

**Notice of Support Availability:
Training and Technical Assistance Services for Pay for
Success Initiatives**

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What is the Notice of Support Availability?

This notice of support availability (NoSA) offers in-kind support in the form of training and technical assistance (TTA) services from the Urban Institute's Pay for Success initiative (PFSI) to guide, design, and assess potential and existing pay for success (PFS) projects. **Urban is offering training and technical assistance only, not direct grantmaking or other monetary investment; the NoSA will not be used to distribute subgrants or other funding.** The Urban Institute (Urban) anticipates making multiple TTA awards through this NoSA but reserves the right to select as many or as few recipients for support as it deems reasonable. Submitting an application does not guarantee that an organization will receive support.

Who is eligible to apply for training and technical assistance services?

The NoSA is aimed at **local and state governments or pay for success intermediaries** interested in receiving training and technical assistance for guiding, designing, and assessing potential and existing PFS projects. An intermediary in this context provides financial or general expertise to governments and other PFS stakeholders, such as investors, evaluators, and service providers. Recipients of training and technical assistance services from this NoSA will receive consulting services from the Urban Institute designed to support high-quality, evidence-based pay for success projects.

Though government agencies and intermediaries are the only groups eligible to apply, other stakeholders involved with a PFS transaction with the applicant may also receive services from the Pay for Success initiative. The types of services that will be provided by Urban, to whom, and for how long will be codified in a memorandum of understanding (MOU) that will be mutually agreed upon by Urban and the TTA recipient. **Neither Urban nor the applicant is bound to any agreement until the memorandum has been signed by both parties.**

Local and state governments that are already receiving assistance from an intermediary or funder (e.g., Harvard Kennedy School Social Impact Bond Technical Assistance Lab, Corporation for National and Community Service.) are eligible to apply for support under this NoSA. The PFSI will work with the applicant and the other organizations to ensure its TTA efforts are complementary and not duplicative.

What is the Urban Institute?

Founded in 1968 to understand the problems facing America's cities and assess the programs of the War on Poverty, the Urban Institute brings decades of objective analysis and expertise to policy debates—in city halls and state houses, Congress and the White House, and emerging democracies around the world. Today, our research portfolio ranges from the social safety net to health and tax policies; the well-being of families and neighborhoods; and trends in work, earnings, and wealth building. Our scholars have a distinguished track record of turning evidence into solutions.

Urban believes in the power of evidence to improve lives and strengthen communities. Public policies work best when they are rooted in facts, and our research sparks solutions in programs and practice. Our analyses and recommendations help expand opportunities for all people, reduce hardship among the most vulnerable, and strengthen the fiscal health of governments and effectiveness of public policies.

Urban conducts sophisticated research to understand and solve real-world challenges in a rapidly urbanizing environment. Our work engages communities at multiple levels—city, state, and county—as we gather data and evaluate programs. Urban Institute scholars blend academic rigor with on-the-

ground collaboration, teaming with policymakers, community leaders, practitioners, and the private sector to diagnose problems and find solutions.

What is pay for success?

Pay for success is an innovative financing mechanism that shifts financial risk from a traditional funder—usually government—to a new investor, who provides up-front capital to scale an evidence-based social program to improve outcomes for a vulnerable population. If an independent evaluation shows that the program achieved the agreed-upon outcomes, then the investment is repaid with interest by the traditional funder. If not, the investor takes a loss. By prioritizing outcomes, performance management, evidence, and the strategic deployment of resources, PFS has the potential to improve delivery of social services to vulnerable populations, yielding benefits to individuals, governments, and society at large.

What is the Pay for Success initiative at Urban?

Urban serves as an objective knowledge intermediary within the pay for success space. With researchers across all areas of social policy, Urban is well-positioned to support PFS through objective research and the ability to translate evidence into actionable advice. Over the next three years, Urban researchers will help guide, design, and assess PFS transactions across the country through the Pay for Success initiative, funded by the Laura and John Arnold Foundation. Urban will also create tools to support PFS efforts and share lessons learned with governments at all levels, as well as with other key stakeholders including researchers, service providers, funders, and local and national public leaders.

What training and technical assistance services will Urban provide?

The Urban Institute has developed a strategic planning framework to help guide communities in developing pay for success projects that support interventions based in evidence (figure 1). In addition to serving as a framework for carrying out a successful PFS project, [Urban's strategic planning process](#) lays out the major areas around which the Pay for Success initiative will provide training and technical assistance. The PFSI is offering two types of support as part of this NoSA, described in more detail on page 4. In brief, the differences between the two applications are (1) how far along an applicant is with a PFS project and (2) the intensity of services provided.

