

## Consultation Paper

### *Changing the Odds for Disconnected Youth: Initial Design Considerations for Performance Partnership Pilots*

*Opportunity is who we are. And the defining project of our generation is to restore that promise.*

President Obama, State of the Union Address 2014

This Consultation Paper is intended as a background document for stakeholder engagement sessions related to Performance Partnership Pilots for Disconnected Youth. These pilots were authorized in the Consolidated Appropriations Act, 2014 (the Act) to test innovative, cost-effective, and outcome-focused strategies for improving results for disconnected youth. This paper was developed jointly by the Departments of Education (ED), Health and Human Services (HHS), and Labor (DOL) as well as the Corporation for National and Community Service (CNCS), the Institute of Museum and Library Services (IMLS), and the Office of Management and Budget (OMB), which are among the agencies that together are authorized to implement Performance Partnership Pilots using discretionary funds appropriated by the Act (Section 526 of Division H).

This paper provides context and proposes some initial design considerations related to the Federal objectives in implementing Performance Partnership Pilots. These considerations represent agencies' initial planning and remain subject to further decisions. The paper also offers key questions that can be used to facilitate discussions that can confirm, refine, or challenge potential design elements and offer responsible alternatives. Federal agencies will use this document to guide national webinars with the field, which will be recorded and posted publicly. Stakeholders are also invited to use it to guide more targeted discussions within their communities or networks and are invited to send feedback or questions to [disconnectedyouth@omb.eop.gov](mailto:disconnectedyouth@omb.eop.gov). Interested parties are also invited to respond to the paper by submitting optional letters of interest, indicating their potential interest in submitting a Performance Partnership Pilot application (see further discussion on page 10), though these letters are not required as part of the application process.

The initial design considerations and key questions have been informed by responses to the June 2012 request for information (RFI) on [Strategies for Improving Outcomes for Disconnected Youth](#). Released by the Interagency Forum on Disconnected Youth (IFDY), a voluntary collaboration among a broader group of Federal agencies that serve this population and includes the agencies involved in Performance Partnership Pilots, this RFI solicited ideas and information from a broad array of individuals and organizations on strategies that could improve outcomes for disconnected youth. Such strategies include whether multi-system approaches are desirable, how current policies hinder or facilitate services to this population, and how existing resources could be used in more coordinated and comprehensive ways. Discussion generated by this paper will help

agencies build on and further refine the Federal government’s planned approach to Performance Partnership Pilots in order to enable the best outcomes for disconnected youth. In addition, potential applicants may find that the initial design considerations in this paper could inform their exploration of possible Performance Partnership Pilot opportunities and project plans.

## Contents

**1. What are Performance Partnership Pilots? ..... 4**

**Summary:** This section provides an overview of the purpose, authorities, and protections that Congress included in authorizing Performance Partnership Pilots for disconnected youth.

**2. What is the broader context for Performance Partnership Pilots? ..... 6**

**Summary:** This section lays out the imperative to better serve disconnected youth, including the Administration's work with the field to understand barriers to better outcomes, and complementary initiatives through which Performance Partnership Pilots could enhance communities' progress.

**3. What are the anticipated benefits of Performance Partnership Pilots? .. 8**

**Summary:** This section presents the hypothesis that additional flexibility for high-performing States, localities, and Tribes to pool funds and waive certain programmatic requirements can help overcome hurdles to improving outcomes for disconnected youth and articulates how the Performance Partnership Pilots model will help.

**4. Who makes up a performance partnership? Who can apply? ..... 9**

**Summary:** This section explains how state, local, and tribal governments are eligible to submit an application on behalf of robust, mature partnerships that cut across relevant jurisdictions and organizations.

**5. How and when can States, localities, and Tribes apply? ..... 10**

**Summary:** The section describes a potential phased application process and its timing, beginning immediately with optional letters of interest to summarize potential applicants' ideas and remaining questions. Next, preliminary applications would propose pilot objectives, design, outcomes and performance measures, and requested flexibility. Pre-applications would also discuss capacity to manage using data and commitment to evaluating the pilot. Finally, top applicants would be invited to submit full proposals.

**6. What is the State role in a Performance Partnership Pilot for disconnected youth? ..... 13**

**Summary:** This section discusses ideas for State involvement in pilots, which would be required when pilots use funding under a state-administered program, as well as how States can help strengthen pilot proposals.

**7. What types of performance measurement and evaluation are envisioned? ..... 13**

**Summary:** This section lays out basic requirements for all pilots to identify and track outcome measures and interim progress indicators. It also presents two additional tiers of performance measurement and evaluation that may be used to identify particularly strong pilot proposals. It also discusses options for funding evaluation and access to administrative data to support lower-cost measurement and evaluation.

**8. What are some examples of what pilot projects might look like?..... 15**

**Summary:** This section presents illustrative examples of the types of project designs that could be supported under the pilot authority as well as common elements expected across all pilots, such as strong data infrastructure.

