



IBM Center for  
The Business of Government

Special Report Series

# Performance Partnership Pilots

## Increasing Program Flexibility to Improve Outcomes



**Patrick Lester**

Social Innovation Research Center

# Performance Partnership Pilots: Increasing Program Flexibility to Improve Outcomes

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## Foreword

On behalf of the IBM Center for the Business of Government, we are pleased to present this special report, *Performance Partnership Pilots: Increasing Program Flexibility to Improve Outcomes*, by Patrick Lester.

As part of the Consolidated Appropriations Act for fiscal year 2014, Congress authorized a limited number of local projects targeted to assisting disconnected youth. The Performance Partnership Pilots program currently involves participation from seven different federal departments or agencies and is administered by the Department of Education. The pilots are intended to coordinate different federal programs and services from across a range of agencies, allowing local participants to request waivers from various federal requirements in order to enable the integration of different funding streams. The first round of pilots launched last year and a new round of pilots will launch in the near future.



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In this report, author and Center Visiting Fellow for Evidence-Based Decisionmaking, Patrick Lester, addresses key questions related to the implementation of these pilots:

- What are lessons learned from the first round of pilots that could help in the second round?
- What mid-stream changes could improve the program?
- What insights could serve as a model for increased flexibility in social programs in other agencies not participating in the pilots?

We hope readers will find the report useful, and that it will stimulate further discussion about how best to implement similar flexibilities in programs that cross multiple levels of government.

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# Executive Summary

Performance Partnership Pilots (P3) for Disconnected Youth, a bipartisan experimental initiative in local flexibility involving several federal agencies, may need more time for local, state, and tribal projects to fully test waivers of federal legislative, regulatory, and administrative barriers that may be hindering performance.

P3 was first authorized by Congress in January 2014, and it allows a limited number of youth-focused local projects to align and better coordinate federally funded programs and services. The program permits project teams to request waivers of certain federal restrictions and to potentially consolidate multiple funding streams.

Although it focuses on a particular subset of youth—those who are disconnected or at risk of becoming disconnected from education or the workforce—the program is seen as a possible model for increased flexibility, with broader, national implications for other social programs. Three departments and two federal agencies first participated in the program: the Department of Education, the Department of Labor, the Department of Health and Human Services, the Corporation for National and Community Service, and the Institute of Museum and Library Services. Congress has since expanded the initiative to include programs at two other federal departments: the Department of Justice (DOJ) and the Department of Housing and Urban Development (HUD).

This paper examines this initiative's early progress. It is based on a review of project grant applications and performance agreements, interviews with leaders from six of the first round pilots, and interviews with federal officials overseeing the program. Highlights of the paper's findings include the following:

- **Collaboration:** The P3 program is, in part, an effort to promote coordinated services for disconnected youth. All of the first round

pilots include multiple local partners, often including schools, local workforce programs, other public agencies, nonprofit social service providers, and outside researchers.

Although it is still early, all of the P3 pilots feature most of the attributes commonly associated with successful collaborative efforts, including common agendas, shared measurement, and backbone support. P3 start-up funding has also played an important catalytic role: filling gaps on management and evaluation costs. The consensus derived from our interviews of all those involved in the pilots is they will continue their efforts after their P3-funded start-up phase ends.

*“... all of those involved in the pilots ... will continue their efforts after their P3-funded start-up phase ends.”*

- **Flexibility:** Despite the emphasis on collaboration, P3’s flexibility provisions are what make it unique. While this may change, most of the waivers approved thus far for the first round of pilots appear to be modest. Most pilots have no more than two approved waivers, involving what appear to be minor changes in program eligibility or reporting requirements. Only four of the nine pilots have been granted authority to blend federal funds.

The slow start on local flexibility appears to be due to a combination of factors, including limited time, limited local knowledge of federal barriers, complications attributable to recent changes in federal labor and education laws, the existence of state and local barriers that P3 does not address, and legislated safeguards intended to protect vulnerable populations.

- **Data Systems:** Interoperability among multiple education, workforce, and other data systems is a central issue for the P3 program. However, P3 start-up grants are insufficient to fully cover these costs. Although the pilots have brought some pre-existing data capacity to their projects, additional capacity probably will be needed in many cases to sustain the projects after the pilot phase ends.
- **Evaluations:** Evaluations, both local and national, are a significant component of P3. However, expectations for quick results should be tempered due to the relatively nascent state of evidence for

disconnected youth programs generally and for multi-agency strategies like P3 in particular.

Some of the projects may produce significant results, especially those that are well-grounded in existing evidence and/or existing programs. Other evaluations may be more interim in nature, reflecting projects that need more time to reach their potential.

The national evaluation is also not designed to draw definitive and generalized conclusions about the direct impact of the P3 program, at least in the near term. It will instead focus on removing barriers and improving system coordination.

- **Sustainability:** Waivers for the first round pilots are scheduled to expire on September 30, 2018. Authority for second and third round pilots will expire in 2019 and 2020, respectively. The literature on collaborative projects like P3 strongly suggests that success requires a longer-term commitment.


While the local pilots have said that they will continue with existing and/or alternative funding, the flexibility provisions will expire when the pilot phase ends. With local pilots still testing the limits of their new authority, Congress should consider extending these deadlines.

This paper reviews each of these issues in greater detail and concludes with recommendations.

# Introduction

At its heart, the P3 program is a test of several interrelated strategies. It is partly a test of providing states, localities, and tribes with increased flexibility in providing federally funded education, workforce, and social services. It is also partly a test of a collaboration strategy bringing together multiple programs and providers with a common focus on populations with complex needs.

As described in federal grant documents, P3 is intended to “test the hypothesis that additional flexibility for states, localities, and tribes, in the form of blending funds and waivers of certain programmatic requirements,” will result in



*“P3 is intended to ‘test the hypothesis that additional flexibility’... will result in improved outcomes for social service recipients.”*

improved outcomes for social service recipients.<sup>1</sup> In this case, the recipients are disconnected youth aged 14-24 who are low income and either homeless, in foster care, involved in the juvenile justice system, unemployed, not enrolled in an educational institution, or at risk of dropping out of an educational institution.<sup>2</sup>

By itself, such flexibility offers significant potential, opening possibilities for increased innovation and providing services that are better suited to local environments or specific populations’ needs. However, P3’s increased flexibility is also designed to facilitate a second complementary strategy: greater cooperation and collaboration among

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1. U.S Department of Education, “Applications for New Awards; Performance Partnership Pilots,” *Federal Register*, November 24, 2014. Available at: <https://www.federalregister.gov/articles/2014/11/24/2014-27775/applications-for-new-awards-performance-partnership-pilots>

2. PL 113-76, Division H: Sec. 526(a)(2)



multiple services and programs with shared goals. According to the 2014 grant application materials, it is intended to address:

[P]oor coordination and alignment across the multiple systems that serve youth; policies that make it hard to target the neediest youth and help them 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.

Finally, P3 is a test of the idea that compliance-based regulatory accountability can be reduced in favor of increased performance-based accountability. Providing increased flexibility on certain legislative, regulatory, and administrative restrictions and better aligning services will produce better outcomes for affected youth.

How well are these ideas working? With the first round of P3 projects just underway, it is too soon to know with certainty. Nevertheless, enough work has been done at both the national and local levels to provide an early indication of progress and emerging challenges.

## Methodology

This paper is based on several sources of information, including a review of grant applications and performance agreements for all nine of the first round P3 pilots, which were obtained through public records requests or directly from the pilots.<sup>3</sup> Interviews were conducted with leaders from six of the nine pilots, officials at three of the participating federal agencies (Department of Education, Department of Labor, and

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3. All of the grant applications and most of the performance agreements were obtained through two Freedom of Information Act (FOIA) requests submitted to the U.S. Department of Education. The first request for grant applications (Number 16-00300-F) was submitted on November 8, 2015, and completed in full in January 2016. The second request for performance agreements (Number 16-00894-F) was submitted on February 17, 2016, and initially rejected on February 25, but later fulfilled after appeal on April 6, 2016. Seven of the nine performance agreements were obtained through this FOIA request. The other two were obtained from the pilots.

Department of Health and Human Services) and the White House Office of Management and Budget (OMB), and other outside experts.<sup>4</sup>

Except where views are attributed by name, the opinions expressed in this paper are not necessarily endorsed or shared by these individuals or organizations.

