Overview of Outcomes Based Contracting

It's a mechanism for ensuring that educational providers deliver on their student learning promises.

DEFINITION:

- Based on a contract between a district and a service provider in which a substantial part of payment to the service provider is contingent on meeting agreed upon student outcomes (SEF pilot districts required at least 40%)
- Acts as a kind of guarantee that public dollars will deliver academic impact, even if providers take several attempts to achieve it
- Requires districts and vendors to identify and commit to clearly defined outcomes

GOALS:

- Spur innovation in tutoring that directly impacts academic outcomes, especially for students of color and those affected by poverty
- Break the cycle between school districts and vendors in which little is expected to close the achievement gap and so neither party is to blame when nothing does
- Put pressure on current price of tutoring, ensuring sustainability of funding streams

Steps of Outcomes Based Contracting

SEF recommends five basic steps for successful implementation:

PREPARE

- Educate & align stakeholders
- Create the team

2 IDENTIFY

- Define the target population
- Define the outcome & metric pairs

Z DEVELOP

- Define the pricing values for each outcome
- Determine the total potential cost of the contract

4 CREATE

- Create & release an RFP
- Develop & negotiate with vendor(s)
- Align district systems (i.e. data, billing, etc)

5 DRIVE

- Launch services
- Monitor & adjust based on needs

 $Southern\,Education\,Foundation\,(Outcomes\,Based\,Contracting(OBC)\,in\,K-12:A\,Playbook)$



Do you think your district is equipped to enter an outcomes based contract? What would have to happen for you to get there?



)	Things to remember	Questions I have
		Actions to take
	8	Follow up with

Resources

The Southern Education Foundation offers a wealth of practical, downloadable resources on implementing outcomes based contracting (OBC) in your district. We recommend visiting their main resources page (obc.southerneducation.org/resources) and exploring all of the assets below:

OBC Playbook

Learn more about OBC, and get equipped to implement it with confidence in your district.

2 RFP Template

Use this customizable tool to craft an OBC bid document.

Continuous Improvement Guide

Build your understanding of and capacity to use data to drive improvements to your programs.

4 Rate Card Calculator

Best used when you're familiar with the OBC playbook, this customizable spreadsheet provides pricing models and a dynamic pricing calculator. Use them to generate various pricing and student achievement scenarios and overall project budgets.