**9. What Federal program funds can be included in the pilots? ..... 17**

**Summary:** This section addresses programs that are candidates for inclusion in pilots designated for 2014 as well as possibilities and circumstances under which pilots could incorporate funds from future years based on Administration proposals to Congress.

**10. What criteria will be used to select pilots?..... 18**

**Summary:** This section details guiding principles under consideration as criteria are determined.

**11. What technical assistance and support will be available to help potential pilots develop strong proposals? ..... 18**

**Summary:** This section identifies areas in which the Administration expects the field to need technical assistance and the Administration's planned and potential approaches for helping to provide technical assistance, such as through webinars by Federal agencies as well as through potential partnerships with external experts and stakeholders.

## 1. What are Performance Partnership Pilots?

Performance Partnership Pilots offer a unique opportunity to test innovative, cost-effective, and outcome-focused strategies for improving results for disconnected youth. The [Consolidated Appropriations Act, 2014](#) (the Act, see Section 526 of Division H) provides authority to the Departments of Education, Labor, and Health and Human Services, along with the Corporation for National and Community Service and the Institute of Museum and Library Sciences, to enter into a total of up to ten Performance Partnership agreements with States, localities, or Tribes that give these grantees additional flexibility in using discretionary funds across multiple Federal programs. Entities that seek to participate in these pilots will commit to achieve significant improvements for disconnected youth in exchange for this new flexibility. In the Act, “to improve outcomes for disconnected youth means to increase the rate at which individuals between the ages of 14 and 24 (who are low income and either homeless, in foster care, involved in the juvenile justice system, unemployed, or not enrolled in or at risk of dropping out of an educational institution) achieve success in meeting educational, employment, or other key goals.”

### **Blending funds.**

Under Performance Partnerships, States, localities, and Tribes may blend fiscal year 2014 discretionary funds – formula and competitive grants – from the specified Federal agencies in order to implement outcome-focused strategies for serving disconnected youth. When funds are blended, individual funding streams, or portions thereof, are merged under one cooperative agreement that is governed by a single set of reporting and other requirements. This single set of requirements may differ from the various requirements associated with each of the original, individual funding streams. Before an agency can supply funding or otherwise participate in a pilot, the respective agency head must determine that such action (1) will not result in denying or restricting the eligibility of any individual for any of the services that (in whole or in part) are funded by the agency’s programs and Federal discretionary funds that are involved in the Pilot, and (2) based on the best available information, will not otherwise adversely affect vulnerable populations that receive such services.

In general, the pilots are designed to facilitate flexible use of *existing* funding streams that were made available under the Act. While the Act did not appropriate specific new funds to support pilots for fiscal year 2014, agencies plan to combine a small amount of 2014 funding to support start-up grants that will likely be several hundred thousand dollars each. These grants will help to support pilot start-up costs, such as activities related to planning, governance, and coordination. . Applicants will propose how they would improve outcomes for disconnected youth by blending this start-up money with other funds that members of their partnership already receive under eligible programs. Blending funds should enhance sites’ capacity to effectively use resources from multiple Federal, State, tribal, local, and philanthropic funding streams, such as by enabling pilot sites to align outcomes, measurement strategies, and reporting.

**Waivers.**

In order to establish the most effective and appropriate set of requirements for each pilot, Federal agencies may waive requirements associated with individual programs contributing funds. Performance Partnership authority enables heads of affected Federal agencies not only to exercise any existing waiver authority but also to waive any statutory, regulatory, or administrative requirement that they are otherwise not authorized to waive, as long as the waiver is in keeping with important safeguards. Specifically, waivers must be consistent with the statutory purposes of the Federal program and necessary to achieve the pilot's outcomes. In addition, requirements related to nondiscrimination, wage and labor standards, and allocations of funds to state and sub-state levels cannot be waived.

In practice, Performance Partnership waiver authority should enable applicants to take a more youth-centric approach to services by first identifying the target population, then determining the most effective strategies for serving that population, next selecting funding streams appropriate to support the approach, and lastly clarifying which program rules and requirements would need to be waived in order to implement the strategy. The waiver authority will allow communities and the Federal government to tailor the allowable activities, eligible youth, and reporting requirements so that they support and accurately reflect the goals and objectives of the pilot.

**Performance agreements.**

Each pilot will be governed by a performance agreement between a lead Federal agency, which will be designated by the Office of Management and Budget and will act on behalf of all participating Federal agencies, and the respective representatives of all of the State, local, or tribal governments participating in the agreement.

Some key items that each Performance Partnership agreement will include are:<sup>1</sup>

- the length of the agreement;
- the Federal programs and federally funded services involved;
- the Federal and non-Federal funds being used
- the State, local, or tribal programs involved;
- the populations to be served;
- cost-effective Federal oversight procedures as well as State, local, or tribal oversight procedures to maintain accountability for the use of Federal funds;
- the outcome (or outcomes) that the pilot is designed to achieve;
- the outcome-measurement methodology; and
- where a pilot is not achieving specified outcomes, specific consequences with respect to funds being used in the pilot and corrective actions to increase the likelihood that the pilot will achieve such outcomes.

