The Harvard Kennedy School’s Social Impact Bond Technical Assistance Lab (SIB Lab) conducts research on how governments can accelerate progress in ameliorating difficult social problems and improve the results they obtain with their social spending. An important part of our research model involves providing pro bono technical assistance to state and local governments interested in pursuing pay for success (PFS) contracts using social impact bonds (SIBs). Through this hands-on involvement, we gain insights into the barriers that governments face and the solutions that can overcome these barriers. These insights are ultimately published in academic papers and policy briefs. We are currently working with eight states and two cities. Our partner governments have produced three of the five U.S. pay for success projects that have reached the service delivery stage and have another 10 projects under development.

The SIB Lab is pleased to announce that it is offering pro bono technical assistance to up to five Government Partners considering the pay for success approach. The most suitable proposals will be selected through review by the SIB Lab based on criteria described below. This assistance is made possible by grants from the Corporation for National and Community Service Social Innovation Fund and the Pritzker Children’s Initiative.

**Award components**

Government Partners will receive dedicated pro bono technical assistance for up to 15 months to assist in the steps of PFS feasibility assessment and project development, including policy selection, project feasibility analysis, evaluation design, and procurement strategy. Technical assistance includes the following:

**A Government Innovation Fellow**
Government partners will receive assistance from a SIB Lab Government Innovation Fellow. The fellow will be employed by the SIB Lab and will work with the government office or agency that is spearheading the pay for success initiative. The fellow will help both in coordinating the policy process and in performing technical analysis. The fellow will report to the agency’s pay for success policy lead and will also receive supervision from an experienced Assistant Director and from Professor Jeffrey Liebman. Most SIB Lab fellows are recruited from top public policy schools and have received training in benefit-cost analysis, evaluation design, management strategies, and negotiation techniques.

**Access to Senior Technical Advisors**
Government Partners receive support from the broader SIB Lab team, including senior technical assistance and support from content area and methodological experts such as SIB Lab director Jeffrey Liebman and direct assistance and support from an experienced
Assistant Director who has already overseen one or more PFS projects. The SIB Lab’s Cambridge-based Executive Assistant Director, data analyst, statistician, and other staff will also provide direct support to Government Partners as needed by assisting with data analysis, evaluation design, and implementation planning.

**Knowledge Sharing, Government Partner Network, and Capacity Building**
Successful applicants will participate in SIB Lab trainings and receive assistance designed to build internal capacity to both undertake initial projects and also to sustain pay for success work once formal engagement with the SIB Lab ends. The SIB Lab organizes a network of Government Partners so that officials can learn from each other's experiences.

**Data Analysis**
Resources for data matching and analysis will be available to government agencies requiring this type of assistance. Based on previous experience, extensive matching of data sets across agencies (for example, earnings histories and criminal records) is often required to establish historic performance trends, analyze the amount of variability in these trends, and target individuals to be served by the initiatives. Up to six months of programmer/data analyst time will be available to each award recipient, as needed.

**Additional Services**
The SIB Lab has a limited amount of additional resources set aside for each project that can be used to respond quickly to remove barriers to the implementation of pay for success contracts using social impact bonds. For example, it might become necessary to hire outside legal counsel to review the proposed contracting terms or to secure a statistical consultant to develop the methodology for measuring the impact of the intervention.

*Award structure.* In all projects to date, the SIB Lab has directly hired SIB Lab staff and then provided their services pro bono to Government Partners. However, if a Government Partner prefers a different arrangement, we will work with them to develop an appropriate procedure.
Application details

This program is open to U.S. state, county, and city governments. A downloadable application form and additional information about the pay for success model can be found on our website: [www.hks-siblab.org/apply/](http://www.hks-siblab.org/apply/). The SIB Lab will select up to five Government Partners.

Applicants may apply in three ways:

1) As individual state or local governments;
2) As cohorts of governments;
3) As cross-jurisdictional partnerships.

**Individual government**
An individual government that can demonstrate strong interest in and commitment to pursuing PFS contracting may submit an individual application.