- **PFS strategic planning TTA** is for local and state government agencies that have not yet started a PFS project or are in the earliest stages of development.
- **PFS targeted support TTA** is for local or state governments or for intermediaries that are engaged in PFS projects close to or already in progress.

The strategic planning framework has six major steps. At every step, Urban is prepared to be the voice of an evaluator and provide assistance, guidance, and support to evaluation work.

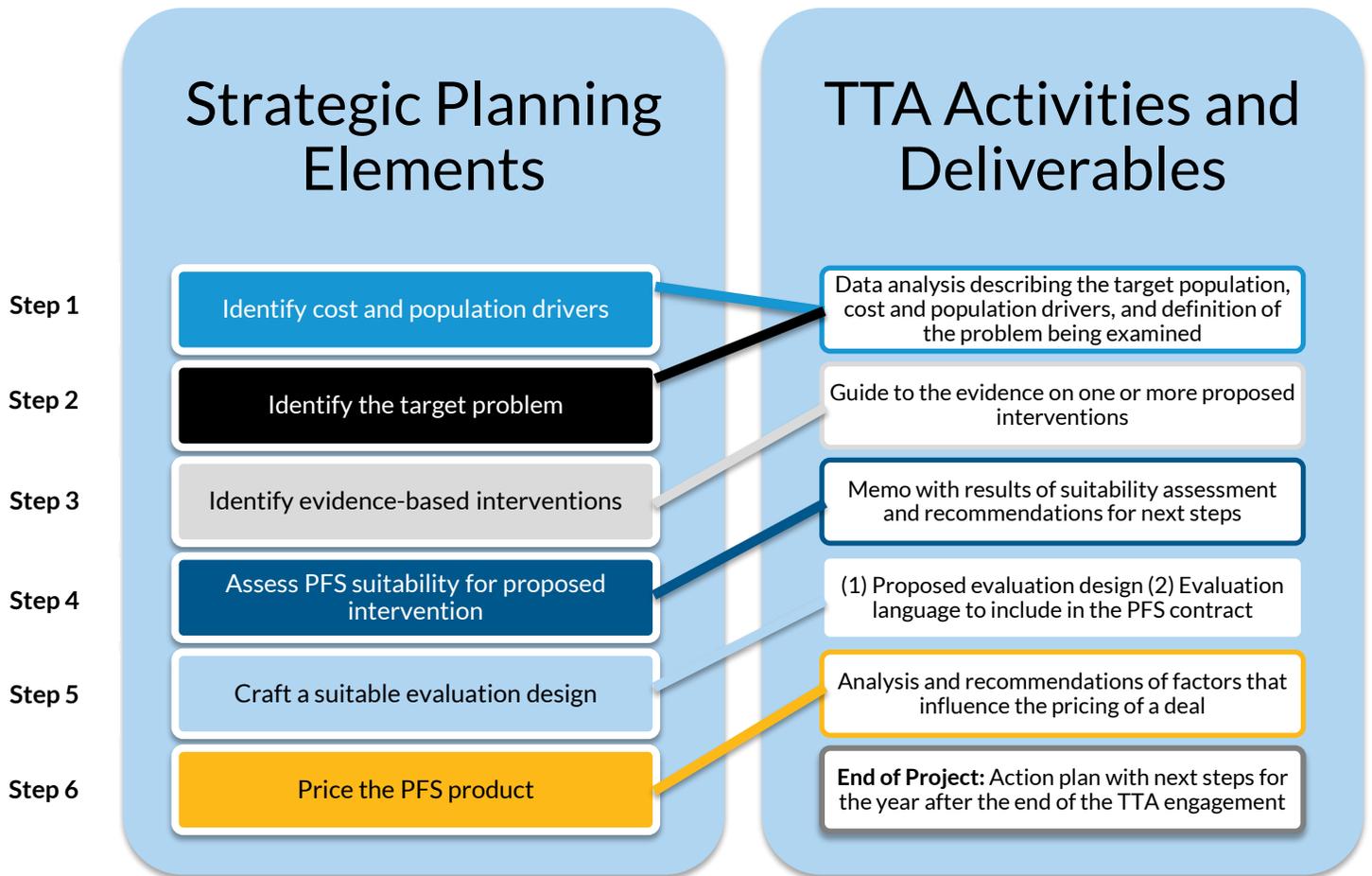
Step 1: Identify cost and population drivers. The strategic planning process begins by identifying populations that are the biggest drivers of costs in a community.