---

<sup>1</sup> See Division H, Section 526(c)(2) of the Act for a list of items that Performance Partnership agreements must address at a minimum.

**Limitations.**

The Act does not provide authority for Performance Partnership Pilots to blend funding or waive provisions of programs funded with mandatory appropriations (e.g., Temporary Assistance for Needy Families, Medicaid), but the performance agreements must note any mandatory program barriers that the pilot sites identify. Pilots also do not extend to programs funded outside of the Labor - HHS - Education Appropriations Act, such as those administered by the Department of Justice and the Department of Housing and Urban Development. However, pilot jurisdictions can seek waivers or administrative flexibility already authorized under these other programs in order to improve their coordination and alignment with the pilot project.

**Looking ahead.**

The 2015 President's Budget proposes to Congress language that would allow pilots approved to blend fiscal year 2014 funds to incorporate fiscal year 2015 funds as well. The 2015 Budget also seeks authority for ten additional Performance Partnership Pilots for disconnected youth and extends the authority to include the Department of Justice. If authority is provided, the next round of pilots could support promising projects that may not be ready for the initial 2014 round. Pilots designated in fiscal year 2014 shall not extend beyond September 30, 2018. Congressional action is required before pilots may incorporate funding expected in future fiscal years.

**2. What is the broader context for Performance Partnership Pilots?**

The President has defined our work in the State of the Union and elsewhere as restoring the promise of opportunity for all. For youth and many adults, this involves creating a clearer path to postsecondary education and careers, and thus building ladders of opportunity to the middle class.

**The need.**

According to the U.S. Census Bureau, more than 5 million 14-to-24- year olds in the U.S. are not on a clear path to postsecondary education or training and a rewarding career. They are neither working nor in school and, in many cases, face the additional challenges of being homeless, in foster care, or involved in the justice system. Often disconnected from their families and valuable social networks, these young people struggle to make successful transitions to adulthood and to reach the educational and employment milestones critical to escaping a lifetime of poverty.

**Stakeholder input.**

Extensive consultation by the Administration with diverse stakeholders, including through the [White House Council on Community Solutions](#); [Executive Order 13563 Improving Regulation and Regulatory Review](#); the [President's Memorandum on Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments](#); and most recently the [RFI on Strategies for Improving Outcomes for Disconnected Youth](#) have yielded valuable insights from practitioners, youth advocates,

and others on the front lines of service delivery. These stakeholders point to significant challenges that hinder meaningful improvements in education, employment, health and well-being. Such challenges include limited evidence and knowledge of what works, poor coordination and alignment across the systems that serve youth, policies that make it hard to target the neediest youth and overcome gaps in services, fragmented data systems that inhibit the flow of information to improve results, and administrative requirements that impede holistic approaches to serving this population, among other factors. Addressing many of these challenges often requires services and expertise from multiple systems, including, for example, schools, health and mental health, workforce development, job training, housing, social services, criminal justice and other systems. Vulnerable youth may achieve better outcomes when programs are coordinated and resources are well-targeted.

**Other innovations in policy and program delivery.**

In addition to Performance Partnership Pilots, the Administration is pursuing a number of other initiatives that also advance innovation in policy and program delivery to address critical social challenges. As a next step in the place-based strategy begun under Promise Neighborhoods and Choice Neighborhoods, the Administration will partner with 20 Promise Zone communities to ensure that Federal programs and resources are focused intensely on hard-hit communities. In addition, the President's My Brother's Keeper initiative focuses on improving opportunities and outcomes for all young men and boys of color, and helping the most disadvantaged stay in school and stay out of criminal justice systems. The President's Job-Driven Training initiative is driving improvements in workforce development and job training programs, emphasizing effective approaches that lead to education and credentials needed for in-demand jobs, and providing workers with pathways to good careers and incomes. Several Federal innovation funds – including the Social Innovation Fund, the Workforce Innovation Fund, and the education-focused Investing in Innovation Fund – support projects that use and build evidence about how to effectively improve skills of at-risk youth that will enable them to succeed in the workforce. In addition, recent Pay for Success initiatives launched by the Department of Justice and Department of Labor have resulted in outcome-focused partnerships among Federal and State governments, local communities, private sector investors, service providers, and research organizations to implement cost-effective services that improve outcomes for disconnected youth while generating savings for taxpayers.

Performance Partnership Pilots are yet another opportunity within the Administration's efforts to advance innovation and program delivery to address critical social challenges through community-driven, evidence-based strategies. Communities and states that are already receiving grants under the initiatives noted above may be candidates for Performance Partnership Pilots that would achieve even greater impact by leveraging formula grants and other funding streams.

