Pay for Success in Higher Education
National Cohort Request for Information
College Access and Success Providers

OVERVIEW

Third Sector Capital Partners, Inc. (Third Sector), a nonprofit advisory firm, is forming a national cohort of higher education institutions, college access and success service providers, and funders that are interested in exploring Pay for Success (PFS) as a way to fund wraparound student support services that improve matriculation, persistence, and graduation outcomes for underserved students. To inform this cohort, and specifically states and public systems of higher education that would procure these student services, Third Sector seeks to catalog the landscape of wraparound student support services that are improving student outcomes to and through college. The goal of this Request for Information is to provide information to government stakeholders in the cohort about the evidence-informed student support services available that can be scaled using Pay for Success as an innovative financing model. Providers are encouraged to submit information to shape how higher education systems choose to leverage public funding as a potential pathway to sustainably fund student support services and improve student outcomes in higher education.

College access and success service providers meet unique needs, with services varying from student to student and from one place to another. Third Sector is interested in learning about the wide variety of student support services to inform a national cohort exploring PFS in higher education. As part of this Kresge Foundation funded work, Third Sector will offer training and technical assistance to states and public systems of higher education to facilitate cross-stakeholder collaboration with providers and funders, workshop key components of PFS through a series of in-person and virtual convenings, and to build toward the development of pilot PFS projects. A critical input to this training and technical assistance is to identify key attributes of evidence-informed wraparound services that provide students the support to enroll, thrive, and graduate from college. By identifying these key attributes, states and public higher education systems will be able to leverage the information to contract with providers and scale services that have a demonstrated impact among underserved student populations. As states progress in developing pilot projects, there may be future opportunities for college access and success providers that submitted to this RFI to influence the structuring of pilot projects and to potentially engage in jurisdictions once states are ready to build PFS projects.

Third Sector is requesting information from providers to inform a thorough landscape of college access and success services and for Third Sector to make further recommendations to states on key provider attributes crucial to applying PFS to higher education. Providers that submit may also have the opportunity to engage directly with the cohort of higher education systems and funders developing PFS pilot projects. This document further outlines the opportunity and information request - please submit information through this form by Friday, May 31 at 5:00 p.m. EST.

Third Sector will host an informational webinar on Thursday, May 9 from 2:00-3:00 p.m. EST to provide more details on the Pay for Success in Higher Education national cohort and how providers can inform states to fund evidence-informed support services that improve student outcomes. Register here to learn more.

Webinar registration, key dates information, and any possible amendment to this information will be posted on Third Sector's website at: https://www.thirdsectorcap.org/education/higher-ed-cohort/

The Opportunity

PFS is an innovative contracting model where an entity (often a government) agrees to pay for outcomes achieved (rather than on a fee-for-service basis), driving government resources toward high-performing programs and accelerating performance-based contracting. PFS brings together private or philanthropic investors, service providers, government agencies or public-funded entities, and evaluators to align on shared goals and drive public resources toward programs that succeed in measurably improving the lives of people most in need. In PFS, third party financing can be used as upfront capital to implement the program, such that government payments can be used to pay for outcomes, like student matriculation, persistence, and graduation outcomes. In higher education, PFS can catalyze the ability to pay for incremental impact, allowing providers to be paid for student enrollment at the beginning of their college journey and incentivizing progress toward graduation. This contracting model allows all parties to benefit by aligning incentives; service providers achieve the stability of upfront, flexible funding that enables them to scale and focus on delivering proven, outcomes-focused support services to underserved individuals. In addition to unlocking funding for effective programs, PFS can help governments and providers collect and share more effective and reliable data to identify what works, allowing institutions to better measure and evaluate the impact of programs. PFS ultimately builds the collective capacity and data infrastructure to align resources with results that make a difference.

