Guidance on Collecting Administrative Data for Pay for Success Projects

Five Lessons from a Training and Technical Assistance Engagement

Will Engelhardt and Martha Fedorowicz

October 2019

Administrative data—that is, the information collected by governments and organizations about the people they serve—are a rich resource for strengthening programs and services. But accessing and using such data from the different systems and agencies that house them is often difficult. Moreover, many organizations face significant learning curves when it comes to navigating privacy and data security requirements, drafting legal agreements, completing complex analyses, and working through other processes associated with using administrative data. Even jurisdictions with fully integrated data systems may be constrained by security requirements and quality concerns, procurement procedures, or a lack of public understanding about the benefits of using administrative data to improve their services.

Overcoming these challenges is essential for stakeholders interested in implementing a performance-based funding model (a financing or contracting approach that ties payment for a program to predetermined results it achieves). Pay for success (PFS, discussed in box 1), outcomes-based contracting, and results-driven contracting are among the diverse performance-based models being used across the country (Brown, Eldridge, and Bieretz 2019; Hawkins, Bieretz, and Brown 2019). And with each, data are essential to helping stakeholders develop and execute a project. In this brief, we share five important lessons learned from organizations that tackled administrative data challenges in their quest to carry out a PFS project.

As part of the Urban Institute's Pay for Success Administrative Data Pilot (PFS-AD, discussed more in box 2), our experts provided training and technical assistance to governments and organizations to help improve their capacity to access and use administrative data as they considered potential PFS projects or supported existing programs. High-quality PFS projects, like other similar models, rely on data to inform project development, such as in determining feasibility, structuring transactions, or implementing an intervention. Each project requires timely data on service recipients and outcomes, and access to detailed, linked administrative data is vital to developing them. Generally, creating local capacity for ongoing data sharing is essential for PFS and other performance-based funding models to have lasting benefits to communities.

BOX 1

Pay for Success

PFS is an innovative financing mechanism that shifts financial risk from a traditional funder—usually a government—to a private or nonprofit funder. The new investor provides up-front capital to scale an evidence-based program to improve outcomes for a vulnerable population. If an independent evaluation shows that the program achieved agreed-upon outcomes, then the investment is repaid by the traditional funder with interest. If not, the investor takes the loss. This model shifts financial and reputational risk from the government to external investors and promotes rigorous evaluation and meaningful outcomes. By prioritizing evidence, outcomes, performance management, and the strategic deployment of resources, PFS has the potential to improve how social services are delivered to the most vulnerable, yielding benefits to individuals, governments, and society at large. To learn more, visit pfs.urban.org.

To illustrate this point, we asked the first four organizations to receive technical assistance from Urban through PFS-AD to share what they learned from the process of collecting and using administrative data. Each is considering PFS programs, so much of their feedback centers on that financing model. However, their insights about using data should be relevant to all performance-based funding approaches.

Together, the organizations represent a variety of interest areas and organizational capacity:

- **Clinica Esperanza/Hope Clinic:** This clinic provides linguistically appropriate, culturally attuned medical care to uninsured adults living in Rhode Island.
- **Connecticut Health and Educational Facilities Authority:** A quasi-governmental agency that helps Connecticut-based nonprofit organizations raise funds to meet their goals of improving residents' health and education.
- **Thomas Jefferson Area Coalition for the Homeless:** The lead agency on homelessness in the city of Charlottesville and in Albemarle, Nelson, Louisa, Fluvanna, and Greene counties in Virginia. This agency sets policy, establishes funding priorities, monitors the use of public funds, and collects and reports community-level data.
- **Yakima Valley Conference of Governments:** A membership organization that provides 14 cities in Washington State and Yakima County a regional network for professional community planning, transportation, grant writing, and facilitation of coordinated efforts on matters of mutual concern.

Feedback from representatives of each organization helped Urban identify five key lessons from projects focused on improving local capacity to access and use administrative data for program planning. Next, we summarize these lessons and recommend how to act on them.