### 3. What are the anticipated benefits of Performance Partnership Pilots?

Performance Partnership Pilots will test the notion that additional flexibility for States, localities, and Tribes to pool funds and obtain waivers of certain programmatic requirements can help them overcome some of the significant hurdles they may face in improving outcomes for disconnected youth. If this hypothesis proves true, providing necessary and targeted flexibility to ameliorate these hurdles will help to achieve significant benefits for disconnected youth, the communities that serve them, and the agencies and partners involved. Successful pilots will increase the rate at which disconnected youth achieve success on educational, employment, well-being and other key outcomes and may also decrease the rate at which youth disconnect. Mechanisms for success may include:

- **Strategies that are responsive to State and community needs and strengths:** Pilots will provide communities the freedom to innovate and test promising strategies that address priorities identified through a data-driven needs assessment and capitalize on a community's assets. Stakeholder responses to the [Administration's 2012 RFI](#) provide examples of community needs.
- **Cost-effective innovations that improve systems coordination and service delivery:** Careful implementation of evidence-based and promising practices, combined with effective governance structures, aligned outcomes and performance measures, and more efficient and integrated data systems may produce better outcomes per dollar by driving resources toward what works and away from unproductive practices.
- **Use of data and evidence for learning and improvement:** Pilots may demonstrate how strong data infrastructure, performance measurement based on indicators of success, and longer-term evaluation can equip local decision-makers to achieve better outcomes. In addition, pilots will build valuable knowledge that can benefit similar communities and populations.
- **Meaningful accountability for outcomes:** Pilots may demonstrate more efficient and relevant methods for ensuring accountability by focusing on the achievement of outcomes for disconnected youth and by reducing inefficiency associated with compliance-based reporting that would otherwise be required.

Taken together, pilots with these characteristics could ultimately serve as models for how Federal, State, local and tribal governments can utilize their resources for improved impact, in sustainable ways, which potentially could be applied to other program areas in the future.



#### 4. Who makes up a performance partnership? Who can apply?

Section 526(a)(1) of the Act holds that Performance Partnership Pilots for disconnected youth—

(A) involve two or more Federal programs (administered by one or more Federal agencies)—

(i) which have related policy goals, and

(ii) at least one of which is administered (in whole or in part) by a State, local, or tribal government; and

(B) achieve better results for regions, communities, or specific at-risk populations through making better use of the budgetary resources that are available for supporting such programs.

Section 526(c)(1) of the Act states that the Performance Partnership agreement is entered into between—

(A) the head of the lead Federal administering agency, on behalf of all of the participating Federal agencies..., and

(B) the respective representatives of all of the State, local, or tribal governments that are participating in the Agreement.

Therefore, the Federal government will accept applications from State, local, and tribal governments. The Chief Executive or the head of an agency acting on behalf of other partner agencies at the State, local, or tribal government level will submit the application. All applications must clearly describe the relationship between State, local, and tribal roles in the partnership. If multiple States or Tribes or a group of local governments representing a region propose a joint pilot, the application must clearly describe the relationships among the involved jurisdictions.

While any non-Federal level of government can lead a pilot, applications should demonstrate that all relevant parties across agencies and different levels of government have been involved in developing and approving the proposal. This includes all parties who have statutory authority for administering each Federal program included in the pilot. For each application selected as a pilot, the respective representatives of all participating State, local, or tribal governments must be a party to the formal performance agreement governing the pilot.

Non-governmental partners may also be key players in designing and implementing the pilots. The 2012 RFI generated significant input on the characteristics of effective partnerships as well as the importance of anchoring pilots in mature community partnerships that have demonstrated strong capacity to implement cross-system collaboration. In keeping with this input from the field, partnerships should include all public and private stakeholders (including non-profit, business, industry, and labor organizations) with a vested interest under the pilot in improving the outcomes of disconnected youth in a given state, locality, or tribal community. Where relevant and feasible, State, local, or tribal governments should exercise flexibility in their own

requirements to align with the Federal flexibility and advance the pilot's objectives. Applicants should consider how to leverage existing partnerships to demonstrate successful cross-system collaborations and how to make sure that youth voices are incorporated.

*Key questions for stakeholders:*

- *What are leading examples of existing intergovernmental partnerships that have been able to create the infrastructure and conditions needed to implement and scale what works and curtail inefficient activities that are not producing results?*
- *What are the key features of such partnerships? How can we distinguish partnerships that are likely to achieve better outcomes from partnerships that include all the right partners but are less likely to get better results?*
- *What successful outcome-focused partnerships involve philanthropy, and what factors made them successful?*

## **5. How and when can States, Tribes, and localities express interest in Performance Partnership Pilots and apply?**

Federal agencies are particularly interested in feedback about the initial design of the application process described below. Prospective applicants or members of partnerships are invited to submit letters of interest to help the Administration gauge interest and target technical assistance. Later this spring, a lead Federal agency will solicit applications on behalf of ED, DOL, HHS, CNCS, IMLS, and potentially other eligible Federal agencies (referred to under the Act as related agencies). The solicitation, which will include a small amount of start-up money (such as several hundred thousand dollars) to support pilot planning and implementation, would invite interested States, Tribes, localities, and regions to submit a preliminary application that provides sufficient information for the Administration to determine which proposals have the greatest potential to be successful. Based on an interagency review of the preliminary applications, top applicants would be invited to submit full applications in late summer. This timeline would enable the Administration to select pilots in the fall. A final time line for the selection process will be issued when pilot applications are solicited.