Step 2: Identify the target problem. Once governments understand the population that is being underserved or inefficiently served and the costs they incur, the nature of the problem preventing effective service (and potential solutions as described in step 3) can be more deeply explored.

Figure 1. Urban Institute Pay for Success Strategic Planning Framework

Throughout the various phases, the PFSI will provide the following:

- Tools to help implement the strategic plan
- Site visits and conference calls as needed
- Access to the PFSI’s standardized trainings, webinars, and training materials



Note: Exact deliverables will be decided upon in the MOU development stage.

Step 3: Identify evidence-based interventions. PFSI staff will work with TTA recipients to translate the existing research on proposed interventions. They will also review the existing research to provide actionable knowledge to project partners to guide their decisionmaking.

Step 4: Assess PFS suitability for proposed intervention. The Urban Institute has developed a tool to measure the suitability of proposed evidence-based interventions for PFS financing. The goal of the tool is to determine if PFS is the most cost-effective way to finance the intended interventions given the capacity of project partners, strength of the proposed intervention, and so on. In places where this suitability assessment reveals that PFS is not the best financing mechanism, the Pay for Success initiative will identify alternative financing mechanisms; if it is an appropriate mechanism, the PFSI will help move communities through the next steps of the strategic planning framework.

Step 5: Craft a suitable evaluation design. The ability to measure outcomes is crucial in order to claim success and make investor repayment decisions. The Pay for Success initiative will offer expertise at project conception to ensure that the evaluation is rigorous, transparent, and objective and will provide valid measures for whether desired outcomes have been met. The PFSI will also provide consultation services to serve as the voice of an evaluator early in deal development to comment on measurable outcomes, evaluation methodology, and so on.

Note: Support awarded through this NoSA cannot be used to conduct a comprehensive evaluation of a specific intervention or to have the Pay for Success initiative be the sole evaluator on a PFS project. Comprehensive evaluation services may be available from other Urban staff, and this work would be conducted outside the initiative. These Urban evaluators may apply and compete for the opportunity to provide evaluation services to communities the same as any other potential program evaluator. The PFSI acts separately and independently from PFS deal evaluations being conducted by the Urban Institute.

Step 6: Price the PFS product. The Pay for Success initiative will help sites conduct analysis that may be necessary to accurately price a PFS deal.

Applying for Assistance

What are the two different application types for this NoSA?

The Pay for Success initiative is offering two types of support as part of this NoSA. **There are separate applications for each group.** The differences between the two applications are (1) how far along an applicant is with a pay for success project and (2) the intensity of services provided.

- **PFS strategic planning TTA** is for local and state government agencies that have not yet started a PFS project or are in the earliest stages of development and want intensive services for strategic planning (frequent on-site visits, frequent calls, meetings, or general engagement) for up to 18 months. PFS strategic planning applicants can receive assistance for all the strategic planning steps (steps 1–6) as part of one comprehensive TTA engagement.
- **PFS targeted support TTA** is for local or state governments or for intermediary applicants who are engaged in PFS projects close to or already in progress and want assistance with specific pieces of the strategic planning framework. Technical assistance in this group will be less intensive than that of PFS strategic planning TTA. PFS targeted support applicants may request to receive assistance in up to four areas of the strategic planning framework.

In both cases, applicants who already have partners or collaborators on their PFS projects (e.g., evaluators, service providers, investors, etc.) may request TTA services for their partner agencies as part of this NoSA. At this stage of the process, applicants need only identify who these partners might be. TTA recipients will develop a memorandum of understanding in partnership with Urban that lays out a specific scope of work for services provided that will be used to guide all future TTA work.

The PFSI may consider reclassifying an applicant to another application type if their application materials reveal a need for more or less intensive assistance than the applicant expressed. The PFSI will discuss any such changes with the applicant before final decisionmaking.

What are the expectations of selected TTA applicants?

Regardless of the application chosen, all applicants will be expected to do the following:

- commit, as either a governmental executive (e.g., mayor or governor) (in the case of governments) or chief executive officer or executive director (in the case of intermediaries), to an agreed-upon period of engagement and scope of work by signing a memorandum of understanding;
- designate a point of contact for communication with the pay for success initiative training and technical assistance team;
- maintain regular correspondence with the TTA team, returning e-mails or phone calls in a timely manner (barring extenuating circumstances);
- conduct a timely review of materials produced by the TTA team;
- help schedule conference calls and other meetings; and
- if TTA support includes site visits or trainings by the PFSI TTA team,
 - identify desired dates for TTA visits that are suitable for all participants at least 30 days in advance;
 - provide space for meetings; and
 - help prepare and deliver training materials to participants.