BOX 2

Pay for Success Administrative Data Pilot and Products

This brief is part of a series designed to help states, municipalities, and local organizations identify, link, and analyze administrative data to better track outcomes of the social services they deliver. The guidance provided in each product emerged from training and technical assistance the Urban Institute provided to 28 communities during 2015–19 as part of our Pay for Success Initiative[a] and Pay for Success Administrative Data pilot. Funded by Arnold Ventures and the Corporation for National Community Service, Urban supported partners in addressing and overcoming barriers to administrative data access so that their communities will be better equipped to move toward implementing PFS and other performance-based strategies.

The additional products in this series provide recommendations on how to navigate some of the most vital processes undertaken by communities Urban worked with. They are as follows:

- **Assessing Feasibility Studies**, which offers guidance on determining whether pay for success is a viable strategy for a specific intervention.
- **Developing a Collaborative Planning Team,** which provides tips on bringing together and engaging diverse stakeholders around data collection and sharing.
- **Understanding Community Resources**, which delivers step-by-step guidance for stakeholders who want to match data across agencies.
- **How to Launch a Supportive Housing Pay for Success Initiative**, which offers initial steps to get PFS supportive housing efforts off the ground and focuses on how to establish an evidence-based supportive housing PFS program that can measure and link payments to outcomes.

[a] "Frequently Asked Questions," Urban Institute Pay for Success Initiative, accessed September 5, 2019, https://pfs.urban.org/faq/.

Lesson 1: Understand the Context around Your Project

Perform an Environmental Scan or Needs Assessment of Your Community

An environmental scan helps identify existing practices in your community, gaps in services, and needs for service improvement or scaling. Many different methods for performing such a scan are available, including Strength, Weakness, Opportunity, and Threat (SWOT) analyses, swimlane diagramming, sequential intercept model mapping, and more (Gürel 2017; Policy Research Associates n.d.; US Department of Justice 2019). Whatever method you use, it will likely require you to engage with local stakeholders formally through focus groups and semistructured interviews or informally through conversations with relevant local leaders and administrators. Your conversations should produce a clearer vision for developing a strategic plan.

Engage Other Stakeholders

Although others in your community may not have the same goals and objectives as you do, moving forward will likely be difficult without collaborating with leadership, administrators, and data stewards from other organizations. At a minimum, reach out to local stakeholders to learn what data-driven projects, practices, and funding mechanisms are already under way. Or learn what information has already been analyzed that could inform your work, even if it isn't directly focused on your specific objectives. To achieve this goal, many of the PFS-AD organizations Urban helped with technical assistance established subcommittees or planning teams to unite cross-agency stakeholders around a shared mission. If you would like to develop a planning team around data sharing, several resources are available that provide guidance on how to create collaborative planning teams (see, for example, Fedorowicz and Engelhardt 2019).

"Early on it would be helpful to start out by identifying the existing efforts that are similar. Understanding the history of other efforts and where they've hit roadblocks in the past would have been helpful. Find out what's going on and learn what's been learned."
*—**Anthony Haro, Executive Director, Thomas Jefferson Area Coalition for the Homeless***

Review the Evidence on Projects with Similar Goals and Target Populations

Although understanding programs already under way in your community can be useful, understanding the existing national evidence base around your area of focus is also beneficial. To do so, a good starting place is to review existing clearinghouses that focus on your target population. For example, if there is interest in developing an intervention for people who are leaving jail or prison, the What Works in Reentry Clearinghouse is a hub for research on the effectiveness of reentry programs.[1] If these are unavailable, conduct a literature review of any evaluations of existing interventions with similar goals and target groups. Either effort will help you understand the partnership structures, outcomes, evaluation design, payment structure, and other project components relevant to your program area. By doing so, you can better understand the evidence base behind your potential project, consider what components can be replicated in your community, and identify the additional information you need to implement your program using a method that responds to the needs of the people you're looking to support.