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4. Interviews with leaders from six of the nine pilots were conducted from February 8-21, 2016. Three pilots leaders declined to participate (Baton Rouge, Seattle-King County, and Ysleta del Sur Pueblo). Interviews with federal officials were conducted from March 1, 2016, through April 5, 2016, with subsequent communications focused on comments and proposed corrections to early drafts of this paper.

# Background

Fully understanding the P3 program requires knowing both its history and the broader political context. This section reviews the thinking and efforts that shaped the initiative, including administration efforts and congressional authorization. It concludes with a brief summary of the first round pilots.

## The Early Roots of P3: Collaboration and Flexibility

P3's roots can be traced back to several earlier initiatives that emphasized flexibility or increased coordination of youth programs. One early effort that also supported collaboration and flexibility was called Helping America's Youth, an initiative developed during the George W. Bush administration.<sup>5</sup> First Lady Laura Bush led the initiative, which laid the groundwork for creating the Interagency Working Group on Youth Programs, a broad federal coordinating body.<sup>6</sup> Similar coordinating bodies at the state level, called children's cabinets, also appeared or gained momentum during this period.<sup>7</sup>

Collaborative neighborhood-focused initiatives launched in the early years of the Obama administration were also influential. These included Promise Neighborhoods—a cradle-to-college neighborhood-focused program at the Department of Education—which was inspired by local initiatives like the Harlem Children's Zone in New York City and the

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5. The White House, "Helping America's Youth." Available at: <http://georgewbush-whitehouse.archives.gov/firstlady/helping-youth.html>

6. The White House, "Executive Order 13459—Improving the Coordination and Effectiveness of Youth Programs," February 7, 2008. Available at: <https://www.gpo.gov/fdsys/pkg/WCPD-2008-02-11/pdf/WCPD-2008-02-11-Pg163.pdf>

7. Forum for Youth Investment, "Children's Cabinet Network." For more information, see: <http://forumfyi.org/childrens-cabinet-network-0>

Strive Network in Cincinnati.<sup>8</sup> Other neighborhood-focused programs—such as Choice Neighborhoods at HUD and the Byrne Criminal Justice Innovation program at the DOJ—also emphasized collaborative, data-driven services in low-income communities.<sup>9</sup>

The White House Council for Community Solutions, a panel of experts appointed by President Obama in late 2010, also played a contributing role. It focused on local collaborative efforts, eventually turning its attention to the needs of disconnected youth.<sup>10</sup> With assistance from the Bridgespan Group, the council reviewed multiple local efforts and concluded that most failed to achieve significant results. Those that were successful tended to share certain characteristics, including: effective leadership, shared vision and collaboration, dedicated staff capacity, sufficient funding, long-term commitment, and using data to monitor improvement over time.<sup>11</sup>

The most important driver, however, was an Obama Administration focus on increasing state, local, and tribal flexibility. In 2011, the administration issued a presidential memo that directed federal agencies to work with these governments to identify administrative, regulatory, and legislative barriers that hindered performance.<sup>12</sup> OMB provided additional details in a subsequent memo directing federal agencies to assemble flexibility plans including many of the elements that would eventually define P3.<sup>13</sup> When the Obama administration solicited ideas for likely programs to test these concepts, stakeholders pointed to disconnected youth.

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8. Alliance for Children and Families, “Tipping Neighborhoods to Success,” May 31, 2009. Available at: [http://www.alliance1.org/sites/default/files/pdf\\_upload/report\\_pp/Tipping\\_neighborhoods.pdf](http://www.alliance1.org/sites/default/files/pdf_upload/report_pp/Tipping_neighborhoods.pdf)

9. The White House, Office of Urban Affairs, “Neighborhood Revitalization Initiative.” See: <https://www.whitehouse.gov/administration/eop/oua/initiatives/neighborhood-revitalization>

10. The White House, “Executive Order 13560—White House Council for Community Solutions,” December 14, 2010. Available at: <https://www.whitehouse.gov/the-press-office/2010/12/14/executive-order-13560-white-house-council-community-solutions>

11. White House Council for Community Solutions, “Community Solutions for Opportunity Youth: Final Report,” June 2012. Available at: [http://www.serve.gov/sites/default/files/ctools/12\\_0604whccs\\_finalreport.pdf](http://www.serve.gov/sites/default/files/ctools/12_0604whccs_finalreport.pdf); See also: Civic Enterprises & America’s Promise Alliance, “Opportunity Road: The Promise and Challenge of America’s Forgotten Youth,” January 2012. Available at: [http://www.civicenterprises.net/MediaLibrary/Docs/opportunity\\_road.pdf](http://www.civicenterprises.net/MediaLibrary/Docs/opportunity_road.pdf)

12. The White House, “Presidential Memorandum – Administrative Flexibility,” February 28, 2011. Available at: <https://www.whitehouse.gov/the-press-office/2011/02/28/presidential-memorandum-administrative-flexibility>

13. Office of Management and Budget, Memorandum M-11-21, “Implementing the Presidential Memorandum ‘Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments,’” April 29, 2011. Available at: <https://www.whitehouse.gov/sites/default/files/omb/memoranda/2011/m11-21.pdf>

## Establishing P3

Flowing from the earlier efforts, the administration began work on what would eventually become P3. In its proposed FY 2013 budget submitted to Congress in February 2012, the administration requested authority for the Department of Labor, Department of Education, and Department of Health and Human Services to run pilot programs; the programs would grant flexibility to a select group of states and localities in exchange for strong accountability measures.

In March 2012, following its budget proposal submission, the administration created an Interagency Forum on Disconnected Youth, which planned how to structure the new program. In June, the administration released a formal request for information that solicited stakeholder

*“In March 2012 ... the administration created an Interagency Forum on Disconnected Youth, which planned how to structure the new program.”*

input.<sup>14</sup> In March 2013, the administration released a paper summarizing the responses it received across several themes, including data, evaluation, outcomes measures, local partnerships, design issues, and possible subpopulations of particular concern.<sup>15</sup>

The next step was to formally create the P3 program. This required congressional approval, however, which was not assured. Increasing local flexibility is an idea that has drawn bipartisan support, but it has also been a source of partisan tension. Republicans often distrust nationally centralized authority and prefer giving states and local governments more discretion in tailoring programs to local needs. Democrats are often willing to allow limited local flexibility to achieve better outcomes, but they fear that local officials may use this authority to reduce or divert funding to other uses.

14. One especially noteworthy response came from the Center for Law and Social Policy. See CLASP, “Comments to U.S. Department of Education Request for Information on Strategies for Improving Outcomes for Disconnected Youth,” July 2012. Available at: <http://www.clasp.org/resources-and-publications/files/CLASPCommentsstoUSDOE-2012OVAE0014.Final-2.pdf>

15. Interagency Forum on Disconnected Youth, “Summary of RFI Themes,” March 2013. Available at: <http://youth.gov/docs/Summary%20of%20RFI%20themes.pdf>

Enacting P3 required finding a workable compromise between these two points of view. In its final form, P3 piloted the bottom-up flexibility for states and communities that Republicans wanted, but it also subjected these flexibility requests to federal approval and compliance with civil rights laws and other protections to allay Democratic concerns.<sup>16</sup>

The proposal sidestepped a broader debate between the two parties over block granting federal programs; it's an idea that Republicans have supported as a way to shift power to states and local governments,<sup>17</sup> but that Democrats have opposed for fear that such efforts would lead to spending cuts.<sup>18</sup> It avoided this debate in two ways: by leaving the underlying federal programs and their associated funding levels unchanged, and by excluding from its provisions any mandatory and other entitlement spending on programs of most concern to Democrats (e.g., Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families).

Over the course of the next year, the Forum for Youth Investment, a nonprofit organization that works with state children's cabinets, lobbied Congress to include authorization language in federal appropriations legislation. Congress did so and President Obama signed that appropriations legislation into law on January 17, 2014, creating P3.<sup>19</sup>

## First Round Awards

The administration moved quickly to roll out the initiative once it was formally enacted. In April 2014, the administration released a consultation paper providing an outline of the new initiative.<sup>20</sup> The five initial federal agencies and departments affected by the legislation—the Department of Education, the Department of Labor, the Department of

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16. The program's guardrails and other protections are discussed in more detail later in this paper.

