FYI....not sure if this would be useful to reference in your letter to HHS/OMB

From: Hanna Azemati [mailto:hanna.azemati@gmail.com]
Sent: Monday, September 23, 2013 4:47 PM
To: Kleiman, Scott
Cc: Chaskel, Sebastian; tyler.jaeckel@state.co.us; Erica Brown; Koenig, Robert (ANF); dlarrabure@age.ohio.gov; Gillette, Ryan
Subject: Re: Fellow update

Very excited! And yes - you are correct, Scott. In addition to the outcome-based payments, the grant also covers state admin and the validator costs throughout the course of the grant.

News Release

ETA News Release: [09/23/2013]
Contact Name: Jason Kuruvilla or David Roberts
Phone Number: (202) 693-6587 or x5945
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Release Number: 13-1936-NAT

US Labor Department awards nearly $24 million in Pay for Success grants

New York and Massachusetts awarded grants to improve employment outcomes for formerly incarcerated individuals

WASHINGTON — The U.S. Department of Labor today announced nearly $24 million in Workforce Innovation Fund grants to pilot the Pay for Success program, a new model of financing social service programs to help federal, state and local governments ensure that public funds only go to programs that achieve positive, measurable outcomes. Under this model, independent investors provide the financial capital to cover the operating costs for the programs, and the Department of Labor disburses funds when and if those programs demonstrate that they have achieved the targeted outcomes.

Two grants were awarded: one to the New York Department of Labor in the amount of $12,000,000 and the other to the Massachusetts Executive Office of Labor and Workforce Development in the amount of $11,670,000. These grants will support programming that aims to increase employment and reduce recidivism among formerly incarcerated individuals.

"The Pay for Success model is a promising strategy for expanding effective programs while ensuring maximum return on taxpayer dollars," said Secretary of Labor Thomas E. Perez. "At a time when all levels of government are experiencing cutbacks, Pay for Success offers a new approach to strategically leverage resources to provide essential services for vulnerable populations through programs with measurable success rates."

The grants announced today represent amounts of committed funds, which the department will release in installments based on whether the grant outcomes were met. Both grantees are expected to employ rigorous evaluation methods in gauging the results of their respective programs, and the findings will be reviewed by independent validators at the end of grant performance period.

The robust evaluation component incorporated in Pay for Success projects will also help to: 1) the expand the body of knowledge about the intervention strategies being tested, 2) demonstrate the feasibility and viability of this funding model and 3) use taxpayer dollars wisely by shifting the investment risk to private investors and releasing funding based on results.

The original solicitation for Pay for Success grant applications announced that $20 million would be awarded. Because of the quality of applications received, the department

elected to fully fund the top two grant applicants' projects using funds from fiscal years 2012 and 2013.