Review Contractual Records of Similar Projects

Launching a performance-based funding model program can take years because of the complexity of setting up outcome- or output-based payment structures. Although each project has a unique context (e.g., programmatic features or legal requirements), key contractual or programmatic materials have been developed for other projects that may be useful for your purposes. You will ultimately still need to design an evaluation, a payment structure, possible outcomes, or other components, but these don't need to be built from scratch. Many of these executed agreements and contracts are publicly available, including on the National Neighborhood Indicators Partnership's catalog of memoranda of understanding and data-sharing agreements.[2] However, if such resources aren't publicly available to you, check your local contracts and legal departments, which may have executed similar contracts.

Lesson 2: Use the Best Available Data to Develop Your Project

"The size of chronic homelessness in Charlottesville may not be large enough to warrant a pay for success project. We need to be flexible for what an end goal or end population could be, because it may need to be larger than just the chronically homeless. It may need to be frequent utilizers who are chronically homeless and potentially housing instable as well."

—Anthony Haro

Define the Problem You Aim to Address

When considering performance-based funding models, you should define the problem you are trying to solve. Solutions need to respond to problems (not the other way around). Although this seems intuitive, many well-intentioned projects identify an interesting intervention and attempt to shoehorn it into a problem that either doesn't exist or isn't an appropriate match for it. PFS-AD projects focus first on using data strategically to identify a clear problem in the community. Once you pinpoint the problem, you can use that same (and additional) data to identify a clear target population for services, understand baseline spending, and envision the project's overarching goals. But reaching the point where you can collect and analyze data you are confident in can be a multiyear process if the infrastructure for doing so has not been developed.

Understand the Strengths and Limitations of Prior Research

Organizations are often motivated to engage in performance-based funding models because of anecdotal local information or national data, and they can struggle to identify data that demonstrate the most pressing problems in their community. If this information is not critically assessed before moving forward with a project, you may later discover you've been operating under false assumptions. From the very conception of a project, you must engage evaluators, methodologists, and statisticians to understand the strengths and limitations of existing data and correctly interpret that evidence. At the same time, you should also consult the people in need of the services being proposed. Doing so can help prevent data-driven problems from arising after you've spent time developing a potential project. It can also ensure you're representing the needs of the community you aim to serve.

Conduct a Data Landscape Analysis

Data landscaping is a process in which community members contribute their general knowledge and understanding of existing datasets, who owns them, how they can be used, and what sharing is already under way. Although data landscaping and data sharing more broadly do not follow simple, linear steps, creating a living document that maps out who owns and shares what data can be a valuable resource for stakeholders interested in improving outcomes (see, for example, Bieretz and Brown 2019).

Use Local Data to Identify a Clear Target Population

Although some problems affect the entire populace equally, many do not. Subpopulations may be at greater risk for poor outcomes. Identifying a specific population and focusing on them for a performance-based funding project is important for reaching people who are most in need and for designing a program tailored to their unique characteristics. Identifying a target population will help you determine the potential size of your program, the intervention to be implemented, and the funding needed to support that intervention.

Work with New Data Partners

Many people in need of services interact with multiple systems in a community. As such, you should be open to identifying the organizations in your community that might have data relevant to your proposed project. They may not be the organizations you typically work with or the stakeholders you usually partner with, but you may not be able to execute your project without the ability to access and use their data.

Lesson 3: Ensure Data Quality and Expand Your Data-Sharing Capacity

Determine What Data Are Needed to Make Sound Decisions

Although some communities struggle to collect basic information, others have an abundance of data, making it difficult to establish which data points matter most for key decisions. To combat this, ground your data collection and analysis by answering specific research questions to determine the target population, costs of services, and key outcomes. This helps ensure that agencies are using data for planning.