**Cohort**
Two to four governments may submit a joint application for technical assistance. Each government seeking to participate in the cohort model should designate a government employee to lead their pay for success initiative and dedicate a portion of his or her time to this initiative. Each cohort will receive one fulltime SIB Lab fellow. During the review process, the SIB Lab may also propose to individual government applicants seeking assistance in similar policy areas that they participate as part of a cohort. If promising ideas for a cohort approach emerge in initial applications or over the course of the application process, we may also release a supplementary announcement encouraging applications from additional governments with similar interests.

The cohort approach may be especially appropriate for governments seeking to address the same type of issue through a PFS project. For example, three state governments interested in scaling high-quality early childhood programs may choose to submit an application for technical assistance as a cohort. As another example, a group of states working to provide a community-based housing alternative to institutionalization for individuals with disabilities in response to the federal *Olmstead* mandate could apply as a cohort.

**Cross-jurisdictional partnership**
Multiple jurisdictions from different levels of government may apply together for SIB Lab technical assistance. For example, a city and state government or a county and state government may submit a joint application.

The SIB Lab will select up to five Governments Partners to receive technical assistance. Each Government Partner may be an individual jurisdiction, a cohort of governments, or a cross-jurisdictional partnership.
Selection Criteria

Applicants should aim to demonstrate:

1) **The potential to advance the PFS field by applying the model in new policy areas, in new communities, or by using innovative structures.**

*New Policy Areas*. Priority will be given to projects that apply the model to new policy areas or that apply it to existing policy areas in an innovative way. Eligible candidates should also demonstrate interest in developing a project in an issue area that is consistent with at least one of the three FY 2014 CNCS Social Innovation Fund (SIF) focus areas: Youth Development, Economic Opportunity, and Healthy Futures. See the FAQs for more information on the SIF focus areas.

*New Communities*. Priority will be given to jurisdictions that have not undertaken pay for success projects previously or that are planning to serve historically underserved populations. See FAQs for more information.

*Innovative Structures*. The SIB Lab's priority is to work on projects that extend the range of social problems that can be ameliorated using the pay for success model.

Examples of promising projects include, but are not limited to:

- **Longer timeframe**: Interventions where benefits are manifest over a longer timeframe, such as early childhood interventions. At least one award slot will be reserved for an early childhood project, and we plan to undertake at least four early childhood projects over the next two years.

- **Multiple government levels**: Projects where savings accrue to multiple levels of government or where the projects require participation by multiple levels of government to achieve economic viability (e.g. preventative health interventions, where savings accrue at both the federal and state levels).

- **Place-based strategies**: Projects to develop place-based strategies to better coordinate services and simultaneously address multiple social problems in a high poverty neighborhood.

- **Menu of services**: Interventions that coordinate a menu of services procured from multiple service providers.

- **Introducing new services**: Projects where the government is not simply scaling the efforts of an existing provider but is introducing services not yet available in its jurisdiction.

- **Holistic approach**: Projects that take a holistic approach toward identifying all of the individuals in a target population in a given jurisdiction. Such projects might use a PFS contract to implement a triage model to provide the appropriate range of services to improve outcomes for this population. An example of this approach might be identifying all of the Opportunity Youth in a jurisdiction and developing a PFS contract designed to improve employment outcomes for the population.
2) **High level of commitment to the pay for success model by senior decision makers.** We seek engagements in which there is a very high likelihood of moving forward if the feasibility analysis determines that a project is viable. Applicants are encouraged to submit letters of support for their project application from: i) the city or state budget office or equivalent; and ii) the Governor’s/Mayor’s/County Executive’s Office.

3) **The opportunity for a successful project to be expanded either within the initial jurisdiction or replicated in other jurisdictions.**

4) **The availability of innovative service providers with evidence-based or promising interventions in the selected policy field of the application.**

These selection criteria will be weighted equally in the selection process. Applicants will be scored on a 100-point scale, with each component listed above receiving a maximum of 25 points.

**Eligibility Criteria**

1) **Memorandum of understanding.** To be considered eligible for the selection process, governments will need to be willing to enter into an MOU with Harvard University over the terms of the pro bono technical assistance.

2) **Knowledge sharing.** If selected, Government Partners should, to the extent legally permissible, be willing to make key final documents from the PFS development process publicly available, including feasibility studies, contracts, and evaluation plans.
Application and Award Process

Phase 1: Application for SIB Lab Technical Assistance

Applicants are encouraged to read *Social Impact Bonds: A Guide for State and Local Governments*, available for download on the SIB Lab website. SIB Lab staff will be available for telephone consultations with governments that want to learn more about the PFS model or about our services so as to help them prepare stronger applications. Applicants interested in telephone consultations should contact the SIB Lab at hks-siblab@hks.harvard.edu.

