Request for Information (RFI): Provider Partnership to Build a Pay for Success (PFS) Project that Funds College Access and Success Coaching for Recipients of the Ohio National Guard Scholarship

OVERVIEW

The Ohio Department of Higher Education (ODHE) requests information from college access and success service providers to contribute relevant experiences, information, and ideas to inform the development of a new Pay for Success (PFS) initiative serving recipients of the Ohio National Guard Scholarship. The ODHE staff will evaluate all RFI submissions on respondents' capacity to participate in the proposed PFS initiative. Before approving programs through the RFI process, the ODHE team may consult the Ohio Adjutant General's Department, the Ohio National Guard, and the Ohio Treasurer's Office.

Responses to this RFI are due on Monday, November 16, 2020

CONTENTS

SECTION 1: INTRODUCTION

Summary

The Ohio Department of Higher Education (ODHE) is a cabinet-level agency for the Governor of the State of Ohio that oversees higher education for the state. The agency's main responsibilities include authorizing and approving new degree programs, managing state-funded financial aid programs, and developing and advocating for policies that maximize higher education's contributions to the state and its citizens. As part of this work, ODHE is committed to its efforts to improve student outcomes and eliminate outcomes disparities in college access and success.

ODHE plans to leverage Pay for Success (PFS) financing to improve outcomes for the 3,000 annual recipients of the Ohio National Guard Scholarship—service members who, despite receiving support for tuition and fees, often do not complete their selected two- or four-year degree program and as a result, do not maximize their scholarship benefits. ODHE and the Adjutant General's Department hypothesize that pre-enrollment counseling and first year coaching may improve the outcomes for National Guard Scholarship recipients.

ODHE's PFS project aims to increase the number of scholarship recipients completing a post-secondary credential, with an emphasis on providing appropriate degree planning in order to improve the strength of match among recipients and institutions and reduce or eliminate completion gaps at participating Ohio public institutions. ODHE is issuing this Request for Information (RFI) to solicit feedback on attributes of access and success coaching services and interventions that would support this goal, as well as feedback on PFS as a possible tool for financing wraparound student support services.

ODHE is interested in exploring PFS because while there are a variety of wraparound student support service providers across the country that have demonstrated success at improving outcomes among historically underrepresented students, funding for these providers is often seen as unsustainable. At the same time, state agencies are committed to being good stewards of available financial aid resources, such as state National Guard scholarship dollars. As such, partners across the Ohio system are motivated to innovate new ways to serve students and pay for services that support the achievement of student success outcomes and close outcomes gaps. PFS presents an opportunity to:

- Systematically finance pre-enrollment and strong start coaching services in an outcomes-oriented manner;
- Improve access and success outcomes for historically underrepresented students and close equity gaps;
- Use innovative financing to help ODHE, the Ohio National Guard, and the state of Ohio meet enrollment and completion goals;
- Create new funding relationships between ODHE, participating public institutions, and service providers.

With this RFI, ODHE seeks information and input on services that could impact outcomes for new recipients of the Ohio National Guard Scholarship in order to inform the services that are procured, funded, and delivered under the PFS contract.

Purpose of this Request for Information (RFI)

The purpose of this RFI is to obtain information from student support service providers and other relevant stakeholders on evidence-based and evidence-informed pre-enrollment and strong start coaching services that improve outcomes (term-to-term and fall-to-fall persistence, Gateway Course completion, and degree completion) for military-involved students, veterans, or a similar underrepresented student population. ODHE is particularly interested in which interventions, service models, and key components of services have the greatest potential to improve outcomes for this student population, if given the opportunity to expand.

ODHE is also seeking feedback through this RFI on providers' interest in participating in a PFS contract. The information obtained from this RFI will be used to help ODHE decide how to move forward. Anticipated next steps may include issuing an RFP to fund service delivery and outcomes achievement.

Why Respond to this RFI?