As Third Sector learned and shared in its recent white paper with uAspire, "Promoting Student Success Using Pay for Success to Improve Student Attainment in Higher Education," there are a variety of wraparound student support service providers across the country that have demonstrated success in achieving the intended access and success outcomes for college-intending students of underserved backgrounds. While the evidence base of these services continues to grow, funding is often unsustainable. Additionally, the average cost of attending college is increasing while state funding is decreasing. The Center on Budget and Policy Priorities illustrates declining public state funds for higher education. As such, partners across the system must innovate new ways to pay for and unlock funding to support the achievement of student success outcomes and close outcomes gaps, particularly among students of color. PFS presents an opportunity to:

1. Systematically finance wraparound student support services with long-term public funding that allows innovative and flexible service delivery;
2. Improve access and success outcomes for underserved students and close equity gaps;
3. Use innovative finance to support state departments and systems of higher education in meeting enrollment and completion goals.

Leveraging these learnings from our initial work with uAspire and drawing on past project experience, Third Sector has found it crucial to bring stakeholders together to workshop and refine any PFS vision and build the collaborative capabilities of government, service providers, and funders. As such, the PFS in higher education cohort has four primary goals:

1. Educate participating stakeholders about innovative contracting and funding mechanisms to attain better outcomes at scale across multiple providers;
2. Assess and enhance the capacity of organizations, across all levels, to explicitly identify and contract for meaningful college access and success outcomes;
3. Drive demand toward the utilization of outcomes-based funding to catalyze the performance shift in higher education; and
4. Develop shared tools and resources, such as an economic model and contract language, that promote a clear pathway for Pay for Success project construction and replicability for scale.

Core to this vision is the deep expertise service providers bring in understanding what drives college success outcomes and what resources and supports are necessary to ensure that students enroll and ultimately graduate from institutions of higher education. By submitting to this RFI, college access and success providers have the unique opportunity not only to provide information that informs pilot PFS projects and to potentially participate in PFS projects, but also to inform and potentially participate in the implementation of potential Fund for Innovation and Success in Higher Education (FINISH) Act federally funded Pay for Success initiatives, should the bill pass. The FINISH Act, a bi-partisan bill which would authorize up to five pilot Pay for Success in higher education projects, demonstrates a national focus on outcomes-based higher education funding. Beginning with this information request, Third Sector's Pay for Success in Higher Education cohort allows providers to actively ensure government goals are aligned with student needs. If FINISH Act legislation does pass, the first Pay for Success pilots will be looking for evidence-based programs that are likely to demonstrate success; providers who have already begun the journey of building relationships with governments and demonstrating readiness for Pay for Success will have a higher degree of readiness for PFS if and when FINISH funding is deployed.

This Request for Information is the first step of this deep engagement with governments required for building PFS pilot projects.

Eligibility and Information Requested

From June to December 2019, a cohort of yet-to-be-selected states and public systems of higher education will be provided training and technical assistance to workshop, develop, and work toward procuring services to pilot Pay for Success projects. To inform these pilot projects, and to make recommendations to states on how to identify providers that are ready for Pay for Success, Third Sector is requesting information from college access and success providers. This information will be synthesized and shared through a landscape assessment that will be provided to states that participate in the PFS in Higher Education cohort, as well as shared with the Kresge Foundation. Additionally, some providers that submit to the RFI that demonstrate high levels of PFS readiness may be contacted for deeper engagement with and participation in the cohort's workshopping of pilot PFS projects.