17. Social Innovation Research Center, "Performance and Outcomes in the Ryan Anti-Poverty Plan," July 24, 2016. Available at: <http://www.socialinnovationcenter.org/?p=96>

18. Jared Bernstein, "Block Grants Can be the 'Poisoned Chalice' of Social Policy," *The Washington Post*, March 28, 2016. Available at: <https://www.washingtonpost.com/posteverything/wp/2016/03/28/block-grants-the-poisoned-chalice-of-social-policy/>

19. PL 113-76, which covered funding for federal fiscal year 2014. The P3 authorizing language can be found in Division H: Sec. 526.

20. Interagency Forum on Disconnected Youth, "Changing the Odds for Disconnected Youth: Initial Design Considerations for Performance Partnership Pilots," April 28, 2014. Available at: <http://youth.gov/youth-topics/reconnecting-youth/performance-partnership-pilots/consultation>

Health and Human Services, the Corporation for National and Community Services, and the Institute of Museum and Library Services—signed an interagency agreement that governed their respective responsibilities.<sup>21</sup>

The Department of Education was assigned the role of lead federal administering agency. It published a formal notice inviting applications on November 24, 2014, offering a total of \$7.1 million in start-up grants for up to 10 pilot sites.<sup>22</sup> Twenty-seven eligible entities applied the following spring and nine were awarded grants in late September 2015, with a public announcement made in October.<sup>23</sup>

Over the following months, the awardees and the relevant federal agencies negotiated the details of legally binding performance agreements. These agreements described the approved waivers of federal regulatory requirements, blending or braiding of federal funds, performance metrics, and enforcement mechanisms. Most of the performance agreements were completed and signed by late March 2016.

The nine first round P3 pilots are summarized in Table 1. The projects vary substantially in size, with four serving fewer than 100 youth, but two others (Los Angeles and Southeastern Kentucky) focusing on the entire system and serving 1,000 youth or more. The two largest projects in Los Angeles and Southeastern Kentucky are designated federal Promise Zones and thus eligible for competitive preferences under P3 and a number of other federal grant programs.<sup>24</sup>

The projects also vary in the types of youth served and the services provided. While all nine serve disconnected youth or those at risk of becoming disconnected, some serve specific subpopulations, including

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21. According to interviews with federal personnel, the interagency agreement (IAA) established the scope of work and responsibilities for the participating federal agencies. Among other provisions, it outlines procedures for public outreach, pilot selection, the process for approving requests for waivers and blending of federal funds, pilot monitoring, and evaluations. It covers both general provisions and individual responsibilities for each agency.

22. U.S. Department of Education, "Applications for New Awards; Performance Partnership Pilots," *Federal Register*, November 24, 2014. Available at: <https://www.federalregister.gov/articles/2014/11/24/2014-27775/applications-for-new-awards-performance-partnership-pilots>

23. U.S. Department of Education, "Obama Administration Names 9 Communities Chosen As Finalists for Pilot to Improve the Outcomes of Disconnected Youth," October 29, 2016. See: <http://www.ed.gov/news/press-releases/obama-administration-names-9-communities-chosen-finalists-pilot-improve-outcomes-disconnected-youth>.

24. U.S. Department of Housing and Urban Development, "Promise Zones." See [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/economicdevelopment/programs/pz](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/economicdevelopment/programs/pz)

**Table 1: Overview of the First Round Pilots**

Project Site	Enrolled Youth	Evaluation	Description / Project Focus
Baton Rouge	84	RCT	Coordinates education, WIOA Title I Youth funds
Broward County	420	RCT	Combines after school, WIOA, library funds
Chicago	210	QED	Coordinates Head Start, WIOA for teen mothers
Indianapolis	80	QED	Public housing youth
Los Angeles	8,000	QED	Promise Zone, system-wide effort
Oklahoma City	60-150	QED	Foster youth aged 14-18
Seattle-King County	200	QED	Coordinates WIOA Title I, reintegration, AmeriCorps
Southeastern Kentucky	1,000	QED	Promise Zone, rural youth
Ysleta del Sur Pueblo	85	QED	Native American youth aged 14-24

### Abbreviations

RCT: randomized controlled trial

QED: quasi-experimental design

WIOA: The Workforce Innovation and Opportunity Act (H.R. 803; Pub.L. 113–128) consolidates job training programs under the Workforce Investment Act of 1998 (WIA) into a single funding stream.

**Source:** Public record requests and interviews. For more detailed information, see Social Innovation Research Center, “P3 Project Summaries: 2015 Awards,” May 2016. Available at: [http://socialinnovationcenter.org/wp-content/uploads/2016/05/P3\\_Project\\_Summaries.pdf](http://socialinnovationcenter.org/wp-content/uploads/2016/05/P3_Project_Summaries.pdf)



rural youth (Southeastern Kentucky), tribal youth (Ysleta del Sur Pueblo), teen mothers (Chicago), foster youth (Oklahoma City), and youth located in public housing (Indianapolis).


Most of the approved flexibility requests, which may be amended and expanded, appear to be modest. Most of the nine pilots received no more than two waivers. Four were granted authority to blend federal funds. As required by law, all of the flexibilities granted under P3 authority are scheduled to expire on September 30, 2018.

The sites received one-time start-up grants, almost all of which were at or near the \$700,000 maximum. The largest portion of these grants is devoted to project management and evaluations.

Most of the sites, at least to some extent, rely on existing data systems to provide the outcomes data needed to track their performance. The sophistication and interoperability of these systems vary significantly. All nine have planned and budgeted for local evaluations, but only two involve randomized controlled trials (RCTs). The others are using quasi-experimental designs (QED), which will compare the outcomes for participating youth with other local youth with similar characteristics.<sup>25</sup>

## Additional Competitions

While this paper focuses on the experience of the first round pilots, Congress has passed legislation that authorizes additional pilots. This legislation also expanded the existing P3 authority to add certain discretionary programs at the Department of Justice<sup>26</sup> and HUD.<sup>27</sup>



*“Congress has passed legislation that authorizes additional pilots.”*

25. Descriptions of the methodologies used, where available, can be found in the separate project summaries. See: [http://socialinnovationcenter.org/wp-content/uploads/2016/05/P3\\_Project\\_Summaries.pdf](http://socialinnovationcenter.org/wp-content/uploads/2016/05/P3_Project_Summaries.pdf)

26. PL 113-235, which covered funding for federal fiscal year 2015, was signed into law on December 16, 2014. It continued earlier authority (Division G: Sec. 524) and expanded it to cover funding for the Office of Justice Programs at DOJ (Division B: Sec. 219). This authority was extended in the following year as well (see next footnote).

27. PL 114-113, which covered funding for fiscal year 2016, was signed into law on December 18, 2015. It continued earlier P3 authority (Division H: Sec. 525 and Division B: Sec. 219) and expanded it to include homeless assistance grants at HUD (Division L: Sec. 242).

The administration expects to select up to 20 new pilots in two competitions in the coming year. On April 26, 2016, the administration announced the first of these two competitions with start-up grants of up to \$350,000, or approximately half the size of the grants offered in the first round.<sup>28, 29</sup>

The remainder of this paper reviews initial lessons from the first round projects across several common themes:

- Collaboration and coordinated services
- Flexibility
- Performance metrics
- Data systems
- Evaluations
- Technical assistance

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28. U.S. Department of Education, "Applications for New Awards; Performance Partnership Pilots," *Federal Register*, April 26, 2016. Available at: <https://www.federalregister.gov/articles/2016/04/26/2016-09748/applications-for-new-awards-performance-partnership-pilots>

29. Congress did not authorize any additional funds for P3. Instead, it authorized the participating agencies to draw on other already existing appropriated funds.

# Collaboration and Coordinated Services

While flexibility is a major P3 program focus, so too is promoting collaborative state, local, and tribal partnerships. The importance of such collaboration is evident from the program's name: Performance Partnership Pilots.