### **Optional Letter of Interest**

Any prospective applicants may, beginning now, submit a 2-3 page letter of interest that includes a summary of the proposal and a description of the governmental entities and other partners that could be involved. Prospective applicants could indicate their readiness to submit a 2014 application, or their preference to apply in 2015 if Congress extends the pilot authority into next year. Letters of interest could also comment on issues such as: the programs for which the prospective applicant might request to blend funding; additional waivers or other flexibilities the applicant may request (and why); obstacles to successfully completing a 2014 application; technical assistance that would help the applicant prepare a strong application; and other issues raised in this

Consultation Paper. Letters can be submitted via e-mail to [disconnectedyouth@omb.eop.gov](mailto:disconnectedyouth@omb.eop.gov). Letters are not considered part of the formal application process, do not affect eligibility to apply, and will not affect the review of an application.

### **Preliminary Application (Early Summer)**

The participating Federal agencies are considering a Preliminary Application that will consist of a “concept paper” (not more than fifteen pages in length). The specific mechanism for soliciting these Preliminary Applications has yet to be determined, but it would outline the requirements for applying for a pilot and the content of the concept paper. The concept paper would likely need to include the following information:

- a) An **overview** of the proposed pilot, including target population and geographic locale.
- b) The **objectives** of the pilot and how success will be measured, including (1) **key indicators of progress and outcomes** for the target population and (2) **key indicators of program or system performance**.
- c) A **needs assessment** using existing community-level data and a discussion of how the applicant used the assessment to identify the youth population with the greatest unmet need. Where possible, data should be disaggregated by race, age, and gender. A preliminary needs assessment may be included if data remains under analysis.
- d) The **governance structure** of the pilot, including the State, local, tribal, and philanthropic partners that will provide leadership, expertise, services, and resources.
- e) The Federal, State, tribal, and local **programs and funding streams** that will be involved in the pilot, as well as the competitive grant funds that the pilot jurisdiction may seek for pilot purposes over the coming year.
- f) The specific **waivers or other flexibility to be requested** and an explanation of why the flexibility is needed and how it will result in either efficiencies from reduced burden or administrative barriers or increased access of individuals to services provided with the involved funds.
- g) The **evidence-based and evidence-informed practices** under consideration and whether organizations involved in the partnership have experience implementing these or similar practices.<sup>2</sup>
- h) The **capacity of the jurisdiction** to implement the pilot successfully, including effective leadership, a data infrastructure that can provide reliable data to measure progress and inform decision-making, a record of managing for improved

---

<sup>2</sup> For purposes of this document, practices are considered evidence-based if they replicate practices that have been evaluated using rigorous evaluation designs such as random controlled or high-quality quasi-experimental trials and that have demonstrated positive impacts for youth, families, and communities. Practices are considered evidence-informed if they bring together the best available research, professional expertise, and input from youth and families to identify and deliver services that have promise to achieve positive outcomes for youth, families, and communities.

- performance, and a clear history of effective stewardship of Federal funds, such as no material findings from financial audits.
- i) **Commitment to evaluate the pilot.** At a minimum, this should include a commitment to identifying and obtaining relevant outcome data. Ideally, it would include participation in a rigorous evaluation of the impact of at least one major intervention or service delivery component as well as a process evaluation. (See further discussion in Section 7.)
  - j) **Assurance and evidence that blending funding (1) will not result in denying or restricting the eligibility** of any individual for any of the services that (in whole or in part) are funded by the agency's programs and Federal discretionary funds that are involved in the Pilot, and **(2) will not otherwise adversely affect vulnerable populations** that are the recipients of such services based on the best available information.

The Preliminary Application should demonstrate that all of the necessary State, tribal, or local program officials whose programs and/or program funds will be involved support the objectives and basic contours of the proposed pilot.

#### **Invitation to submit full proposal (Mid-summer)**

In the summer, Federal agencies intend to invite the strongest candidates, which are most prepared to implement the first round of pilots with 2014 funds, to submit full proposals with additional detail. (Other promising candidates will be encouraged to refine and resubmit their proposals next year, if Congress authorizes additional pilots as proposed by in the President's 2015 Budget.) As part of the review process, Federal agencies may invite applicants to provide more detail on their proposals. The selection criteria that will be used in both of the application stages are still being determined. (See further discussion in Section 10.)

Once up to ten pilot sites have been selected, the relevant Federal agencies will work with each one to develop a Performance Partnership agreement. Performance Partnership agreements will formalize many of the elements that will have been submitted as part of an application but may require slight changes or additional details to ensure that all statutory requirements are met. Much of the specific content of the agreements is outlined above in Section 1. Once all necessary parties sign the agreement, that community will be able to implement its Performance Partnership Pilot.