Nonprofit and/or for-profit organizations that offer wraparound student support services to increase college enrollment and graduation for underserved students are encouraged to respond to this request for information. The following feasibility criteria will be assessed when states build toward pilot projects, and therefore respondents should meet most of the criteria below:

- **Student Population**: Services are provided to underserved, college-intending individuals with barriers to college enrollment, such as but not limited to first-generation students, students of color, and/or low-income students who are applying to college, accepted to college, and/or actively enrolled in college;
- **Student Support Services**: Provider offers evidence-informed services that are (or can be) scalable to a wide population of students who need additional supports to matriculate, persist, and graduate from institutions of higher education;
- **Outcomes and Evaluation**: Student support services have a demonstrated track record of meeting intended outcomes and have clearly defined metrics used to measure outcomes;
- **Data Access**: Data on college enrollment, matriculation, persistence, and graduation metrics is being collected with frequency in an existing data system;
- **Funder Development and Economics**: Student support services provided are cost-effective and can be scaled to new students or new higher education institutions for low marginal cost;
- **Policy Landscape and Support**: Provider has an existing relationship with local or state government leaders, either through informal political support or a formal contracting relationship, and/or is interested in exploring engagement with government as a path to sustainably fund student support services.

The information requested from college access and success providers is written below for reference, but responses should be formally submitted through this Google Form:

- Provider Organization Name
- Provider Staff Point of Contact
- Locations where provider offers student support services
- Student Population:
    - Please elaborate on your student population in a 1-2 sentence description. (50 words maximum)
- Student Support Services:
    - Please choose the descriptor(s) of services you offer, with the option to select multiple or write in a more detailed description. Drop down options include: technology-enabled, in-person coaching or mentorship, financial aid information, one-on-one coaching or mentorship, peer-oriented coaching or mentorship, social and/or emotional supports, campus-based supports, housing supports, childcare supports, emergency aid supports, other.
    - Please elaborate on the specific services provided to college-intending students in a 1-2 sentence description. (50 words maximum)
- Outcomes and Evaluation:
    - Please list your priority outcomes and metrics used to measure student outcomes. (100 words maximum)
- Data Access:

- o Please describe your existing data collection process and elaborate on how data is used to inform programmatic decisions. (200 words maximum)
  - o Do you currently utilize higher education institution data? If so, what data sources? If not, what government data measures would you like to have access to that you currently cannot access? (200 words maximum)
- Funder Development and Economics:
  - o What portion of your current funding, if any, is from a government source? Please describe the funding and what it enables your service to do. (200 words maximum)
  - o If none of your current funding is from government, why are you interested in accessing government funding? (200 words maximum)
- Policy Landscape and Support:
  - o Please describe your current engagement with government. What measures have you put in place to access additional, sustainable funding to support and scale your college access and success services? (100 words)
  - o As we build this cohort, would your organization have capacity and interest to further engage with state stakeholders and continue providing input? (Y/N)

How to Apply and Key Dates

Details on the timeline to submit information to inform Third Sector's Pay for Success in Higher Education national cohort technical assistance opportunity are provided below. Third Sector asks that interested college access and success providers **complete the Request for Information (RFI) form by 5:00 p.m. EST on Friday, May 31, 2019.** Completing this RFI should take no longer than five hours to complete.

Pay for Success in Higher Education: College Access and Success Provider Request for Information	
April 25, 2019	Request for Information Description and Application Released
May 9, 2019 from 2:00-3:00 p.m. EST	Informational Webinar for interested providers; recording will be posted within a week of webinar date. Register here.
May 31, 2019	**Request for Information applications due by 5:00 p.m. EST** Use this Google form to submit your application.
June 3-7, 2019	Full review of applications and follow up calls
June 10-12, 2019	Follow up calls with providers for additional questions, as needed

Webinar registration, key dates information, and any possible amendment to this information will be posted on Third Sector's website at: https://www.thirdsectorcap.org/education/higher-ed-cohort/

About Third Sector

Founded in 2011, Third Sector is a 501(c)3 organization that has worked with more than 40+ communities to deploy more than $480 million of government resources toward outcomes. Our mission is to accelerate the transition to a more performance-driven social sector. We use public funding and data as levers to impact how governments, providers, and their partners work with and improve the lives of the people they serve. Our work has connected resources to results to address challenges such as multigenerational poverty, housing stability, child development and education, workforce and economic mobility, and physical and mental health. To learn more, visit our website www.thirdsectorcap.org.