Responding to this RFI is optional and non-binding. Providers and other stakeholders are invited through this RFI to contribute their experience and expertise to inform a project intended to improve student outcomes, as well as a future funding opportunity. Responding to this RFI does not mean that you must respond to any future RFP nor will it provide any advantage should the agency release an RFP and you elect to respond to it.

ODHE has provided a list of questions (Appendix A). Respondents can determine their own level of input and may choose to answer some or all of the questions.

SECTION 2: OVERVIEW

Pay for Success (PFS) Financing

What is PFS?

PFS is an innovative contracting model that drives public resources toward high-performing programs and services that achieve measurable, long-term results in people's lives. PFS financing (broadly synonymous with social impact bonds) is a process through which private funders, which may include lenders and/or philanthropy, provide upfront working capital funding for services that a public entity later repays if—and only if—those services achieve targeted outcomes. PFS contracts bring together philanthropy, private lenders, service providers, public agencies, and evaluators to focus on collaborating, aligning incentives, and using data to inform the achievement of priority outcomes for a defined population.

Why use PFS in Higher Education?

In higher education, PFS may be used to systematically finance evidence-informed access and success services that improve student outcomes to and through college for historically underrepresented student populations. In addition to bridging the funding gap for programs that deliver long-term outcomes, PFS financing can help institutions develop strategies that align resources with results by better measuring and evaluating the impact of wraparound student support services that promote college access and success.

This contracting model allows all parties to benefit by aligning incentives. In addition to directing funding toward effective programs, PFS can help governments and providers collect and share more effective and reliable data to identify what works, allowing institutions to better measure and evaluate the impact of programs and providers to learn and continuously improve. The process of developing PFS contracts enables stakeholders who don't often work in partnership to collaborate and build the capabilities, capacity, and data infrastructure needed to pay for measurable outcomes that make a difference in Ohio.

PFS offers several additional benefits to service providers:

- A focus on long-term outcomes lends itself to multi-year contracts
- Multi-year contracts provide increased or more sustainable funding to scale evidence-informed and evidence-based interventions that drive impact
- A focus on outcomes rather than prescriptive services gives providers the flexibility to adjust services to better meet student needs and achieve priority outcomes
- Formal data sharing structures with external stakeholders, like a government partner, can provide additional information that yields better insight into impact and can be used for continuous improvement
- A focus on outcomes creates an opportunity to fund evaluation services to build or strengthen an evidence base for the providers' programs

SECTION 3: PROJECT HYPOTHESIS

Under the PFS project's current vision, ODHE will partner with a strong start coaching service provider to support up to 600 recipients of the Ohio National Guard Scholarship per year over 3-4 years. The project will strive to increase post-secondary matriculation, term-to-term persistence, first-year credit accumulation, gateway course completion, and, ultimately, credential completion. The ODHE and Ohio National Guard are interested in supporting students' enrollment in a post-secondary program that best aligns with their goals and skills. ODHE is specifically interested in pre-enrollment and strong start coaching interventions for historically underrepresented student populations that have been shown to impact these outcomes. ODHE will calculate the price per outcome achieved based on a target improvement over the outcome baseline and will collaboratively set targets with project partners in order to ensure both return on investment in student support services and also realistic growth goals as demonstrated by the evidence base.

In order to demonstrate the achievement of outcomes, ODHE will use data from their HEI data system and from the Adjutant General's Department.

Project costs are currently estimated to be between $3-5 Million over the life of the project. ODHE intends to request an appropriation from the General Assembly to fund the outcomes payments for the project. Once a service provider has been selected, ODHE, with support from the Adjutant General, plans to work with ResultsOHIO—an entity in the Ohio Treasurer's Office—to assess the project's readiness.   ODHE will identify upfront funder(s) to pay the selected provider to deliver services. It is expected that ResultsOHIO will serve as the fiscal agent for the government funding. ResultsOHIO may hold an appropriation from the General Assembly in the state pay for success fund, in accordance with

Ohio Revised Code 113.62. This appropriation shall be used to pay back the upfront funder(s) in the form of outcomes payments for the achievement of the agreed-upon metrics.

