San Diego Workforce Partnership: Pay For Performance & Youth Workforce Development

Project Overview

The San Diego Workforce Partnership (SDWP) is committed to measurably improving outcomes for youth and young adults, ages 16-24, who are disconnected from both school and work. This project leveraged new flexible Pay for Performance (P4P) funding in the Workforce Innovation and Opportunity Act (WIOA) to transition a WIOA youth contract from a traditional cost reimbursement methodology towards outcomes-based contracting, with the ultimate goal of improving employment, education and recidivism outcomes for justice-involved youth.

Pay for Performance (P4P) contracting provisions in WIOA provide a unique opportunity for local workforce boards to utilize innovative approaches to workforce services and tie performance payments to program outcomes, with flexibility to pay for longer-term outcomes. Utilizing this innovative approach to workforce development services, SDWP and service provider Second Chance have launched a three-and-a-half-year contract that will improve opportunities for justice-involved youth by tying program funding to both short- and long-term program outcomes.

SDWP is the first local workforce board in the state to amend a current WIOA contract so that it is 100% performance-based with funding now tied to measurable short- and long-term program outcomes. The contract is also the first in the State of California to take advantage of the new P4P provision under WIOA.

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### Status Quo Approach

- **Policy** implementation traditionally utilizes cost-reimbursement for services delivered or individuals served without incentives for coordination or improved outcomes
- **County dollars** reimbursed providers for costs instead of measurable outcomes
- **Services** for WIOA-eligible youth did not distinguish between different sub-populations and their distinct needs
- **Data** was used for monitoring instead of surfacing new insights or identifying problems in the system

### Outcomes-Oriented Approach

- San Diego took advantage of the new DOL enabling legislation Pay for Performance provisions, empowering them to focus on harder to reach and longer term outcomes through performance payments
- **Dollars reward provider** for improved employment, education, and recidivism outcomes
- **Services** are focused on 300 justice-involved young adults driving improved outcomes in both workforce and recidivism
- **Short- and long-term outcomes data on employment, education and recidivism** will be collected and shared to support deeper insight and continuous improvement
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Project Summary

Goal
Improve education, employment, and recidivism outcomes for justice-involved Out-of-School Youth in San Diego County by leveraging WIOA funding through outcomes-based contracting.

Beneficiary Population
Eligibility Criteria:
- Age 16-24
- Post adjudication + true finding or conviction + commitment
- Not attending school or working
- In Field Services or re-entry from Institutional Services

(# of youth served: ~300 over 3.5 years)

Contracted Outcomes
Increased rate of employment (short and long term)
Increased rate of educational placement and attainment

Outcomes Payments
Subject to annual renewals, SDWP is allocating ~1.75 million of its WIOA youth funds over 4 program years to an outcomes-oriented contract that includes contingent payments to be disbursed to the provider upon achievement of specific short- and long-term outcomes.

2-Part Outcomes-Oriented Contract Design

Fixed-Rate Performance Contract:
Service provider is paid upon achievement of outputs and short-term WIOA measures

- Youth served
- Monthly progress report
- Placement in jobs or post-sec education
- Measurable skills gain

Performance Payments

P4P Contract:
Service provider is incentivized to achieve long-term employment, education & recidivism outcomes via bonus payments

- Employment / enrollment in post-sec education rate
- Median earnings
- Recidivism rate

INDEPENDENT VALIDATION

P4P BONUS PAYMENTS