#### *Key Questions for Stakeholders:*

- *What are the benefits and drawbacks of the solicitation process described above?*
- *Does the preliminary application content include the right information to distinguish the top candidates?*
- *What will be the greatest challenges for communities to complete applications in this timeframe and what could be done to mitigate them? What assistance or clarification could the Federal agencies provide?*
- *Would selected pilot sites benefit from a developmental period before implementation begins and, if so, could pilot sites still feasibly use fiscal year 2014 funds?*

## 6. What is the State role in a Performance Partnership Pilot for disconnected youth?

States, Tribes, and local governments are each eligible to submit Performance Partnership Pilot applications. Because many pilot proposals are likely to involve multiple levels of government, it is important that proposals have the support of all affected entities. For example, when a Performance Partnership Pilot proposed at the local or tribal level is financed with funds administered by a State, the State must be a willing partner in the pilot. If a State or group of States proposes a pilot that would be implemented only in certain communities, then these communities must also be willing partners.

State involvement in particular can take many forms. The governor or the head of a State agency could be the lead applicant, partnering with other State agencies and one or more local communities where services would be delivered. Alternatively, the governor or one or more State agencies could be secondary partners in pilot projects led by a local community. A State can play a central role in strengthening pilot proposals by:

- Contributing State funds to augment Federal funds;
- Providing flexibility and waivers from State requirements to enable pilot implementation;
- Improving the pilot's capacity to conduct a needs assessment, measure progress, and evaluate impact by making State data accessible, with appropriate privacy protections, and facilitating linkages to other relevant local and Federal data;
- Facilitating collaboration across separate State agencies and academic institutions that can contribute to the pilot's success; and
- Working with Federal, State, and local financial management, program, and auditing officials to streamline financial and performance reporting that is not necessary for the proper oversight of taxpayer funds and to devise new approaches to outcome-based accountability.

States can also form regional partnerships in which multiple States develop and are signatories to the application and performance agreements. Where a State proposal focuses on certain jurisdictions rather than the State as a whole, the involved local agencies must also sign on to the pilot.

## 7. What types of performance measurement and evaluation are envisioned?

We envision that all pilots will be required to:

- Select **outcome measures and interim progress indicators** in the domains of education and employment and, based on pilot-specific objectives, select supplemental measures or indicators in the domains of criminal justice, physical

and mental health, and other measures of positive youth development and well-being that will be appropriate and sufficient to gauge the pilot's effectiveness.

- Maintain **reliable administrative data on individual participants**, the services they receive, programs in which they participate, and initial outcomes that can be linked across the chosen outcome domains.
- Cooperate with any evaluation carried out or commissioned by the Federal government, including providing timely access to appropriate data and to program personnel and participants. The Federal government currently plans to initiate a systems analysis and process evaluation to document the development, governance, management, partnerships, planning process, and information systems.

Stronger applications would also:

- **Establish a baseline** to assess progress over time **and an appropriate comparison group** to evaluate outcomes.
- Demonstrate **strong expertise to analyze data and interpret findings** in order to inform program implementation and course corrections.

Especially strong applications would also:

- Incorporate strategies and interventions that have already shown promise or effectiveness in other rigorous evaluations.
- Incorporate a rigorous **impact evaluation** for at least some well-defined component of the pilot (e.g. a particular intervention or service delivery change) as well as a **process evaluation**.

Because the pilots may be authorized through 2018, potentially incorporating funds from future fiscal years, pilots may be encouraged or expected to use increasingly sophisticated data analysis and evaluation methods to fine-tune their strategies each year. For example, over time a pilot might find more precise ways to analyze how well and for whom an approach is working, such as by disaggregating participation or immediate outcome data by race, age, gender, or other subgroups. The Federal agencies are exploring options that would help pilot jurisdictions to secure strong expertise, necessary funding, and access to administrative data to conduct a high quality evaluation at reasonable cost. Options under consideration include:

- Allowing projects to use a small percentage of their blended funding for data infrastructure, data analytics and evaluation.
- Giving preference to pilot applicants that secure non-Federal funding for evaluation and form partnerships with highly qualified academic researchers to design and conduct evaluations.

To facilitate access to valuable administrative data and lower costs of performance measurement and evaluation, the Federal agencies are considering:

- Requiring all State and local partners in a pilot to demonstrate, through data sharing agreements for example, that pilots will have access to administrative data that can be used to manage the services and activities, and track progress and

outcomes over time for the target population, using secure and up-to-date methods for linking data and protecting individual privacy.

- Facilitating access to federally held data, while providing strong privacy protections, in order to measure earnings, employment, and health outcomes.

*Key questions for stakeholders:*

- *What reliable, high-value data sources could be used to improve quality and lower the cost of performance measurement and evaluation?*
- *What types of partners could help pilot jurisdictions, at a reasonable cost, set up strong data systems and performance management processes, and design rigorous evaluations that help pilot communities learn what works and is cost-effective?*
- *Are there other approaches to measuring outcomes and incorporating accountability and learning that we should consider?*

## **8. What are some examples of what pilot projects might look like?**

Because Performance Partnership Pilots are intended to respond to the needs of specific communities in improving outcomes for disconnected youth, Federal agencies expect to see a wide range of project proposals. While the definition of disconnected youth in the Act is broad and allows for numerous approaches, the Federal agencies are particularly interested in pilots that target very high-need or underserved populations. These populations may benefit most from the innovative and systemic approaches that the authority provides. In order to demonstrate the breadth of possible pilot designs and to stimulate communities' thinking, this section provides some illustrative examples of ways to use the Performance Partnership Pilot authority. This list is not exhaustive, and there are other pilot designs that could be supported.