The intersection between flexibility and collaboration is discernible at many levels. Some of the focus at the individual and family level is on wrap-around services, a holistic and comprehensive approach to serving children, youth, and families with complex needs.<sup>30</sup> An alternative approach focuses not on comprehensive services, but *appropriate* services as determined through a needs assessments of youth and/or their families. This strategy is reflected in the phrase “bringing the right services to the right child at the right time.”<sup>31</sup>

Although a single nonprofit or public agency can provide comprehensive or tailored services, the needs of disconnected youth often require coordination among multiple public agencies and service providers. In recent years, this collaborative approach has taken hold in several fields—including education and social services—sometimes under the name “collective impact.”<sup>32</sup>

Much of the work and thinking that preceded P3's creation focused on collective impact, including work by the White House Council for

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30. For an introduction, see National Wraparound Initiative, “Wraparound Basics.” Available at: <http://nwi.pdx.edu/wraparound-basics/>. See also Interagency Forum on Disconnected Youth, “Summary of RFI Themes,” March 2013, p. 9. Available at: <http://youth.gov/docs/Summary%20of%20RFI%20themes.pdf>

31. Interviews with leaders from local P3 pilots.

32. John Kania and Mark Kramer, “Collective Impact,” *Stanford Social Innovation Review*, Winter 2011. See: [http://ssir.org/articles/entry/collective\\_impact](http://ssir.org/articles/entry/collective_impact) See also Jeffrey Henig, et al., “Putting Collective Impact into Context: A Review of the Literature on Local Cross-Sector Collaboration to Improve Education,” October 2015. Available at: <http://www.wallacefoundation.org/knowledge-center/summer-and-extended-learning-time/extended-learning-time/Pages/Putting-Collective-Impact-Into-Context.aspx>

Community Solutions.<sup>33</sup> The P3 grant application materials also emphasized collaboration, noting that:

Partnerships are critical to pilots' ability to provide innovative and effective service-delivery and systems change strategies that meet the education, employment, and other needs of disconnected youth. We encourage applicants to build on strong, existing partnerships that have experience in working together to improve outcomes for disconnected youth.<sup>34</sup>

The administration does not characterize P3 as a collective impact-based program, but P3 shares much in common with (and can include) those efforts. Experts have cited several central components required for collective impact efforts to be successful.<sup>35</sup> Many of these are present in the local P3 projects, including:

*“Partnerships are critical to pilots' ability to provide innovative and effective service-delivery and systems change strategies...”*

- **Common Agenda:** Disconnected youth often work with many different organizations, including those focused on increasing high school graduation, workforce engagement, or related goals such as preventing teenage pregnancy. Most successful collective impact efforts unite such disparate efforts by creating partnerships with a common agenda and common set of goals.

Local partnerships are present to varying degrees in all P3 projects. The number of partners generally range from three to a dozen or more. Typical partners include schools, local workforce programs, other public agencies such as Head Start or housing agencies,

33. White House Council for Community Solutions, “Community Solutions for Opportunity Youth: Final Report,” June 2012. Available at: [http://www.serve.gov/sites/default/files/ctools/12\\_0604whccs\\_finalreport.pdf](http://www.serve.gov/sites/default/files/ctools/12_0604whccs_finalreport.pdf)

34. U.S Department of Education, “Applications for New Awards; Performance Partnership Pilots,” *Federal Register*, November 24, 2014. Available at: <https://www.federalregister.gov/articles/2014/11/24/2014-27775/applications-for-new-awards-performance-partnership-pilots>

35. This summary draws heavily on the framework outlined in FSG, “Collective Impact for Opportunity Youth,” 2012. Available at: [http://www.aspeninstitute.org/sites/default/files/content/docs/resources/FSG\\_Collective\\_Impact\\_for\\_Opportunity\\_Youth\\_Report.pdf](http://www.aspeninstitute.org/sites/default/files/content/docs/resources/FSG_Collective_Impact_for_Opportunity_Youth_Report.pdf)

community colleges, nonprofit social service providers, and outside researchers often based at local colleges or universities.

In interviews, several of the P3 project leaders emphasized the importance of starting small and early, building on prior work and existing relationships, and then adding partners over time. “We started small. That’s how we put our application together,” said one local project leader. “There was a long period of time between when the grant was announced and when we submitted. The additional time made our application better.”

- **Shared Measurement:** The next step after reaching agreement on broad goals is to translate these goals into concrete, measurable indicators that allow for tracking progress and making adjustments over time. Such measures often draw on several existing data sources, each with its own privacy-related protections that must usually be addressed through consent forms and/or organizational data sharing agreements.

While participating organizations may have their own individual measures, the project as a whole also jointly shares a broad, single set of measures. These measures are included in the P3 pilots’ performance agreements, which are discussed in greater detail later in this paper.

- **Mutually Reinforcing Activities:** Making progress in collective impact-based efforts usually assumes the local partners make coordinated, complementary efforts. The interlocking nature of this work for P3 often was expressed in logic models and theories of change included in the grant applications. They were also expressed more formally in local memoranda of understanding (MOUs) and in the federal performance agreements. “We have had great cooperation across a variety of partners,” said Michael Twyman, Executive Director of OpportunINDY. “You don’t see that too often, and it helped that the feds were working together, too. That is a smarter way for us to work. It allows us to bring more holistic services to individuals.”
- **Continuous Communication:** Although responsibilities are often expressed in formal legal arrangements such as local MOUs, the actual interactions among local partners are often more dynamic, requiring ongoing communication and adjustment that rely heavily on relationships and trust. “The trust level exhibited in our application is pretty far-reaching,” said Cindy Arenberg-Seltzer, President

and CEO of the Children’s Services Council of Broward County. “Government has a reputation for being rigid,” she continued. “We pride ourselves for being a different kind of government that is responsive and best serves children and families. We have turned ourselves into pretzels to accommodate others and hopefully we will be really proud of the results. It would have been easy for us to walk away if we weren’t so committed.”

- **Backbone Support:** Complex, collaborative efforts do not typically hold together without dedicated staff support. The lack of such support is one of the principal reasons why such efforts fail.<sup>36</sup> Managerial or “backbone” staff typically serve a number of specific functions in collective impact efforts, including: (1) guiding vision and strategy, (2) brokering relationships to align activities, (3) establishing shared measurement practices, (4) building public support, (5) advancing policy, and (6) mobilizing funding.<sup>37</sup>

All of the P3 pilots have designated lead project managers to oversee these functions. Most draw heavily upon the P3 start-up grants to fund these positions.<sup>38</sup>

These five components are important, but at least two additional factors are also essential. One is resources. While collective impact strategies focus on aligning existing resources, there must be resources to align. Such resources are assumed in P3, with pilots being asked to coordinate services that have already been funded by other federal and non-federal programs.

The P3 start-up grants have helped by filling gaps on important functions such as evaluations and backbone staff support.<sup>39</sup> However, these one-time start-up funds—typically at or near \$700,000—were comparably small and often dwarfed by the larger funding streams that were being coordinated. When asked, all of the interviewed pilot

36. John Kania and Mark Kramer, “Collective Impact,” *Stanford Social Innovation Review*, Winter 2011. See: [http://ssir.org/articles/entry/collective\\_impact](http://ssir.org/articles/entry/collective_impact)

37. FSG, “Collective Impact for Opportunity Youth,” 2012, p. 34. Available at: [http://www.aspeninstitute.org/sites/default/files/content/docs/resources/FSG\\_Collective\\_Impact\\_for\\_Opportunity\\_Youth\\_Report.pdf](http://www.aspeninstitute.org/sites/default/files/content/docs/resources/FSG_Collective_Impact_for_Opportunity_Youth_Report.pdf)

38. More information about successful backbone organizations and staff can be found in Shiloh Turner, Kathy Merchant, John Kania, and Ellen Martin, “Understanding the Value of Backbone Organizations in Collective Impact,” *Stanford Social Innovation Review*, July 17, 2012. Available at: [http://ssir.org/articles/entry/understanding\\_the\\_value\\_of\\_backbone\\_organizations\\_in\\_collective\\_impact\\_1](http://ssir.org/articles/entry/understanding_the_value_of_backbone_organizations_in_collective_impact_1)

39. As noted earlier, Congress did not authorize any additional funds for P3. Instead, it authorized the participating agencies to draw on other existing appropriated funds.

leaders said if they were successful they would be able to find replacement resources to sustain their projects after the P3-funded phase ends.

Another factor may be more problematic. In its review of successful community-based projects, the White House Council for Community Solutions identified longer-term investment as a critical factor for success. According to its final report, “Successful collaboratives make multi-year commitments because long-term change takes time. Even after meeting goals, a collaborative must work to sustain them.”<sup>40</sup>P3 exhibits most of the qualities deemed necessary for success for collaborative or collective impact-based strategies, but it may fall short on this measure. Local pilots may be able to continue on their own with other federal funding, but federal support specific to P3 (including waiver and blending authority and start-up grants) will end in 2018.