ODHE's Intended PFS Model

PFS contracts are an innovative approach to improving outcomes. Typically, upfront funding is raised for service delivery, and as the program operates, an independent evaluator measures program outcomes. The systems-level payer, often a public agency, only pays back the upfront costs (with interest) to the funders if the evaluator determines that agreed-upon performance targets have been achieved. If maximum outcomes are achieved, the initial funders are repaid for the entire cost of the program and in some cases, receive risk premium payments, as well. The following diagram shows ODHE's proposed PFS funding model and structure. This is a hypothesis and is subject to change based on the information learned through this RFI and other stakeholder engagements.

ODHE Proposed PFS Project Structure
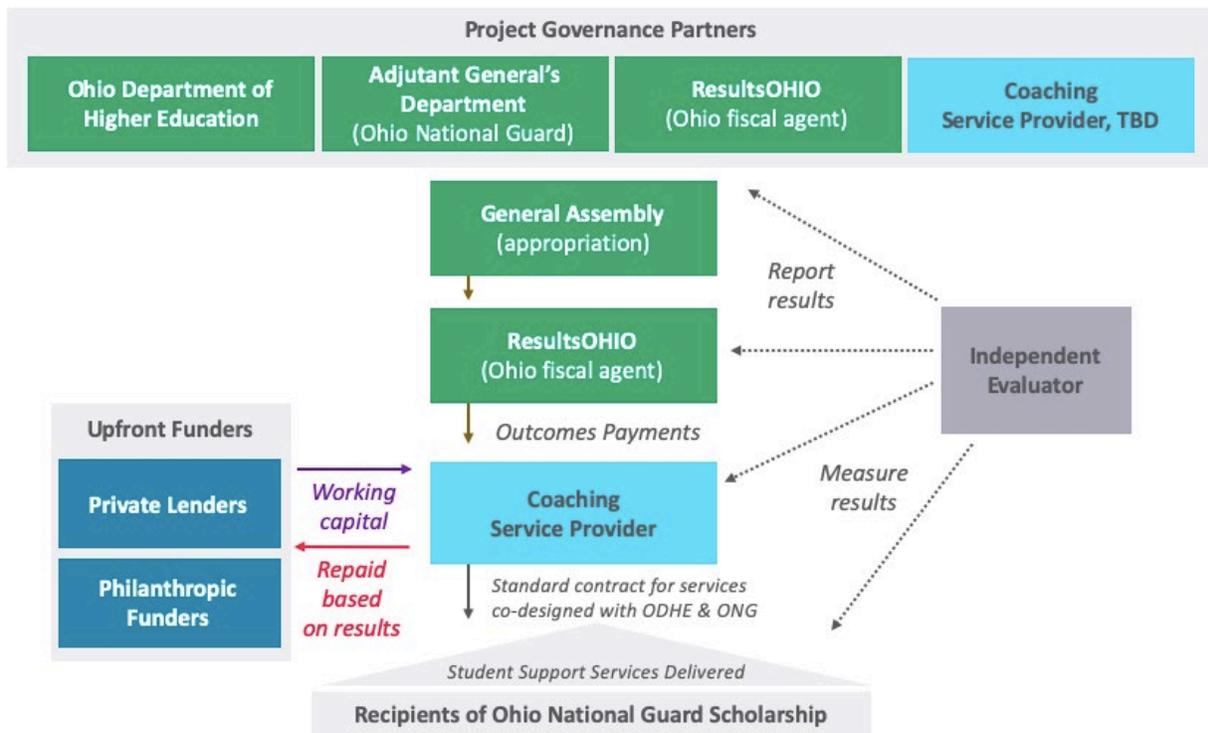
Typical roles of key stakeholders in a PFS project are:

- **Systems-Level Payer**: Identifies a critical social issue with outcomes in need of improvement and repays private funders' initial investment when outcomes are achieved
- **Service Provider**: Delivers services to a specific beneficiary population in an effort to reach or exceed predetermined outcomes for success
- **Private Funders**: Provides upfront working capital to fund the new or expanded contract with a high-performing service provider that is serving a specific beneficiary population
- **Evaluator**: Rigorously measures outcomes to ensure service provider achieves impact

In the proposed framework illustrated in the diagram above, service providers would receive funding from a PFS contract, likely involving upfront capital in the form of loans and/or grants. The upfront funding is hypothesized to flow, potentially, to a specific Project Manager and/or Special Purpose Vehicle (SPV), which could issue restricted grants to a subset of public higher education institutions in Ohio. These institutions would enter into an agreement for services from the selected service provider, likely in a standard contract co-designed with ODHE and the Adjutant General's Office (Ohio National Guard, or ONG). In the proposed PFS framework, ResultsOHIO would hold outcomes funding from a legislative appropriation and make outcomes payments when results are achieved, as determined by an independent evaluator. Currently, project costs, outcomes and performance metrics, and other drivers of project economics have not been finalized. ODHE strives to co-create these components with the student support service provider(s) that respond to this RFI and other relevant stakeholders.

SECTION 4: RFI RESPONSES

Questions

Attached as Appendix A is a series of questions that are to be used as prompts for the information being sought under this RFI. The Appendix contains some broad questions and some specific questions. Respondents do not need to answer every question in order to submit a response. Respondents should feel free to only answer those questions that are applicable to their organization or institution.

Respondent Inquiries

If Respondents have questions concerning this RFI, or concerning the Pay for Success model in general, they should email their question(s) to Stephanie Davidson, Vice Chancellor for Academic Affairs, Ohio Department of Higher Education at: sdavidson@highered.ohio.gov with the subject line: RFI: ODHE PFS Initiative. Answers to questions will be posted publically, as an FAQ, if deemed necessary.

RFI Submission

Please send your written RFI response to Dawn Gatterdam, Director of Operations and Procurement Services, Ohio Department of Higher Education at: dgatterdam@highered.ohio.gov with the subject line: RFI: ODHE PFS Initiative. Responses should be limited to no more than ten single-spaced pages. Responses should be submitted no later than 5:00 p.m. EST on Monday, November 16, 2020.

The schedule is below:

Date	Event
November 2, 2020	Issuance of Request for Information
November 16, 2020	RFI Submission Deadline; 5:00 p.m. EST

SECTION 5: Legal Notices and Disclaimers; Obligation to Local, State & Federal Governments

All information submitted in response to this RFI becomes property of the Chancellor and is public information unless a statutory exception exists that exempts it from public release under the Ohio Public Records Act, as defined in Section 149.43 of the Ohio Revised Code.

The respondents understand that the information provided in this RFI is intended solely to assist in the RFI submission process. To the best of the Chancellor's knowledge, the information provided is accurate; however, the Chancellor does not warrant such accuracy and any errors or omissions subsequently determined will not be construed as a basis for invalidating this RFI.

The Chancellor reserves the right to request or use additional information to assist in the review process, to require new information from interested parties, to reject any or all responses to this RFI, or to re-issue, modify, or cancel the RFI if it is determined that it is in the best interests of the institutions and/or the state. Issuing this RFI does not bind the Chancellor to issuing a contract. The Chancellor administers the process and reserves the right to adjust the dates for this process for whatever reasons are deemed appropriate. All costs incurred in preparation of this RFI and any future proposals shall be borne by the respondents and are not recoverable under a future award.

Information provided in this response will be used to provide the Chancellor with information and recommendations that will serve to accomplish the work required in future procurements. The chancellor reserves the right to incorporate in a solicitation, if issued, any recommendations presented in the response to the RFI.

Trade Secret Language: All information submitted in response to this RFI becomes property of the Chancellor and is public information unless a statutory exception exists that exempts it from public release under the Ohio Public Records Act, as defined in Section 149.43 of the Ohio Revised Code.