Develop Data-Sharing Agreements

A data-sharing agreement is a written agreement that establishes concrete expectations about which data will be shared, how often, and for what purposes. It also makes clear how all parties will use and handle information. A formal data-sharing agreement is not always required or necessary to access certain data, but it is a recommended best practice to use one with all partners and data providers. This is especially true for those sharing individual-level data and other personally identifiable information. However, these agreements are not a substitute for obtaining individual consent or authorization to disclose protected data and information, and they are not a panacea for addressing all data privacy restrictions. Additional agreements are sometimes needed for protected groups of people. For example, business associate agreements are often used to share information protected by the Health Insurance Portability and Accountability Act. For additional information on best practices for developing data-sharing agreements, see the National Neighborhood Indicators Partnership's key elements of data-sharing agreements brief and their website, which provides sample data-sharing agreements.[3]

"The original studies that outlined the promising effects of the program were what initially got us excited about the possibility for a PFS project. However, when we started our work, we discovered that although there was anecdotal evidence of success, the data processes were not in place for tracking outcomes. This set us on an intentional path of working with the group to focus on the creation of data systems."
—Betty Sugerman Weintraub, Grant Program Manager, Connecticut Health and Educational Facilities Authority

---

Focus on Data Quality

Performance data can come from various sources, including program or agency records, surveys, interviews, focus groups, and trained observer ratings. Each source has its own advantages and disadvantages and its own trade-offs related to cost, completeness of information, ease of administration, and timeliness. It is important to ensure that these forms of data are collected effectively and accurately and with fidelity to the model. If you don't feel confident in the data being collected, they should not be used to make decisions.

Improve Data Standardization

Data standardization is the process of collapsing data into a format that allows stakeholders to engage in collaborative research and large-scale analytics as well as to share sophisticated tools and methodologies. Data standardization is necessary when trying to match data between agencies that may gather information for different purposes and use different, unique characteristics to identify people within their data system. Without the ability to measure data across systems, using performance data to make decisions can be difficult.

Lesson 4: Align Your Projects with Your Partners' Motivations

"All groups involved around a PFS project need to have a real commitment to the outcomes you've targeted. That sounds obvious. But there can be a lot of other motives at play. Going through the PFS process can push the funders and providers of services outside of their comfort zones as they look to quantify and assess what they're working on. They have to put that outcome first and that's not always the way these institutions have done things."
*—**David Wasch, Legislative Liaison, Connecticut Health and Educational Facilities Authority***

Develop Local and Strategic Relationships

Your project likely won't get very far without the support of local decisionmakers. Relevant stakeholders need to trust you and be willing to work with you; their buy-in is contingent on a belief that partnering with you and your agency will effect real change for the community you are trying to serve. That's why building strong relationships is essential, and there are a couple key steps you can take to do so. For example, consider who sits on your organization's board, identify partners to invite to participate in strategic working groups and planning teams in formal or informal roles, and ensure that your work demonstrates your commitment to your agency's mission and vision.

*"[What was interesting in identifying an end payor is that] they didn't see themselves as vested in saving money, because they got reimbursed by the state, but they are vested in outcomes. So we reframed some of the conversations around helping them to better meet their own performance goals and not just on cost savings."***—Anthony Haro**

Identify the Motivating Factors of Local Partners

When building local relationships, you should consider the interests of potential partners. Although your proposed project may serve your organization's mission and vision and benefit people in your community, this alone may not distinguish it from competing programs aiming to address gaps in the field. For your project to succeed, all partners need to have overlapping outcomes and ambitions in mind. Aligning and realigning your goals should always be a priority. By regularly revisiting your objectives and being willing to adjust and set new goals, your partnerships can grow even as your project plans adapt.

Lesson 5: Be Patient with the Process

Recognize the Benefits of the Planning Process

A performance-based funding model project may not launch, but the engagements necessary to determine its feasibility can still be successful. The planning process for such a project has many ancillary benefits, such as increased collaboration and communication across agencies, better data collection and data sharing between agencies, and more clarity on the challenges facing the community. This information can improve day-to-day programming decisions, inform strategic resource planning, and support testing or scaling innovative programs.