Any additional requests of TTA recipients will be codified as part of the MOU development process.

How will TTA services be awarded?

Evaluation and Award Process: PFS Strategic Planning TTA

Proposals will be evaluated according to the following criteria:

1. **Commitment to evidence-based decisionmaking:** Pay for success is one possible tool for creating more effective government and expanding the evidence base for many social interventions. Pay for success may not be the most effective mechanism for each community. The Pay for Success initiative is seeking governments that share a stronger commitment to evidence-based decisions than they do to PFS.
2. **Alignment of need with Urban TTA services:** Applicants are more likely to be selected if their needs appear to align with the services Urban is providing.

3. **Support from leadership:** Applicants are more likely to be selected if a high-ranking government official (e.g., a mayor) or legislative body or council has expressed interest in exploring a PFS project. Please include documentation of this support with the application.
4. **History of innovation:** Applicants are more likely to be selected if they can provide evidence that their jurisdiction is an environment where innovative approaches to solving social problems have been successful and flourished.
5. **Other factors:** Other factors include level of past or current engagement with the Urban Institute, data quality and availability, target population, and geographic location.

Applicants with combinations of these criteria will be considered, but not all criteria must be met for an applicant to be selected. The Pay for Success initiative may follow up with applicants to obtain more information to help inform decisionmaking during the selection process.

Deadline: The deadline for PFS strategic planning applicants is December 18. Letters of intent to apply should be e-mailed to kwalker@urban.org by the local or state government point of contact by **November 13, 2015.**

Evaluation and Award Process: PFS Targeted Support TTA

Proposals will be evaluated according to the following criteria:

1. **Commitment to evidence-based decisionmaking:** Pay for success is one possible tool for creating more effective government and expanding the evidence base for many social interventions. Pay for success may not be the most effective mechanism for each community. The Pay for Success initiative is seeking applicants who share a stronger commitment to evidence-based decisions than they do to PFS.
2. **Alignment of need with Urban TTA services:** Applicants are more likely to be selected if their needs appear to align with the services that Urban is providing.
3. **Support from leadership:** Applicants are more likely to be selected if a high-ranking government official (e.g., a mayor) or legislative body or council has expressed interest in exploring or supporting a PFS project. Please include documentation of this support with the application.
4. **Presence of existing partnerships:** Applicants are more likely to be selected if they can identify collaborations or partnerships with funders or evaluators, dedicated funding for PFS exploration, or other factors that make them more likely to be successful in implementing an effective PFS initiative.
5. **Awareness of challenges:** Applicants are also more likely to be chosen if their application reflects an awareness of the challenges that come with exploring and implementing PFS.
6. **Other factors:** Other factors include level of past or current engagement with the Urban Institute, data quality and availability, target population, and geographic location.

Applicants with combinations of these criteria will be considered, but not all criteria must be met for an applicant to be selected. The Pay for Success initiative may follow up with applicants to obtain more information to help inform decisionmaking during the selection process.

Deadline: The deadline for PFS targeted support is December 18 for those who wish to receive services beginning in February or March 2016; other PFS targeted support applicants may apply on a rolling basis. Applicants submitting under the rolling deadline should plan to submit their applications at least two months before they would like to begin receiving services and should send the PFSI a letter of intent to apply at least two weeks before their application. Letters of intent to apply should be e-mailed to kwalker@urban.org by the local or state government or intermediary point of contact by **November 13, 2015.**

About the Application Process

NoSA Schedule

The release, application, and application review process for the NoSA will follow the schedule below.

October 14, 2015: Urban Institute publishes NoSA.

October 14, 2015–December 11, 2015: Applicants may submit questions about the NoSA to kwalker@urban.org. Questions will be answered within five business days.

October 27, 2015: The Pay for Success initiative hosts and records an informational NoSA webinar that will include opportunities for participant questions at 3:30 PM ET. The recording will be posted within one week of the webinar date. Attendance at the webinar is **optional**. Use this [link](#) to register.

November 13, 2015: Letter of intent to apply for all PFS strategic planning applicants and PFS targeted support applicants wanting services beginning in February or March 2016 is due.