All Respondents are strongly discouraged from including in a proposal any information that the Lead Respondent considers to be a "trade secret," as that term is defined in Section 1333.61(D) of the Ohio Revised Code. The institution or business asserting trade secret bears the responsibility to take formal action if necessary and defend such assertion. Otherwise, public records laws may require disclosure.

If any information in the proposal is to be treated as a trade secret, the proposal must:

    a. Identify each and every occurrence of the information within the proposal with an asterisk before and after each line containing trade secret information, and underline the trade secret information itself;

    b. Identify that the proposal contains trade secret information in the cover letter; and

    c. Include a summary page immediately after the cover letter that lists each page in the proposal that includes trade secret information and the number of occurrences of trade secret information on that page.

    d. To determine what qualifies as trade secret information, refer to the definition of "trade secret" in the Ohio Revised Code at 1333.61(D), which is reproduced below for reference:

(D) "Trade Secret" means information, including the whole or any portion or phase of any scientific or technical information, design, process, procedure, formula, pattern, compilation, program, device, method, technique or improvement, or any business information or plans, financial information, or listing of names, addresses, or telephone numbers that satisfies both of the following:

(1) It derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

(2) It is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

> *e. The Ohio Department of Higher Education requires non-disclosure agreements from all non-Department of Higher Education persons who may have had access to proposals containing trade secret information, including evaluators.*

> *f. If the Responder claims that a record is not subject to disclosure under the Ohio Public Records law based on trade secret, it will bear costs of defending this claim.*

APPENDIX A

Student Support Service Models

1. How, and to what extent, would implementing your organization's intervention/service model for recipients of the Ohio National Guard Scholarship result in improved outcomes?

    Please provide as much information about your model as possible. In your response, you might highlight any of the following topics, as applicable:
    a. Your history working with historically underrepresented student populations, such as veterans, service members or recipients of scholarships
    b. Size of your beneficiary population(s) and other demographic information
    c. Details of your model (services offered, staffing requirements, costs)
    d. Attribute(s) of your service model that are most effective in improving outcomes for your beneficiary population
    e. Attribute(s) of your service model that demonstrate an ability to address inequity and close outcomes disparities across race/ethnicity
    f. Data management capacity for collecting, monitoring, and analyzing performance
    g. Demonstrated evidence base: Indicate which components of your service model are evidence-based and/or evidence-informed. If your service model has been evaluated directly, please describe the type of study and its primary findings.
    h. Demonstrated impact or history of working towards target outcomes
    i. Experience working with institutions of higher education and/or state departments of higher education, including accessing or sharing data
    j. Additional resources, in addition to funding, that would be necessary to scale your impact, such as capacity building, data access, technical assistance, and other factors

2. What are the short- and long-term outcomes of students, communities, institutions, etc. that result from, or are impacted by, your service model?
    a. To your knowledge, do any of those outcomes drive financial value or cost savings for public agencies, higher education institutions, or communities? If yes, please explain.

3. How is your intervention unique/different than others working towards similar goals and/or working with similar beneficiary populations?

Pay for Success Contracts

4. What portion of your current funding, if any, is from a public (government or higher education institution) source?
   a. Please describe the funding and what it enables your organization to do.
   b. If none of your funding is currently public, are you interested in accessing public funding? Why?
   c. If you have pursued performance-based or outcomes-oriented funding in the past, please describe your experience.

5. While there are many ways to structure a PFS contract, ODHE may be seeking to partner with a service provider who is able to receive loans. How might you consider acting as the borrower in a loan agreement(s) in a PFS contracting arrangement? What obstacles may arise from directly taking on upfront funding (a limited recourse loan) to be repaid, by outcomes payments from the ResultsOHIO fund, or forgiven and not repaid to up front investor if outcomes are not reached?

6. What opportunities do you see to repurpose or reallocate existing public resources for improved appropriate degree planning and strong start coaching among a subset of participating Ohio public institutions?

7. If there was a potential PFS project in your community, would you be interested? If yes, what existing or new partnerships might you leverage or pursue?