"[Pay for Success is] so new, having case studies to refer to is helpful. Be patient—it's such a new concept. With skepticism, it takes a while to bring people along."
—**Larry Matson, Former Executive Director, Yakima Valley Conference of Governments**

Be Realistic about Your Project Timeline

A performance-based funding model project from start to finish (from initial research to ultimately paying for outcomes) will take years. When engaging stakeholders for your project, you should explain the time commitment involved in developing and implementing such a project and clearly demonstrate the benefits and risks associated with such an endeavor. For many organizations, it will be a lengthy process just to establish new data collection processes, data-sharing agreements, and the ability to track key information across systems. For some, the long timeline and robust evidence needed to implement a performance-based funding model project may be prohibitive.

"Before this started we didn't fully understand the lead time needed to assess the quality of existing data and develop consensus around data sharing. I never thought it would be a year of assessment and analysis before being able to make a decision about undertaking a feasibility study. There's a level of research rigor required for feasibility studies, and a foundation of usable quality data has to be in place."
—Jeanette W. Weldon, Executive Director, Connecticut Health and Educational Facilities Authority

---

Be Open to Considering Different Strategies

Performance-based funding models are not a one-size-fits-all approach. Communities have different needs and capacities, so the right performance-based approach or model will vary. Yet all communities will benefit from improving their ability to gather data and track key outcomes that demonstrate the need for services. Strengthening your capacity to be adaptive and responsive to local needs does not necessarily lead to launching a new program or scaling an existing one. However, doing so improves your and your partners' ability to demonstrate performance and positions you to be eligible for future funding opportunities.

Conclusion

Although PFS and other performance-based funding models can be difficult to set up and steward, engaging in this process can be immensely valuable. According to some of the organizations Urban assisted, the level of rigor required to conduct a PFS project has spurred them to have honest conversations with their partners about the quality and availability of data and about their partners' willingness to share information, even if they decide not to move forward with a PFS project after collecting and analyzing the data. Even if the model is never implemented, taking the steps to prepare for the project can help identify and address data challenges.

The process can also be beneficial to strategic collaborations. Representatives from the organizations Urban worked with said they developed stronger relationships with many of their partners and feel more adept at building new ones. Several partners mentioned learning a great deal about their partners' motivations and performance goals and how they can better work together to accomplish everyone's objectives. Because of these partnerships, one organization increased its visibility within its state, which could be advantageous in the future.

Finally, and perhaps most importantly, talking about data quality and data sharing with partners can lead to more data-driven policy and programming decisions. Even if your efforts don't lead to a performance-based funding model project, helping partners think more intentionally about their data collection, sharing, and analysis, and getting them to consider the benefits of addressing policy and programmatic challenges through data-driven processes, can be worthwhile.

Notes

[1] See the What Works in Reentry Clearinghouse at https://whatworks.csgjusticecenter.org/.

[2] "NNIP's Collection of Example Data-Sharing Agreements," National Neighborhood Indicators Partnership, last updated September 11, 2018, https://www.neighborhoodindicators.org/library/guides/nnip%E2%80%99s-collection-example-data-sharing-agreements.

[3] "Key Elements of Data Sharing Agreements," National Neighborhood Indicators Partnership, last updated September 14, 2018, https://www.neighborhoodindicators.org/library/guides/key-elements-data-sharing-agreements; "NNIP's Collection of Example Data-Sharing Agreements," National Neighborhood Indicators Partnership.

References

Bieretz, Brian, and Madeline Brown. 2019. "Understanding Community Resources: A Tool for Data Landscaping." Washington, DC: Urban Institute.

Brown, Madeline, Matthew Eldridge, and Brian Bieretz. 2019. "Performance-Based Strategies: Defining Terms and Comparing Common Strategies." Washington, DC: Urban Institute.

Fedorowicz, Martha, and Will Engelhardt. 2019. "Developing a Collaborative Planning Team: Steps for Managing Data Sharing." Washington, DC: Urban Institute.

Gürel, Emet. 2017. "SWOT Analysis: A Theoretical Review." *Journal of International Social Research* 10:994–1006.

