across nine agencies and six public assistance programs to systematically track shared client populations, benefits utilized, and outcomes achieved.

1. **Utilized statewide Memorandum of Understanding (MOU)** which provides a general legal framework and processes for data sharing at scale, signed by all nine Executive Branch secretariats and all of the state agencies accountable to them in the fall of 2018. The LTE data team used this framework for the first time, thereby paving the way for future data sharing agreements.
2. **Signed largest Data Use License Agreement (DULA)** which was the first data sharing project facilitated through the new statewide MOU process. The LTE DULA was signed in May 2019 by 14 agencies – five secretariats and the nine agencies accountable to them.
3. **Strengthened Communication and Understanding across 14 state agencies**
The LTE Common Client DULA will enable us to learn more about how families currently participate in these programs and how that participation relates to educational attainment, income, and employment.

Moving forward, the Commonwealth plans to apply these tools and relationships to better understand and improve policy and outcomes for individuals who rely on public benefits throughout the Commonwealth.

“For the first time, state agencies will have access to actionable cross-agency data to inform and guide policymaking.”

– Ann Reale, Undersecretary and Chief Operating Officer,
Executive Office of Education



The LTE Data Team had three primary goals: (i) to align on the shared goals, use cases, and mutual benefit of sharing data for the participating agencies, (ii) to identify the data available to address those goals, and (iii) to establish governance structures and technological protocols in order to ensure that the data was secure, protected, and only used for the agreed-upon purposes. Third Sector supported the LTE Data Team through project management and stakeholder engagement:

1. **Establishing Relationships Across Agencies and Secretariats:** Throughout the Learn to Earn initiative, individuals from across five secretariats and the nine agencies accountable to them were called upon for their input and buy-in which resulted in greater understanding of other agencies' needs. Third Sector supported the content creation for and facilitation of monthly large Working Group meetings (40+ individuals across 14 agencies) and bi-weekly small group meetings across 3 subcommittees: (i) Value Extraction and Learning (i.e. policy), (ii) Technology and Security, and (iii) Governance (i.e. legal).
2. **Drafting the DULA:** Third Sector developed frameworks to address broader issues related to privacy protection, data ownership, usage rights, and architecture that will expedite the process of accessing data at scale. The DULA was signed by all inter-agency parties in May of 2019.

The Commonwealth of Massachusetts The Learn to Earn Initiative (LTE), is a comprehensive approach to providing unemployed and underemployed individuals who are receiving assistance from public benefit programs with the supports, skills, and credentials they need to gain and retain employment in occupations for which employers have persistent demand. LTE Partnerships will develop and test models to serve participants in the context of their family/ household. LTE Programs will help participants set and achieve goals necessary for employment and sustained economic stability, such as maintaining and growing family net resources and minimizing the real or perceived potential impact of increased earned income on benefit receipt, including improving coordination across benefit programs and reducing benefit cliff effects.

"Third Sector helped us drive the ground strategy in getting the Commonwealth from shared vision to an implemented data use license agreement."

- Greg Norfleet, Former Senior Director of Strategic Innovation, Office of the Governor

PROCUREMENT AND CONTRACT PERFORMANCE

Advancing Equity and Outcome Goals Through Agency-Provider Co-Creation

The Children's Services Council of Broward County (CSC Broward) has made an explicit commitment to addressing structural racism and eliminating racial disparities in program outcomes for the children and families they serve. CSC Broward has operationalized a series of initiatives to tackle disparities, including: program realignment to prioritize individuals and communities with the highest need, structured engagement with program participants and their families, investment in provider collaboration, and sharing decision-making power between CSC Broward and its providers.

CSC Broward piloted improvements to their procurement practices intended to strengthen provider relationships, make data actionable, and advance equity. These services seek to reduce the incidence of abuse and neglect and improve family functioning. Together they make up ~\$12 million of CSC Broward's annual budget.