December 18, 2015: PFS strategic planning applications are due. PFS targeted support applications for applicants wishing to begin services in February or March 2016 are due.

December 18, 2015–January 8, 2016: Urban Institute reviews submitted PFS strategic planning and PFS targeted support applications and makes follow-up calls to gain additional information as needed.

January 13, 2016: Selected applicants are notified via e-mail.

February 2016–March 2016: Development and finalizing of a memorandum of understanding. TTA service provision expected to begin.

How should I prepare and submit my application?

Please send **one copy** of your application in PDF format to Kim Walker, training and technical assistance manager, at kwalker@urban.org. All applications should be typed, double-spaced, and no longer than 20 pages (not including additional materials, such as letters of support or evaluation materials). All application pages should be numbered, font should be 12-point Times New Roman, text should have one-inch margins all around, and all relevant questions should be answered.

How will applicants be notified of Urban's decision?

Applicants will be notified of a decision on their application on January 13, 2016 via e-mail from kwalker@urban.org. Applicants who are selected will have one week to confirm their interest in moving forward. If applicants are still interested, Urban will work with them to create a scope of work and develop and sign a mutually agreed-upon memorandum of understanding. **Specific decisions about what services will be provided to whom and the work timeline will be made at this time.**

Will additional NoSAs be issued?

Urban may issue additional NoSAs in the future that clarify or update the expectations, language, and services described in this NoSA. Additional NoSAs will be made available through the Urban website (urban.org) and announced through appropriate communication channels (original applicant Listserv, PFSI events, posts to the website, etc.).

Who is the NoSA point of contact?

Questions about this NoSA and completed applications should be sent to

Kim Walker
Training and technical assistance manager, Urban Institute
kwalker@urban.org
202-261-5755

PART B: Short Answer

1. Briefly describe the mission of your department or agency within government.
2. What initial steps, if any, have you taken to start preparing to explore a PFS initiative?
3. Please provide further details on each of the factors you believe your organization or agency has that will help make this training and technical assistance engagement successful:

Support from political leadership:

History of innovation:

Commitment to evidence-based decisionmaking:

4. Does your agency or organization have an existing relationship with another PFS intermediary? If so, please explain that relationship and any services you are already receiving from that intermediary.
5. Please describe any other factors you feel are relevant to your suitability for developing a PFS deal or engaging in a PFSI training and technical assistance engagement.

Application Checklist

By November 13:

- Letter of intent to apply

By December 18:

- Part A and Part B of this application form, copied over and completed in a separate document
- Letters of support from partner agencies (optional)
- Letter of support from government official (strongly recommended)

PART B: Short Answer

1. Briefly describe the mission of your department or agency within government (or your organization if you are an intermediary).
2. Which steps of the PFSI strategic planning framework are you interested in receiving training and technical assistance on? You may select up to four.
3. Please provide further details on each of the factors you believe your organization or agency has that will help make this training and technical assistance engagement successful:

Support from political leadership:

Commitment to evidence-based decisionmaking:

Existing cross-agency partnerships:

4. What obstacles do you see that might be barriers to successful PFS implementation? How could training and technical assistance from the PFSI help reduce those barriers?
5. What is the issue that you hope to solve by engaging with the PFSI's training and technical assistance?
6. **If local or state government entity:** Does your agency or organization have an existing relationship with another PFS intermediary? If so, please explain that relationship and any services you are already receiving from that intermediary.
7. What is your basic strategy for solving the issue you want to confront? Please describe how you see actions taken by you, other partners, or the PFSI creating the positive outcomes you are seeking.

8. What intervention are you proposing to solve the issue you've selected to support under a PFS initiative?

9. Has your proposed intervention ever been evaluated? If so, briefly describe the evaluations and results. You may attach additional documentation as needed.

10. Please provide more detail on the following:

Target population for PFS project:

Proposed or existing intervention:

Desired project timeline:

Relevant data accuracy and availability:

Evaluation capabilities or current evaluation methodology:

Committed funders or funding sources:

Potential cost savings or cost avoidance:

11. Please describe any other factors you feel are relevant to your suitability for developing a PFSI deal or engaging in a PFSI training and technical assistance engagement.

Application Checklist

By November 13:

- Letter of intent to apply

By December 18 if seeking February or March services, otherwise rolling:

- Part A and Part B of this application form, copied over and completed in a separate document
- Letters of support from partner agencies (optional)
- Evaluation materials supporting proposed or existing intervention (optional)

- Letter of support from government official (strongly recommended)