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40. White House Council for Community Solutions, “Community Solutions for Opportunity Youth: Final Report,” June 2012, p. 13. Available at: [http://www.serve.gov/sites/default/files/ctools/12\\_0604whccs\\_finalreport.pdf](http://www.serve.gov/sites/default/files/ctools/12_0604whccs_finalreport.pdf)

# Flexibility

Local collaboration and partnerships are central to P3, but they are not what make it unique. There are several federal initiatives emphasizing such partnerships, including Promise Zones, Full Service Community Schools, Promise Neighborhoods, and others. What sets P3 apart from other initiatives is its legal authority to align and/or waive certain legislative, regulatory, or administrative requirements that may prevent partnerships from improving outcomes for disconnected youth.

So far, the use of this authority appears to be modest. This section reviews the authority, its use thus far, and challenges that may hinder greater utilization.

## Existing Waiver Authority Under P3


P3 provides federal agencies the authority to waive any statutory, regulatory, or other administrative requirement under covered federal programs, subject to certain restrictions. For the first round, the law applies to annually appropriated programs operated by the five original participating agencies: the Department of Education, the Department of Labor, the Department of Health and Human Services, the Corporation for National and Community Service, and the Institute of Museum and Library Services. The law permits participating agencies to: (1) waive anything they are already permitted to waive under current law and (2) approve other waivers that would not otherwise be allowed, subject to certain safeguards.

The law contains a number of such safeguards. It excludes mandatory or entitlement spending (e.g., Medicaid, Social Security, SNAP, most foster care IV-E programs, etc.). The waivers must be consistent with the target programs' overall statutory purpose; they also must be



necessary for achieving the proposed pilot's purpose.<sup>41</sup> They may not be used to waive nondiscrimination or wage and labor standards or to waive restrictions on fund allocation to states or other sub-state actors. Participating federal agencies must also determine that the proposed use of program funds will: (1) not result in denying or restricting individual eligibility for services funded by those programs and (2) not adversely affect vulnerable populations receiving those services.

The waivers are temporary, with first round flexibility measures expiring in 2018. They may be amended or revoked if the pilot is not achieving agreed upon outcomes or complying with applicable federal requirements.



*"... the local pilots may propose waiving any federal barriers necessary to achieve their program goals."*

Subject to these restrictions, the local pilots may propose waiving any federal barriers necessary to achieve their program goals. According to the participating federal agencies, examples of potential flexibility requests include, but are not limited to, changes to eligibility requirements, allowable

fund use, and performance reporting.<sup>42</sup> Local projects may also propose blending federal funds; this is a process of combining multiple funding streams, each with its own separate administrative requirements, into a single stream with a single set of administrative requirements.<sup>43</sup>

Administration officials say these flexibility provisions are intended to be bottom-up, driven from the local level. "Our intention is for this program to be truly driven from the community. We don't want to be too directive from the federal government, telling communities what envelopes they should be pushing," said one federal official in an interview.

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41. They must also result in efficiencies by simplifying reporting burdens or reducing administrative barriers with respect to such discretionary funds, or increase the ability of individuals to obtain access to services provided by such discretionary funds.

42. Webinar transcript, "Performance Partnership Pilots: FY 2014 Notice Inviting Applications," December 1, 2014.

43. For a good overview of blending and braiding strategies, see Ounce of Prevention, "Blending and Braiding Early Childhood Program Funding Streams Toolkit," November 2013. Available at: <http://qrisnetwork.org/resource/2013/blending-and-braiding-early-childhood-program-funding-streams-toolkit>

## Approved Waivers

What waivers have been granted? As shown in Table 2, waivers have been approved for a variety of programs spread across the five participating federal agencies. The most widely affected program is the Workforce Innovation and Opportunity Act (WIOA) Title I Youth Program.<sup>44</sup>

Most of these waivers do one of the following things:

- **Blending and Braiding Federal Funds:** According to a 2015 description, “Funds from each individual stream lose their award-specific identity, and the blended funds together become subject to a single set of reporting and other requirements, consistent with the underlying purposes of the programs for which the funds were appropriated.”<sup>45</sup>

Four of the nine pilots have received permission to blend federal funds.<sup>46</sup>

Braiding funds, by contrast, allows funding streams to be used for complementary purposes, but they must still be tracked and accounted for separately. Whereas blending requires one or more waivers from the appropriate federal agencies, braiding does not. However, waivers can facilitate more effective use of braided funds.

- **Aligning Eligibility Rules:** Many federal programs have different eligibility requirements (often tied to age or income eligibility), which hinder coordination. Several of the P3 pilots were granted waiver requests to align federal eligibility requirements. For example, the Baton Rouge Performance Partnership Pilot successfully requested a waiver of eligibility requirements under the Carl D. Perkins Career and Technical Education Act to allow youth services starting in the sixth grade (the law otherwise prohibits using funds for students prior to the seventh grade).
- **Aligning Performance Goals and Streamlining Reporting Requirements:** Most federal programs have their own reporting requirements.

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44. U.S. Department of Labor, “The Workforce Innovation and Opportunity Act: Youth Program Fact Sheet,” March 2015. See: [https://www.doleta.gov/wioa/Docs/WIOA\\_YouthProgram\\_FactSheet.pdf](https://www.doleta.gov/wioa/Docs/WIOA_YouthProgram_FactSheet.pdf)

45. U.S. Department of Education, “Proposed Priorities, Requirements, Definitions, and Selection Criteria—Performance Partnership Pilots for Disconnected Youth,” *Federal Register*, October 22, 2015. Available at: <https://www.federalregister.gov/articles/2015/10/22/2015-26965/proposed-priorities-requirements-definitions-and-selection-criteria-performance-partnership-pilots>

46. This figure is separate from the P3 start-up funding, which was drawn from the participating federal agency budgets and is a form of blended funding.

**Table 2: Federal Programs with Approved Waivers**

The following table summarizes federal programs where the first round pilots received waivers or were authorized to blend federal project funds. The table also includes programs identified in the FY 2014 Notice Inviting Applications as potentially eligible for inclusion in the pilots, including those where waivers have not yet been approved. This list is not comprehensive. Other programs not listed here may also be eligible for waivers under P3.

Federal Agency/Program	Pilot Project
<b>Corporation for National and Community Service</b>	
• AmeriCorps	Ysleta del Sur Pueblo; Oklahoma City, Seattle (braiding)
• Social Innovation Fund	None
<b>Department of Education</b>	
• 21st Century Community Learning Centers	Broward County
• Career, Technical, and Adult Education	Baton Rouge
• ESEA, Title I, Part D	Baton Rouge (braiding)
• Full Service Community Schools	Southeastern Kentucky (braiding)
• GEAR UP	Southeastern Kentucky
• General Admin. Regulations (EDGAR)	Broward County, Chicago
• Promise Neighborhoods	Southeastern Kentucky
<b>Department of Health and Human Services</b>	
• Adolescent Pregnancy Prevention *	None
• Chafee Adult Education and Training *	None
• Head Start	Chicago
• Now Is the Time—Healthy Transitions	Oklahoma City (braiding)
• Runaway and Homeless Youth *	Los Angeles
• SAMHSA—Various Programs *	None
<b>Department of Labor</b>	
• Reintegration of Ex-Offenders *	Seattle
• WIOA—Title I Adult	None
• WIOA—Title I Youth	All except Ysleta del Sur Pueblo
• YouthBuild	Indianapolis
<b>Institute of Museum and Library Services</b>	
• Library Services and Technology Act	Broward County (braiding)
• Native American and Library Services Enhancement Grants	Ysleta del Sur Pueblo

\* Rated by the administration in the FY 2014 Notice Inviting Applications as requiring significant review to ensure that vulnerable populations are not adversely affected.

**Sources:** Public record requests, interviews, and FY 2014 Notice Inviting Applications. For more detailed information, see Social Innovation Research Center, “P3 Project Summaries: 2015 Awards,” May 2016. Available at: [http://socialinnovationcenter.org/wp-content/uploads/2016/05/P3\\_Project\\_Summaries.pdf](http://socialinnovationcenter.org/wp-content/uploads/2016/05/P3_Project_Summaries.pdf)

Streamlining these reporting requirements can reduce paperwork and make it easier to provide a consistent set of services to targeted youth.