CSC Broward now has replicable processes and organizational capacity for furthering its commitment to equitable relationships with providers. CSC Broward is using their enhanced engagement and procurement model developed with their Family Strengthening program to learn from and scale to other programs.



As co-creators and partners, CSC Broward-funded providers now have:

- Increased access to service delivery data.
- A better understanding of how to use that data to support program success.
- Access to regular co-learning opportunities with CSC Broward to co-create program solutions to improve outcomes for all of Broward's children and their families.

The process of building equitable relationships with Family Strengthening providers had three key components:

1. **Qualitative Front-Line Data:** CSC Broward completed a survey of Family Strengthening provider front-line staff. The survey sought answers to how staff uses data in program delivery and how they measure the success of program participants.
2. **Collaboration:** CSC Broward hosted a pre-RFP provider training that brought providers together to discuss data and systems barriers to program success.
3. **Process Change:** CSC Broward updated the Family Strengthening RFP to include "Learning Outcomes," program-related data points both existing and new recognized as valuable to collect. This is a way to foster ongoing learning and to engage providers as partners in the data analysis process. For example, several providers recommended collecting data on fathers since, traditionally, intake information captured one parent or caregiver often not the father. This co-creation of learning outcomes is fostering more equitable and relationship-oriented conversations with providers.

The Children's Services Council of Broward County is an independent taxing authority committed to enhancing the lives of the children of Broward County and to empower them to become responsible, productive adults through collaborative planning and funding of a continuum of services.

"We completely revamped the language in our RFP to focus on outcomes...now it is about moving forward to implement learning outcomes in the spirit of partnership with providers."

—Laura Ganci, Director of Research & Evaluation, CSC Broward County



PROCUREMENT AND CONTRACT PERFORMANCE

Enhancing and Aligning State Programs to Achieve Early Childhood Goals in North Carolina

The North Carolina Department of Health and Human Services

(NCDHHS), Division of Child Development and Early Education (DCDEE), and Third Sector collaborated through the Empowering Families Initiative to accelerate the goals of the state's Early Childhood Action Plan by enhancing and aligning the NC Pre-Kindergarten (NC Pre-K) and the Promoting Healthy Social Behavior in Child Care Centers (HSB) programs to support those goals.

DCDEE contracts with a range of service providers in support of achieving the state's vision for young children. Contracts with providers have focused heavily on measuring success through output and compliance indicators, such as dollars spent and the number of children served. Contracts have placed less attention on achieving mid- to longer-term outcomes like child developmental goals attained. Contracts lacked two-way data sharing agreements and pre-post assessment test performance reviews between the state and providers. Without these tools, it was difficult to foster continuous improvement, outcomes achievement, and outcomes validation.

"The practical application of Third Sector's recommendations [on service contracts] has created a critical appreciation for how valuable their technical assistance was... I don't think we would have gotten there without them."

– Anna Carter, Former Director of DCDEE



The changes set in motion by this project are driving a fundamental shift in the way service providers deliver and the children and early childhood workforce of North Carolina receive services.

1. **Outcomes-Focused Service Delivery:** Across the NC Pre-K and HSB programs, over \$165 million in services are being deployed across 90+ contracts. These contracts aim to support 5,000+ teachers and staff to drive better outcomes, such as improved kindergarten readiness, literary scores, and social and emotional development for 34,000+ children.
 - **North Carolina Pre-Kindergarten Program**, which provides high-quality pre-kindergarten educational experiences to enhance school readiness for eligible four-year-old children across the state, will take a multi-year, phased approach to becoming outcomes-based. It will develop baselines, systems, and program enhancements in the first phase and then implement incentives for program quality and outcomes in future phases.
 - **Promoting Healthy Social Behaviors in Child Care Centers Program**, which provides specialized consultation, technical assistance, and training focused on identifying, preventing, and addressing challenging behaviors and promoting social and emotional development of children in early childhood centers will begin to focus on outcomes immediately. The HSB program will pilot financial incentives for teachers to receive specialized training on the Pyramid Model and achieve a high level of fidelity implementation during service delivery.
2. **Continuous Improvement in Service Delivery:** DCDEE has strengthened the way it works with the 90+ providers that deliver the HSB and NC Pre-K programs. Both parties will share and receive data to support real-time continuous improvement in service delivery and drive better provider performance. DCDEE will also host provider convenings to review data and to provide a platform to share learnings, successes, and challenges.