- A State and a local community could develop and test a coordinated approach to serving youth involved in multiple systems (juvenile justice, child welfare, mental health, workforce, and vocational rehabilitation systems), creating joint performance goals, integrating services for vulnerable youth and their families, and correcting problems with eligibility requirements that currently lead to service gaps.
- A local community could address a growing rate of drug addiction and incarceration among youth by forming a partnership that includes substance abuse treatment providers, the workforce development agency, and business partners that will guarantee part-time or full-time work experiences to recovering addicts.
- A community could use a mix of job training funds, child welfare, and mental health funds to use sector or industry-based occupational training strategies for youth to prepare them for good careers while also addressing barriers to employment.

- A local community could support children of incarcerated parents, who may be disconnected or at high risk of becoming disconnected, by forming a coalition of health professionals and educators who can identify and implemented appropriate connectedness and socio-emotional strategies to keep youth engaged in their community and schools.
- A community could blend job training funds and after-school programming funding to use after-school programs as reengagement centers for disconnected youth.
- A State that is developing a Pay for Success project to improve outcomes for youth ex-offenders could finance a portion of the project with blended Federal funding and improve coordination of services with other government programs in order to bolster impact and increase potential savings from reduced recidivism.
- A Promise Zone community that has implemented a strong collective impact model for tracking progress on multiple indicators could work with local business partners to implement a promising intervention that provides youth with skills training, mentoring, and valuable work experience.
- A State operating an intensive, quasi-military residential program could partner with a local community to provide continuing education, mentoring, and job placement services to participants when they move back into their communities and evaluate whether these additional services enhance the impact of the existing program (rigorous research has already shown sizeable effects by such programs on earnings and High School Equivalency attainment).
- A State and local community could build an integrated enrollment and case management system with the capacity to assess risk factors for interaction with various youth-serving systems in order to better target appropriate services to the highest users of multiple systems.
- A State receiving funding from multiple formula grants that are competed out to local communities could launch a new competition, blending portions of these multiple grants and other State programs, to develop and scale effective programs, such as ones that provide academic tutoring, skills training, mentoring, and work experience to at-risk youth.
- A local community could provide rigorous work experience and academic and occupational skills training in high-growth fields to assist youth in attaining a high school equivalency, occupational credentials and on-ramps to careers by blending job training, adult education, library, and other discretionary funding as well as leveraged funding from local employers for work experiences.

In each of these models, strong data infrastructure, performance management, and evaluation would play a central role in helping States and communities measure progress and results in order to inform providers and decision-makers about what is working well and what adjustments are needed.



## 9. What Federal program funds can be included in the pilots?

Section 526(b)(2) of the Act states that pilots will “involve Federal programs targeted on disconnected youth, or designed to prevent youth from disconnecting from school or work, that provide education, training, employment, and other related social services.” Because FY 2014 pilots will be chosen at the end of the fiscal year, the Federal programs that can contribute funds (beyond start-up money attached to the solicitation) to pilots may be limited. By the time that pilots are designated, many grants will already have been awarded and funds have made their way down to grantees or the community level.

However, Federal agencies are exploring ways to allow partnerships to include funds that they have already received under the Act in their pilots. In addition to the competitive funds attached to the pilot solicitation, agencies are exploring how to make it possible for pilots to leverage competitive grant awards where FY 2014 solicitations have yet to be released. For competitive grant programs that have already released solicitations, awards are less likely to be eligible for inclusion in FY 2014 pilots. If the specific context or timing of a program prevent it from contributing fiscal year 2014 appropriations to a pilot, it is still possible that the program’s fiscal year 2015 funds could be blended if Congress provides that authority.

If Congress approves the President’s 2015 Budget request to extend the pilot authority in future years, additional programs will be candidates for inclusion in pilots that are approved for 2014 as well as new pilots that would begin in 2015. Federal agencies would design a process for pilots designated in 2014 to propose changes, such as incorporating additional programs.

Specific information on programs that are strong candidates for consideration in a fiscal year 2014 pilot will be released with the solicitation.