Many of the first round sites received waivers aligning the performance goals or reporting requirements for their component programs. Several replaced existing performance metrics with the single, common set of metrics established in their P3 performance agreements (described in the next section).

- **Adjusting Federal Match Requirements:** Projects located in low-income areas, including rural regions and tribes, can sometimes struggle with federal financial matching requirements. The Ysleta del Sur Pueblo, a federally recognized tribe, successfully requested a waiver of such matching requirements from the Corporation for National and Community Service.
- **Funding New Services:** Many of the ideas listed above make it easier to align existing services, but another possible use of P3 flexibility is to repurpose existing funds for a new and innovative use that might not otherwise be allowed under existing rules.

An example can be found in the Chicago Young Parents Program (CYPP), which designed a program for teen mothers using a combination of waivers from three federal departments. Similarly, the Broward County site obtained a waiver allowing them to use 21st Century Community Learning Center (after school) funds for activities during the school day.

## Flexibility Challenges

So far, most of the approved waivers appear to be modest, both in numbers and in scope. As noted earlier, only four of the nine pilots have been granted authority to blend federal funds. Most of the pilots have no more than two approved waivers and most of the approved waivers have been modest, involving what appear to be minor changes in program eligibility and reporting requirements.



*“So far, most of the approved waivers appear to be modest, both in numbers and in scope.”*

Administration officials disagree with this assessment, however. “A pilot may have only requested one or two waivers, but the waivers could be significant for that pilot,” said one federal official. “For example, a waiver of statutory performance measures offers the pilot an opportunity to tailor workforce and education measures to appropriately fit the goals of the program.” She indicated that early conclusions characterizing waiver impact are premature and require a more detailed evaluation.<sup>47</sup>

Although the approved flexibility changes may be significant in those cases where new services are being piloted (described above) and/or where substantial blending has been authorized, this level of flexibility has not yet been approved for most of the pilots.<sup>48</sup>

There are a number of possible reasons for this:

- **Limited Local Knowledge of Federal Barriers:** One of the P3 program’s operating assumptions appears to be that it should be bottom-up, with local communities driving the flexibility requests.<sup>49</sup> Local program coordinators are assumed to be best positioned to identify barriers that hinder their success.

There was considerable confusion at the local level about the origin of certain barriers. In some cases, states and other authorities had been blocking local requests for flexibility by arguing that they were prohibited by federal law. P3 allowed these local organizations to press through such objections. Often when they did, they found that the objections were unfounded.

These efforts reveal what was perhaps an unintended, but positive, consequence of P3: Even when waivers were not granted (because they were unnecessary), the process still increased local flexibility.

Nevertheless, limited local knowledge of federal restrictions remains a significant barrier. In interviews with pilot leaders, they suggested that they were eager to learn from the other projects and that they welcomed federal technical assistance to identify additional

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47. Email communications, May 13 and May 18, 2016.

48. Complete descriptions of all of the waivers can be found in Social Innovation Research Center, “P3 Project Summaries: 2015 Awards,” May 2016. Available at: [http://socialinnovationcenter.org/wp-content/uploads/2016/05/P3\\_Project\\_Summaries.pdf](http://socialinnovationcenter.org/wp-content/uploads/2016/05/P3_Project_Summaries.pdf)

49. This may be partly to prevent a recurrence of the negative reactions generated when the Obama administration used state-level waivers under No Child Left Behind to promote administration-approved education reforms.

barriers. Several suggested that it would likely be an iterative/learning process, with considerable improvement over time.

- **Recent Changes in Other Federal Laws:** One potentially complicating factor for P3 was that at the time that it was being designed and implemented, Congress was amending two other major federal laws with significant implications for P3. The Workforce Innovation and Opportunity Act, a significant update of federal workforce and training programs, was enacted in 2014.<sup>50</sup> The Every Student Succeeds Act, a major rewrite of the nation's primary K-12 education law, was enacted in late 2015.<sup>51</sup> These changes have left the nation's workforce and education laws in substantial flux. With the administration currently devising regulations for both laws, they represent a moving target for any flexibility requests under P3. In interviews, federal officials indicated that the pilots would receive technical assistance on changes to these laws and regulations that affect the projects.
- **State and Local Barriers:** Federal restrictions are not the only barriers to local flexibility and improved performance. In many cases, such restrictions may originate at the state, local, or tribal level. P3 does not directly address these non-federal barriers. Instead, it relies on the pilots to work with state and local authorities to address them when needed.
- **Limited Time:** By law, authority for the first round projects expires on September 30, 2018.<sup>52</sup> While the administration moved comparably quickly, it still took time to launch P3 and this placed added pressure on the local pilots and federal officials to finalize waiver agreements as quickly as possible. Such time pressures may have limited the opportunity to secure more than the easiest and most essential waivers. There appears to be some presumption among at least some of the pilots that their initial list of approved waivers will be expanded.
- **Restrictive Federal Safeguards:** Some of the safeguards put in place by Congress to prevent abuse may have prevented the approval of certain flexibility and blending requests. The administration noted in the FY 2014 Notice Inviting Applications that some federal

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50. See <https://www.doleta.gov/wioa/>

51. See <http://www.ed.gov/essa>

52. PL 113-76, Division H: Sec. 526(c)(2)(A)

programs were more likely to pose challenges for these reasons.<sup>53</sup> The administration has provided further details about the legal limits placed on local flexibility requests in associated “frequently asked questions” documents.<sup>54</sup>

Many of these barriers seem surmountable over time, particularly as local and federal authorities learn more and test the limits of their new authority. However, there is at least one additional barrier that may require congressional action:

- **Waiver Expiration:** As noted above, by law the waiver authority for all of the first round pilots expires in 2018. (Waivers granted for second and third round projects will expire in 2019 and 2020, respectively). These expiration dates may be problematic, particularly for pilots with promising early results, given the time required to launch the projects and a presumption in the literature that successful collaborative partnership strategies require a long-term, multi-year commitment.<sup>55</sup> Congress may wish to revisit these deadlines in future legislation.

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53. U.S. Department of Education, “Applications for New Awards; Performance Partnership Pilots,” *Federal Register*, November 24, 2014. See Appendix B: Examples of Programs Potentially Eligible for Inclusion in Pilots. Available at: <https://www.federalregister.gov/articles/2014/11/24/2014-27775/applications-for-new-awards-performance-partnership-pilots>

54. Youth.gov, “Performance Partnership Pilots (P3) Round 2 (FY 2015) Frequently Asked Questions,” May 4, 2016. See Section C (Waivers). Available at: <http://youth.gov/youth-topics/reconnecting-youth/performance-partnership-pilots/faq>

55. White House Council for Community Solutions, “Community Solutions for Opportunity Youth: Final Report,” June 2012, pp. 13, 25, 30, 39. Available at: [http://www.serve.gov/sites/default/files/ctools/12\\_0604whccs\\_finalreport.pdf](http://www.serve.gov/sites/default/files/ctools/12_0604whccs_finalreport.pdf)

## Performance Metrics

The P3 program is a test of the idea that reduced regulatory accountability can be exchanged for an increase in performance-based accountability. Increased flexibility and coordinated services are the means, and improved youth outcomes are the intended end.

To help track their progress toward this goal, each project's performance agreement includes project-wide metrics that track educational, employment, and other key outcomes. Examples from the performance agreements include the following:<sup>56</sup>

- **Education Metrics:** Education-related metrics commonly include school attendance, educational achievement, high school graduation rates, GED high school equivalency, and participation in post-secondary education.
- **Employment Metrics:** Employment metrics commonly cover skill development, program completion, attainment of career-related certifications, and employment.
- **Other Metrics:** Other metrics include rates of stabilized housing, reduced involvement in the criminal justice system, and improved physical and mental health. Some P3 projects are also tracking system-level changes, such as meeting specified milestones for collaboration and data sharing.

According to administration officials, the local projects initially proposed the metrics, which were often drawn from their grant applications. The final metrics were negotiated between the projects and the relevant federal agencies. Administration officials said they sought to respect local prerogatives consistent with the requirements of the law.

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56. Details on performance metrics for each P3 project can be found in Social Innovation Research Center, "P3 Project Summaries: 2015 Awards," April 2016. Available at: [http://socialinnovationcenter.org/wp-content/uploads/2016/05/P3\\_Project\\_Summaries.pdf](http://socialinnovationcenter.org/wp-content/uploads/2016/05/P3_Project_Summaries.pdf)



The final negotiated metrics typically include a range of interim, process, and outcome measures. In some cases, the metrics appear to be interrelated and rooted in varying points of the project's logic model.<sup>57</sup> Such diverse measures facilitate not just progress tracking along milestones, but also diagnosing and addressing potential problems when they arise.