The opportunity to leverage Pay for Success in higher education grew out of a prior Kresge-funded Third Sector project that initially focused on PFS feasibility for text-based student support services provided by uAspire, a nonprofit organization ensuring that all young people have the financial information and resources necessary to find an affordable path to and through college. Through this feasibility assessment, the readiness of the higher education field for more innovative financing models was identified, especially given the growing evidence-base around promising student support services, the implementation of performance-based funding formulas, and the broadened interest in using innovative finance.

About Pay for Success

Pay for Success (PFS) is an innovative outcomes-oriented contracting model that drives government resources toward high-performing social programs (see visual below). PFS contracts track the effectiveness of programs over time to ensure that funding is directed toward programs that succeed in measurable improving the lives of people most in need.

PAY FOR SUCCESS MECHANICS

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
GOVERNMENT Identifies a critical social issue with historically poor outcomes such as recidivism, chronic homelessness, or early childhood education.	**PRIVATE FUNDERS** Such as foundations, banks, and businesses, provide upfront capital to a high-performing social service provider that is helping a specific, at-risk target population.	**SERVICE PROVIDERS** Deliver services, to key at-risk communities, in an effort to reach or exceed predetermined outcomes for success.	**EVALUATOR** Rigorously measures outcomes to ensure providers achieve impact.	**GOVERNMENT** Repays private funders initial investments only if project is successful in achieving positive outcomes.

For more information, please visit: https://www.thirdsectorcap.org/what-is-pay-for-success/

About the FINISH Act

Reintroduced by Senators Todd Young (R-IN), Michael Bennet (D-CO), and Tim Scott (R-SC), the FINISH Act aims to amend the Higher Education Act of 1965 to support innovative, evidence-based approaches that improve the effectiveness and efficiency of postsecondary education for all students, to allow pay for success initiatives, to provide additional evaluation authority, and for other purposes. The FINISH Act purposes include: "(1) increase access to postsecondary education opportunities for high-need students; (2) identify and support the most effective interventions to increase postsecondary degree attainment of high-need students; and (3) improve the efficiency of postsecondary education."

Results for America, a group that works with federal leaders to accelerate their use of evidence and data when making budget, policy, and management decisions, has said that,

> "there is a growing need for innovation in higher education. It has become increasingly evident that a single model for higher education does not fit the diversity of our nation's learners. Institutions receiving federal funding should have some regulatory flexibility to meet the needs of high-need students and ensure that those entering college have the support and resources needed to gain access to and complete higher education. By authorizing innovative, evidence-based grants funding, pay for outcomes projects, open educational resources, and evaluation authority, the FINISH Act will promote innovation and results in higher education."

The legislation would be very supportive of our cohort's work, and we could see a path where, if passed, projects under development from the cohort would be ripe to apply for this funding. Specific goals of this legislation include capabilities to:

- Leverage the power of evidence and innovation to improve outcomes in higher education, including the opportunity to expand access to higher education and help high-need students complete their degree;
- Create a tiered-evidence innovation fund that would test, replicate, and scale up successful approaches to improving access to and completion in higher education, including partnerships among states, service providers, K-12 institutions, and institutions of higher education; and
- Authorize up to 5 new Pay for Success pilot initiatives that will invest federal funds in proven solutions once they demonstrate results.

About the Pay for Success Opportunity for States and Systems of Higher Education

Third Sector is offering six months of free technical assistance, funded by the Kresge Foundation, to state higher education departments and publicly funded higher education systems that are interested in implementing PFS to fund evidence-informed student access and success supports. Participation in the cohort will prepare higher education systems to launch PFS projects and potentially to apply for new

funding under the FINISH Act, which, if passed, would enable and fund up to five PFS pilots in higher education. To apply for technical assistance, states and publicly funded higher education systems can submit a state request for information by Friday, May 17, 2019 at 5:00 PM EST.