Hawkins, Rayanne, Brian Bieretz, and Madeline Brown. 2019. Incentivizing Results: Contracting for Outcomes in Social Service Delivery. Washington, DC: Urban Institute.

Policy Research Associates. n.d. "The Sequential Intercept Model: Advancing Community-Based Solutions for Justice-Involved People with Mental and Substance Use Disorders." Delmar, NY: Policy Research Associates.

US Department of Justice. 2019. "Second Chance Act Pay for Success Initiative: Outcomes-Based Contracting to Lower Recidivism and Homelessness (FY 2019 Competitive Grant Solicitation)." Solicitation number BJA-2019-16890. Washington, DC: US Department of Justice, Office of Justice Programs, Bureau of Justice Assistance.

About the Authors

Will Engelhardt is a training and technical assistance manager at the Urban Institute's Justice Policy Center. He manages the Comprehensive Opioid Abuse Program assessment and the Pay for Success Administrative Data Pilot technical assistance to jurisdictions. He leads efforts to engage policymakers and practitioners in implementing evidence-based programs and policies. Before joining Urban, Engelhardt led the Council of State Government Justice Center's county-based initiatives that aim to improve outcomes for people with behavioral health disorders involved with the criminal justice system. He oversaw direct technical assistance to counties via the Stepping Up initiative, a national initiative to reduce the number of people with mental illnesses in jails. Previously, he coordinated the family economic security team at the National Center for Children in Poverty at the Columbia University Mailman School of Public Health, where he collaborated with state policymakers, administrators, and advocates to assess the effectiveness of state work support and safety net programs. Engelhardt was also a senior court report writer for the Fortune Society's Court Advocacy Program, where he developed court documents on the progress of participants in the Alternatives to Incarceration program. Engelhardt holds a BA from Hampshire College and an MSW from the Hunter College Silberman School of Social Work.

Martha Fedorowicz is a policy analyst in the Research to Action Lab at the Urban Institute, where she works with local government agencies and nonprofits to deliver technical assistance and translate research into implementable policy. Before joining Urban, Fedorowicz was a special projects administrator with the City of Lansing, Michigan, where she developed internal tools, resources, and programs for the Department of Neighborhoods and Citizen Engagement. A recent graduate of the University of Michigan's Gerald R. Ford School of Public Policy, she specialized in neighborhood development, local government innovation, civic engagement, and housing policy. As a master's student, Fedorowicz interned with the Detroit mayor's office in the Department of Neighborhoods, developed the State of Michigan's Racial Equity Toolkit for the Michigan Department of Civil Rights, and won the University of Michigan's Center for Social Impact's Social Impact Challenge in 2017. Fedorowicz also holds a BA in political science and French from the University of Michigan. From 2012 to 2014, she was a youth development volunteer in Morocco for the Peace Corps.

Acknowledgments

This brief was funded by the Corporation for National and Community Service and the Laura and John Arnold Foundation. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders. Funders do not determine research findings or the insights and recommendations of Urban experts. Further information on the Urban Institute's funding principles is available at urban.org/fundingprinciples.

Special thanks to representatives from Clinica Esperanza/Hope Clinic, the Connecticut Health and Educational Facilities Authority, the Thomas Jefferson Area Coalition for the Homeless, and the Yakima Valley Conference of Governments for providing information and quotes via interviews, conversations, and written communications that informed this brief.

URBAN INSTITUTE

500 L'Enfant Plaza SW
Washington, DC 20024

www.urban.org

ABOUT THE URBAN INSTITUTE

The nonprofit Urban Institute is a leading research organization dedicated to developing evidence-based insights that improve people's lives and strengthen communities. For 50 years, Urban has been the trusted source for rigorous analysis of complex social and economic issues; strategic advice to policymakers, philanthropists, and practitioners; and new, promising ideas that expand opportunities for all. Our work inspires effective decisions that advance fairness and enhance the well-being of people and places.