To receive full consideration, applicants should submit a completed application by December 19, 2014. The application form is available for download at http://hks-siblab.org/apply/. We will accept additional applications on a rolling basis through February 13, 2015, but cannot guarantee they will receive full consideration.

Phase 2: Interviews

The SIB Lab will conduct telephone interviews with the most promising applicants. Interviews will be structured to allow applicants an opportunity to further demonstrate the level of commitment in their government to developing a PFS project and to discuss the possible projects already identified.

Phase 3: Selection and Award

The SIB Lab will select up to five successful applicants with the decision announced in the first half of March 2015. Upon confirmation by the selection committee, the applicants will be awarded SIB Lab technical assistance for up to 15 months.

Phase 4: Project Development and Implementation

A typical PFS project development timeline is as follows:

Months 1-5: The SIB Lab works with the Government Partner to introduce the model and complete an initial assessment of project feasibility. The SIB Lab team assists the Government Partner in identifying a policy area, identifying a target population, and selecting promising interventions. The SIB Lab team assists the Government Partner in drafting and issuing an RFI and/or RFP to retain a PFS intermediary organization and/or service provider.

Months 6-15: The SIB Lab has found that it is most effective to deploy an on-the-ground Fellow once the Government Partner has reached the procurement stage. Once the Government Partner is ready to score RFI or RFP responses, the SIB Lab Fellow begins work with the Government Partner. The SIB Lab Fellow works with the Government Partner to finalize procurement and to interface with an intermediary, service provider, and evaluator to design project implementation and evaluation. The Fellow assists in all stages of the project through pilot development and project launch.
The SIB Lab is grateful for the support provided by our funders.

Information on Pay for Success and Social Impact Bonds
Pay for success contracts using social impact bonds are a promising new approach to government financing of social service programs. By combining performance-based payments and market discipline, pay for success projects have the potential to improve results, overcome barriers to social innovation, and encourage investments in cost-saving preventive services. Pay for success contracts allow a government to contract with a service provider to provide or expand a promising intervention using funds provided by third-party investors and philanthropists. Repayment is predicated on the intervention’s effectiveness, which requires the service provider and government to closely track whether or not the program works. We have found that PFS contracts allow governments to focus on innovative solutions to entrenched problems by providing a mechanism for sustaining a multi-year collaboration in the face of leadership turnovers, short-term crises, and annual appropriations cycles. Not only can PFS projects bind together government agencies, service providers, philanthropic donors, and other critical private sector actors, they can also break down silos between agencies and levels of government. PFS contracts can also help reorient government action away from remediation and toward prevention and can provide a powerful tool for improving government decision-making by strengthening reliance on results-based contracting, a major improvement over current practice in which most programs are never evaluated and even those that are tend to be evaluated using a one-off snapshot approach. Finally, PFS projects can help support quality growth in the nonprofit sector by directing government contracts toward promising nonprofits that otherwise struggle to gain access to capital.

The SIB Lab is located within the Taubman Center for State and Local Government at the Harvard Kennedy School. The director of the SIB Lab is Professor Jeffrey Liebman. For more information please visit us at hks-siblab.org.

The Social Innovation Fund
The Social Innovation Fund (SIF) is a powerful approach to transforming lives and communities that positions the federal government to be a catalyst for impact—mobilizing public and private resources to find and grow community solutions with evidence of strong results. A key White House initiative and program of the Corporation for National and Community Service, the Social Innovation Fund has the simple, but vital goal of finding solutions that work, and making them work for more people. The SIF unites public and private resources to evaluate and grow innovative community-based solutions that have evidence of results in low-income communities in any of three priority areas: economic opportunity, healthy futures, and youth development.

The Pritzker Children’s Initiative
The Pritzker Children’s Initiative is a national project of the J.B. and M.K. Pritzker Family Foundation. The Children’s Initiative funds innovative research and programs for children in underserved communities. In particular, the Children’s Initiative is committed to enhancing the early learning capabilities of infants and toddlers, while building measurable successes backed by evidence, accountability, and results.