Project activities focused on developing a division-wide vision that fit the DCDEE's context and aligned to the Early Childhood Action Plan goals such as kindergarten readiness, improved reading and math scores, and social and emotional development.

- **Starting Point:** Third Sector worked closely with DCDEE to assess its contracts and contracting processes. This assessment generated a deep understanding of existing contract groupings and the readiness for contracts and systems to focus on outcome goals.
- **Realizing the Vision:** An initial cohort of contracts was selected using criteria such as organization priority, data availability, and provider receptivity, with the goal of implementing a new focus on priority mid-to longer-term early childhood outcomes.
- **Plan to Scale Division-Wide:** To build off of the changes implemented with this first cohort of contracts, Third Sector built a toolkit, including a road-map for developing outcomes-focused contracts, to enable DCDEE to transition other contracts to be outcomes-focused and to actively work towards the vision for the Division.

North Carolina Department of Health and Human Services, of which the Division of Child Development and Early Education is a part, manages the delivery of health- and human-related services for all North Carolinians, especially its most vulnerable citizens – children, elderly, disabled, and low-income families.

“We wanted to rethink contracting and asked ourselves: can it be done more effectively, in a way that’s more impactful.”

– Anna Carter, Former Director of DCDEE



SHARED INCENTIVE STRUCTURES

Colorado Improves Family Economic Security with Workforce Pilot Program by Focusing on Outcomes

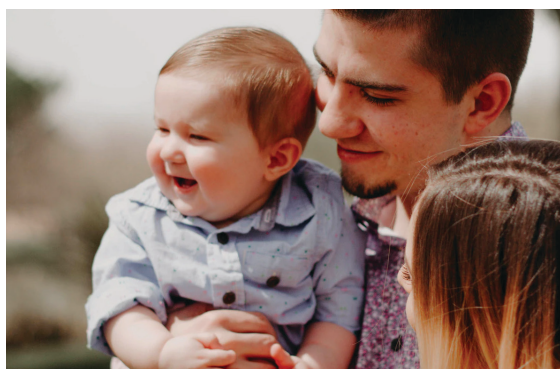
The Colorado Department of Human Services (CDHS) provides leadership and oversight for Colorado's 64 counties in the provision of high-quality health and human services that improve the safety, independence, and well-being of the people of Colorado. A key program is Colorado Works Subsidized Training and Employment Program (CW STEP). CW STEP helps connect at-risk populations who are eligible for basic cash assistance from federally funded Temporary Assistance for Needy Families (TANF) with crucial professional work experience. CDHS selected CW STEP program as an opportunity to foster cross-agency collaboration and to become the foundation for their outcomes-oriented contracting strategy.



- **Connected Resources with Outcomes Achieved:** CDHS amended the CW STEP provider contracts to explicitly focus on outcomes. These contracts include \$4M in annual TANF funding and \$100K set aside for bonus payments tied to a set of short- and long-term employment outcomes.
- **Increased Staff Capacity & Skills:** CDHS staff felt empowered and indicated that they learned a new skill set that enabled them to develop outcomes-focused contracts.
- **Increased Alignment on Goals & Performance:** Extensively engaged all five CW STEP service providers for input and partnership in cocreating outcome goals and performance levels, which created a shared understanding and replicable frameworks for use in future contract negotiations and program adjustments.

“As a government entity we often feel disempowered to do anything outside the mold. I hypothesized that having someone to guide and push us would let us change that culture around contracts.”