The performance agreements also specify data sources and methodology. In most cases, they include numerical performance targets (for example, "80 percent of participants will pass state mandated end of course exams"). Where possible, these targets have been tied to the projects' existing baseline information. Professional judgment was used in other cases where such information was unavailable, but local pilots agreed to collect baseline information. Federal officials sought to ensure that the agreements captured performance improvements, as required by the authorizing legislation.<sup>58</sup> They also suggested that they were sensitive to the need to choose measures and targets that did not discourage the pilots from serving the hardest-to-serve youth.<sup>59</sup>

Finally, each performance agreement includes provisions for addressing performance shortfalls. These include a range of possible options that can be invoked by the participating federal agencies as needed, including: providing technical assistance to the pilots; amending, revoking, or granting additional waivers; requiring corrective action plans; requiring misspent funds repayment; and amending or terminating the performance agreement.

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57. For more information on logic models, see: Whitebarn Consulting, "Resources: Logic Models and Theories of Change (updated)," December 1, 2015. Available at: <http://www.whitebarn.info/s/resources-logic-models-and-theories-of-change>

58. PL 113-76, Division H: Sec. 526 (a)(2) and Sec. 526 (b)(1).

59. Interview, March 1, 2016.

## Data Systems

The P3 program relies heavily on performance data, but it provides no dedicated funding to cover these costs. Most of the first round pilots use comparably little of their start-up funding for these purposes. Instead, local projects rely heavily on direct or indirect access to data infrastructures that already exist.



*“... local projects rely heavily on direct or indirect access to data infrastructures that already exist.”*

The 2014 P3 grant application built in the expectation that the pilots would bring such pre-existing capacity. It reserved the largest share of points (30 out of up to 112) for applicants who could demonstrate the ability to collect and use such data, including executing data-sharing agreements, managing and linking data, maintaining data quality, and protecting privacy.

Despite this expectation, significant variation among the grantees remains. In some cases, the local project leads rely on pre-existing data systems that they established and operate themselves. In other cases, they have memoranda of understanding in place with project partners and indirectly access the needed data through periodic downloads.

For example, the Los Angeles Performance Partnership Pilot primarily relies on the city’s workforce data management system, with additional data accessed from the Los Angeles Unified School District through a pre-existing agreement. The Chicago Young Parents Program relies primarily on its pre-existing Head Start data system, with additional data accessed from its principal nonprofit partner, which is a Head Start provider.


In other cases, even where data sharing agreements are already in place, the level of direct interoperability between the systems is often mixed. In many cases, data is downloaded, matched, and combined manually, sometimes in new databases that have been created specifically for the P3 project, particularly for the smaller projects or those working with new partner organizations.

When limited P3 funding is spent on data, it usually only covers marginal costs, such as additional software licenses, training, or part-time support from a data administrator. If these projects are sustained or scaled up after federal P3 funding ends, they will need to find alternative funding for more fully interoperable systems.

## Evaluations

Evaluations, both local and national, are a major part of P3. However, while the program is expected to make significant contributions, the evidence bases for programs addressing disconnected youth in general, and collaborative partnership-based strategies in particular, are under-developed.<sup>60</sup> Given the nascent state of the field, building this evidence base will take time.

As currently designed, the individual evaluations for the local pilots vary in their design and rigor. Some may produce significant results that will add to the evidence base for disconnected youth, while others may be preliminary. The national evaluation of the first round pilots also is not designed to draw definitive conclusions about the program's overall impact on disconnected youth. Instead it will focus on documenting and assessing the extent of system change, capacity building, and partnership development.



*“The national evaluation of the first round pilots ... will focus on documenting and assessing the extent of system change, capacity building, and partnership development.”*

There are several reasons for this.

- **Local evaluations currently vary in their design and rigor, although the evidence bar may rise over time.** Each pilot conducts its own evaluation. In most cases, local academics or evaluation firms with knowledge of the region or project conduct the evaluations. In a few

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60. MDRC, “What Works for Disconnected Young People: A Scan of the Evidence,” February 2016, pp. 26-29. Available at: <http://www.mdrc.org/publication/what-works-disconnected-young-people> See also MDRC, “Serving Out-of-School Youth Under the Workforce Innovation and Opportunity Act,” June 2015. Available at: [http://www.mdrc.org/sites/default/files/Serving\\_Out-of-School\\_Youth\\_2015%20NEW.pdf](http://www.mdrc.org/sites/default/files/Serving_Out-of-School_Youth_2015%20NEW.pdf)

cases, the projects use non-local evaluators with specific experience in certain topics, such as collaborative partnership-based strategies.

Local evaluation budgets commonly range from \$100,000 to \$200,000 and draw heavily upon the P3 start-up grants.<sup>61</sup> The pilots also receive technical assistance on their evaluations from the program's national evaluator, Mathematica Policy Research.

Although the federal grant application for the first year's cohort provided an incentive to conduct a randomized controlled trial (RCT) based study,<sup>62</sup> often referred to as the "gold standard" of evaluation, only two of the first nine projects (Baton Rouge and Broward County) plan to conduct such studies. The rest will use quasi-experimental designs that compare the results for participating youth to other youth with similar characteristics.

Federal officials say that RCT-based studies should only be used when they are well-designed and appropriate for the project, including a sufficient number of program participants for statistical precision and stable program implementation.<sup>63</sup> According to the Department of Labor, the second round competition continues to provide competitive points to applicants who propose impact or outcome evaluations, but it will not limit the extra points specifically to RCT-based experimental evaluations.<sup>64</sup> Nevertheless, administration officials believe the new criteria will still incentivize RCTs because of their associated rigor, which remains a factor in the scoring. "We believe that this approach balances that incentive with the need to address high-value research questions using the most appropriate design, which may or may not involve random assignment for a given pilot," said one administration official.<sup>65</sup> "One of the provisions of the national evaluation is that if any of the grantees are doing something really innovative that is not being

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61. These figures may be in line with similar evaluation costs under the Social Innovation Fund. See: Corporation for National and Community Service, Office of Research and Evaluation, "Budgeting for Rigorous Evaluation: Insights from the Social Innovation Fund," 2013, p. 23. Available at: [http://www.nationalservice.gov/sites/default/files/documents/Budgeting\\_for\\_Evaluation.pdf](http://www.nationalservice.gov/sites/default/files/documents/Budgeting_for_Evaluation.pdf)

62. U.S. Department of Education, "Applications for New Awards; Performance Partnership Pilots," *Federal Register*, November 24, 2014. Available at: <https://www.federalregister.gov/articles/2014/11/24/2014-27775/applications-for-new-awards-performance-partnership-pilots>

63. Interview, April 5, 2016.

64. See also U.S. Department of Education, "Proposed Priorities, Requirements, Definitions, and Selection Criteria—Performance Partnership Pilots for Disconnected Youth," *Federal Register*, October 22, 2015. Available at: <https://www.federalregister.gov/articles/2015/10/22/2015-26965/proposed-priorities-requirements-definitions-and-selection-criteria-performance-partnership-pilots>

65. Email communication, May 13, 2016.

rigorously evaluated by the local evaluator, we have options to do more formal RCT studies,” said another federal official.<sup>66</sup>

The level of rigor may increase further in the coming years. While the evidence base is still young and unevenly distributed, advances are occurring across the field. The What Works Clearinghouse at the U.S. Department of Education and the Clearinghouse for Labor Evaluation and Research (CLEAR) at the U.S. Department of Labor are both cataloguing the growing body of evidence for education and workforce programs, two critical components of most P3 initiatives. Collective impact-based approaches to disconnected youth are also receiving increased evaluation attention.<sup>67</sup>

As the field advances, the evidence bar for P3 may rise, especially if more organizations with experience in evidence-based programs apply and are selected. If the number of pilots and funding are expanded, federal policymakers may wish to institute a tiered evidence approach similar to that used in the i3 (Investing in Innovation) program at the Department of Education, which would allow the program to fund different initiatives at different stages along the evidence spectrum.