*Key questions for stakeholders:*

- *Will the timeline outlined in this paper allow you to effectively utilize fiscal year 2014 funds in your pilots?*
- *Could you improve the effectiveness of a 2014 pilot by adding additional programs to your pilot in future years?*

## 10. What criteria will be used to select pilots?

The Administration will announce the specific criteria that will be used to select pilots when it issues a solicitation for applications. The guiding principles under consideration include the capacity of the pilots, and the initiative as a whole, to:

- Achieve and measure improved outcomes for disconnected youth, especially youth with very low employment, education, and well-being outcomes that can be attributed to the pilots.
- Work with partners across multiple levels of government and the private sector that, together, represent or build on partnerships that have already demonstrated success and could continue effective practices identified through a pilot, have capacity to manage pilot performance using reliable data about the target population, and could participate in an evaluation to help identify effective ways to organize and deliver services to achieve outcomes;
- Support a range of strategies developed by States, Tribes, and localities that hold great promise.
- Support strategies, outcomes, and target populations, including boys and young men of color and foster care youth, which are the focus of Administration priorities such as Job-Driven Training, My Brother's Keeper, and Promise Zones.

*Key question for stakeholders:*

- *Are these sound principles for developing selection criteria? What should be added or changed?*

## 11. What technical assistance and support will be available to help potential pilots develop strong proposals?

Designing and implementing successful performance partnerships will require significant expertise in a variety of areas. For examples, State, communities, and Tribes, as well as Federal agencies, may need help:

- Conducting a data-driven needs assessment to discern disparities in outcomes of different subpopulations and understand the primary factors that may be contributing to those disparities.
- Analyzing the requirements, processes, and reporting associated with individual programs to determine which are valuable or essential and which are unnecessary or counter-productive.

- Facilitating cross-sector and intergovernmental collaboration to build a shared vision, common objectives and aligned outcome metrics, and an efficient and effective implementation strategy to support them.
- Creating fair, objective, disciplined processes for using data and evidence to manage performance, make course corrections, and allocate resources.
- Identifying strong outcomes or interim measures that demonstrate meaningful impact.
- Establishing the data infrastructure, data-sharing protocols, and efficient processes for protecting privacy that will ensure that decision-makers have access to reliable data at frequent intervals.
- Reviewing available research findings about what approaches have worked well under similar conditions and what factors contributed to successful implementation.
- Analyzing performance data for existing programs and providers to identify high performers that should be given continued or additional responsibilities in the pilot.
- Designing low-cost evaluations that can be embedded within program operations to compare the impact of different approaches in improving outcomes.
- Creating new types of performance agreements that ensure accountability by focusing on outcomes achieved, and key indicators of progress, which can be used to determine whether the pilot is on track or corrective actions are needed.

Much of this expertise is highly decentralized and not easily accessible to State, local, and tribal jurisdictions that may be interested in pursuing pilots. The Federal agencies will address this by:

- Soliciting input through an external consultation process and letters of interest about what types of technical assistance would be most helpful.
- Identifying expertise and technical assistance resources that the Federal government is uniquely qualified to provide.
- Identifying external experts that can share their knowledge and external websites that provide useful information that may enhance the strength of a pilot application.
- Identifying external partners that, where appropriate, can facilitate knowledge transfer through convenings, webinars, or facilitating partnerships with academics and other experts who can provide hands-on assistance.

To begin this work, Federal agencies that serve on the Interagency Forum for Disconnected Youth:

- Will conduct webinars in late April to discuss the Administration's plans for Performance Partnership Pilots. Details of the webinars will be announced by the Federal agencies' Web sites and listservs.
- Will assemble on <http://www.findyouthinfo.gov> useful information on evidence-based programs and policies for disconnected youth, existing collaborative projects, and valuable planning tools.

In addition, the Federal agencies have identified some initial private sector resources below. The Federal agencies do not endorse these, or any other specific private-sector resources, but are providing this information as a service to potential grantees.

Organization	Website
Opportunity Youth Network	<a href="http://aspencommunitysolutions.org/the-fund/opportunity-youth-network/">http://aspencommunitysolutions.org/the-fund/opportunity-youth-network/</a>
Promise Neighborhoods Institute	<a href="http://www.promiseneighborhoodsinstitute.org/">http://www.promiseneighborhoodsinstitute.org/</a>
CLASP	<a href="http://www.clasp.org/issues/youth/topics/pathways-to-reconnection">http://www.clasp.org/issues/youth/topics/pathways-to-reconnection</a>
MDRC	<a href="http://www.mdrc.org/issue/disconnected-youth">http://www.mdrc.org/issue/disconnected-youth</a> .
Ready by 21	<a href="http://www.readyby21.org/">http://www.readyby21.org/</a>
National Youth Employment Coalition (NYEC)	<a href="http://www.nyec.org/">http://www.nyec.org/</a>
Jobs for the Future	<a href="http://www.jff.org/">http://www.jff.org/</a>
American Youth Policy Forum	<a href="http://www.aypf.org/">http://www.aypf.org/</a>
YOUmedia Network	<a href="http://www.youmedia.org/youmedia-network">http://www.youmedia.org/youmedia-network</a>

*Key Questions for Stakeholders*

- *What specific challenges will States, communities and Tribes face in planning and implementing effective pilots that could be addressed through technical assistance?*
- *What expertise is the Federal government uniquely qualified to provide?*
- *What external organizations and experts are most knowledgeable and can offer solutions to address these needs and challenges?*
- *What philanthropic and other private sector organizations can help finance or facilitate knowledge transfer?*