– Ki’i Powell, Director of the Office of
Economic Security, Colorado Department



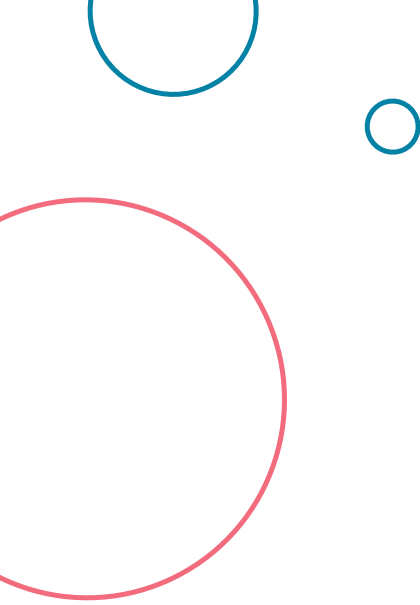
CDHS had two primary goals: (i) develop a replicable strategy to drive an enhanced focus on long-term employment outcomes, performance measurement, and provider collaboration within its contracts, and (ii) train and empower staff to lead and implement these efforts within their respective programs and functions. Third Sector supported CDHS by leveraging three areas of core expertise:

1. **Outcomes-Oriented Contracting Implementation:** Used decision-making frameworks to set outcome goals and financial performance incentives tied to long-term employment outcomes within the CW STEP program.
2. **Stakeholder Engagement & Facilitation:** Leveraged Third Sector as an independent third party to facilitate between CDHS and contracted service providers. This led to both parties co-creating outcomes goals and specific performance measures through a collaborative process.
3. **Cross-Agency Sharing:** Following the contract provisions implementation, the program shared relevant frameworks and learnings that emerged during the development process with other CDHS programs and state-wide networks.

Colorado Department of Human Services is the state agency that supervises counties' provision of health and human services across Colorado.

"Third Sector's engagement from leadership to program staff was instrumental in identifying the right fit for the project, and that's the reason we were able to get to a new amended contract."

— Tara Smith, Two Generation Program Coordinator,
Office of Governor John Hickenlooper



The Empowering Families Initiative was made possible with support from the following:

→ STATE AND LOCAL AGENCIES

- Children's Services Council of Broward County
- Colorado Department of Human Services
- Commonwealth of Massachusetts
- Connecticut Office of Early Childhood
- Iowa Department of Human Rights
- North Carolina Department of Health and Human Services

→ TECHNICAL PARTNER

- Actionable Intelligence for Social Policy, University of Pennsylvania

→ FEDERAL FUNDER

- Corporation for National and Community Service (Social Innovation Fund)

→ PHILANTHROPIC FUNDERS

- Connecticut Early Childhood Funder Collaborative
- The Duke Endowment
- Eastern Bank
- The Fund for Greater Hartford
- The Kresge Foundation
- New Profit
- The Prudential Foundation
- Santander Bank



About Third Sector

Third Sector is transforming the way communities connect people with vital services. We use funding, data, and incentives as levers to impact how governments, service providers, and community stakeholders work together. This process leads to quantifiable improvements in people's lives by creating new incentives to inspire sustainable operational changes within an organization. We work alongside communities to help realize a thriving future of educational opportunity, economic mobility, housing stability, and physical and mental health. We seek out and elevate diverse local perspectives and foster an inclusive environment where these voices are centered in the decision-making process. When Third Sector's work is complete, organizations entrusted to use public funds will have the systems, tools, and data to do more and do better for the people they serve. Since 2011, we have supported more than 40 agencies and shifted over \$805 million in contracts to measurably improve outcomes for people in areas such as education, health, and economic mobility. Third Sector, a 501(c)3 nonprofit, is supported by its work for governments and service providers as well as philanthropic and government grants.

To learn more, visit thirdsectorcap.org.