- **In some cases, final evaluations of local pilots may come too early to provide conclusive results.** At the local level, each of the projects has many moving parts, with multiple partners providing different services to local youth. Most of the projects are relatively new and will take time to become fully operational. Federal grants of flexibility may also change during the two- to three-year project windows, which may present a moving target for evaluators (although federal officials say they will work with evaluators to ensure that mid-course corrections do not interfere with evaluation efforts).<sup>68</sup>

Most of the local evaluations will include interim studies to help guide implementation. However, in some cases even the final evaluations may come too soon to provide more than an early snapshot of program effectiveness for projects that may take several years to reach their potential.

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66. Interview, April 5, 2016.

67. MDRC, “What Works for Disconnected Young People: A Scan of the Evidence,” February 2016, pp. 26-29. Available at: <http://www.mdrc.org/publication/what-works-disconnected-young-people>

68. Email communication, May 13, 2016.

Some of the projects are substantially rooted in previous work, however, and they may be better positioned to produce conclusive results. The Chicago P3 project, for example, is based on an earlier program that was piloted in 2014 and evaluated by Chapin Hall at the University of Chicago.

When interviewed, several local project leaders said that near-term trend data and qualitative evaluations would provide important insights on aspects of their initiatives that are working or that need mid-course corrections. Some suggested that they want to investigate longer-term effects, but they would need to find outside funding for such studies because they would occur after P3 funding for their projects ends. “We will see some things in a few months. If you are really understanding what the young person needs, you will see attendance improve,” said Cindy Arenberg-Seltzer of the Children’s Services Council of Broward County. “For other things, it will take the full two years if not longer to see the changes.”

- **The national evaluation will not draw definitive conclusions about the program’s direct impact on youth in the near term.** The Department of Labor oversees the national evaluation of P3, which is conducted by Mathematica Policy Research. This early evaluation, which has already begun, is not designed to draw definitive conclusions about the program’s effectiveness.

According to federal officials, the national evaluation will focus not on the program’s overall impact, but on documenting and analyzing systems-level changes such as improved local coordination, funding blending and braiding, removing organizational and administrative barriers to supporting disconnected youth, and building data capacity.<sup>69</sup>

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69. Interview, April 5, 2016. Follow up email communication, May 13, 2016.

## Technical Assistance

Technical assistance is important for many programs, but it may be especially so for a program as complicated and demanding as P3. According to the Department of Education, based on an assessment of the nine pilots' technical assistance needs, it appears that the pilots would benefit from technical assistance on the following topics:


- **Asset Mapping:** Mapping related cross-sector or opportunity youth initiatives in their communities to determine areas for strategic alignment based on shared partners, objectives, target population, or outcomes
- **Flexibility:** Maximizing waiver flexibility and the strategic use of braided funding from other federal and non-federal programs for opportunity youth
- **Accountability:** Better defining partners' roles, expectations, and deliverables and holding partners accountable for outcomes
- **Youth Engagement:** Developing strategies for youth leadership and engagement in program design and in addressing concerns impacting opportunity youth in the community
- **Data and Evaluation:** Clarifying data collection and evaluation plans as they relate to participant recruitment and enrollment, as well as the length and intensity of participants' exposure to the intervention

The program has three technical assistance providers under contract, including Jobs for the Future and the Forum for Youth Investment (under subcontract). Mathematica Policy Research is providing assistance for evaluations.

All of the P3 pilots are also required to participate in a joint Community of Practice. The first Community of Practice meeting is from June 20-21, 2016, in Washington D.C.



## Recommendations



*“The P3 program holds significant promise for better aligning existing federal programs for disconnected youth...”*

The P3 program holds significant promise for better aligning existing federal programs for disconnected youth and, under ideal circumstances, supporting innovative new solutions that may achieve better outcomes. More broadly, it may serve as a model for other populations beyond disconnected

youth and other program areas where greater flexibility and cross-sector collaboration could produce better results.

Fulfilling this potential could be easier, however, if policymakers consider a number of supportive changes:

- **Federal officials and Congress should support more aggressive use of P3’s waiver authority.** Authority to waive federal restrictions and to blend federal funds is what sets P3 apart from other federal programs. So far, this authority does not appear to have been used as aggressively as it could be.

While there appears to be an expectation that the pilots will take the lead on identifying barriers and requesting waivers, they need additional assistance. Federal officials should prioritize this in their technical assistance efforts.

Legislatively-imposed safeguards, while well-intended, may also be overly broad and limiting. The safeguards are intended to protect vulnerable populations, but disconnected youth are themselves among the nation’s most disadvantaged and vulnerable groups. Congress and the administration should solicit input from stakeholders on these issues and consider modifying the existing safeguards to allow greater flexibility.

- **The Administration should ask Congress to extend the time allowed for P3 projects.** Under current law, authority for all of the first round pilots expires on September 30, 2018. Authority for second and third round projects will expire in 2019 and 2020, respectively. While the projects may continue with local funding after those deadlines, the associated federal waivers will end.

One consistent theme that has emerged in this review is the need for a longer-term commitment to local projects. The literature on collective impact, including the recommendations of the White House Council for Community Solutions, reinforces the need for a long-term perspective. By comparison, the amount of time granted to local P3 projects is less than that being granted under other evidence-based initiatives like the Social Innovation Fund, where projects typically take five years or more.<sup>70</sup>

For P3 to provide meaningful insights on the underlying concepts of collaboration and increased flexibility, the projects must be given enough time to reach their potential. While such authority need not be granted in perpetuity, waivers could be granted for five years with the option to apply for extensions.

- **The evidence and evaluation requirements for P3 should be strengthened.** The evidence base for programs affecting disconnected youth is still in its infancy, but the evidence bar should rise over time. As the knowledge base grows, both the incoming evidence requirements and evaluation expectations should increase.

Although the program's national evaluation does not now include plans to examine the impact of the program as a whole on participating youth, this should change as the program becomes better established.

- **Federal officials should promote better alignment between P3 and other federal collaborative and evidence-based initiatives.** In its first round, P3 drew only 27 eligible applications. A larger applicant pool would allow it to choose stronger pilots in future competitions. To accomplish this, the program may wish to target potential applicants who are participating in other federal programs

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70. Social Innovation Research Center, "Report: Social Innovation Fund's Early Results Are Promising," June 30, 2015. Available at: <http://www.socialinnovationcenter.org/?p=1413>. See also Social Innovation Research Center, "Foster Care Innovation Initiative Charts a Different Path to Evidence," December 6, 2014. Available at: <http://www.socialinnovationcenter.org/?p=769>

that are well-aligned with P3. The benefits of better alignment could also extend to joint technical assistance in some cases.

With its focus on evidence-based programs and collaborative partnerships, the P3 program is well aligned with other federal programs such as Promise Zones, Promise Neighborhoods, Choice Neighborhoods, and Full Service Community Schools. It is also well-aligned with other evidence-focused initiatives, such as the Social Innovation Fund at CNCS and the i3 program at the Department of Education.<sup>71</sup> All of these programs fall within the jurisdictions of federal departments and agencies that are already participating in P3.

Applicants that are part of federally-designated Promise Zones already receive a competitive preference. The administration may wish to provide similar preferences for other federal programs that are aligned with P3's goals.

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71. More information about tiered evidence initiatives can be found on the Youth.gov website at: <http://youth.gov/evidence-innovation/investing-evidence>

## About the Author

**Patrick Lester** is the director of the Social Innovation Research Center (SIRC) and a Visiting Fellow for Evidence-Based Decisionmaking at the IBM Center for The Business of Government.

The Social Innovation Research Center (SIRC) is a nonpartisan, non-profit research organization devoted to increasing the impact of non-profits and public agencies in the field of human services. The center's work falls into three main categories: (1) reports and case studies on highly effective nonprofits and public agencies; (2) public policy analysis; and (3) coverage of major social innovation-related news based on interviews with leading experts, government officials, and frontline practitioners.

Mr. Lester was previously a director at the Center for Effective Government, vice president for social impact at Social Solutions, vice president for public policy at the Alliance for Children and Families, and director of public policy at United Way of America (now United Way Worldwide). He also served on the staff of the Domestic Policy Council in the Clinton White House.

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**About the Social Innovation Research Center:** The Social Innovation Research Center (SIRC) is a nonpartisan, nonprofit research organization focused on social innovation and performance management for nonprofits and public agencies. More information about SIRC is available on the organization's website at <http://www.socialinnovationcenter.org>.

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