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before the

House Committee on Appropriations  
Subcommittee on Commerce, Justice, Science and Related Agencies

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Chairman Wolf, Ranking Member Fattah and other distinguished members of the subcommittee, thank you for inviting Public/Private Ventures (P/PV) to inform the Department of Justice's (Justice) funding priorities for FY 13. My testimony focuses on recommendations for ensuring the success of the Pay-for-Success pilot within the Second Chance Act.

**P/PV is a Philadelphia-based national nonprofit that partners with organizations to improve outcomes for youth and young adults transitioning to adulthood.** We have a long-standing track record of research, evaluation and program development in the fields of workforce, reentry and mentoring. Many of these efforts have been supported by Justice. For example, in 2003, P/PV developed and evaluated Ready4Work, a 17-site reentry demonstration that provided services—including case management, job training and placement, mentoring and education—to nearly 5,000 participants across the country. This work laid the foundation for subsequent federal investment in reentry services, including the Second Chance Act in 2008 as well as the Prisoner Reentry Initiative (PRI) and, most recently, the Reintegration of Ex-Offenders (RExO) program. In addition, for the last 12 years, we have served as the intermediary agency for the Amachi Mentoring Coalition—a program that provides mentoring services to children of prisoners and now, under a new Justice grant, children of military families. To date, more than 300,000 children have participated in Amachi programs in all 50 states.

**Through this and other work with program providers across the country, we have seen a need—and appetite for—services that can help these nonprofits manage and improve their own performance internally in an ongoing way.** As one example, over the last seven years, we have engaged more than 330 workforce development organizations who have *voluntarily* submitted data on an extensive range of measures, such as recruitment, retention, employment and earnings, so they could see their how their results stack up against their peers and make associated changes in program activities.

While we applaud the increased use of research evidence (e.g., results of random control trials or quasi-experimental studies) in making the best use of scarce federal dollars, the large investment in research evidence has unfortunately not produced a large number of programs that can implement research-based strategies reliably, sustainably and at high levels of quality.

**Thus, we believe it is now time to focus more resources on providing social service agencies with high-quality performance management support—which has historically been dramatically underfunded and underattended.** For example, most organizations need assistance with:

- Clarifying goals and objectives;
- Specifying and managing the enrollment of targeted individuals and groups;
- Delivering programs at their intended dosage, frequency and duration;
- Monitoring participants' incremental progress toward target outcomes;
- Collecting performance data and converting that data into actionable “real-time” information; and
- Using that information to make targeted adjustments in service delivery approaches.

Unfortunately, too few funders support such efforts, as it is the slow, hard work of implementation. Public sector leadership is needed to elevate the importance of performance

management and improvement, given that coupling strong performance management and implementation of research-based practices is the only way we can collectively ensure that good money doesn't follow bad. Agencies such as Justice can help fill an enormous gap between what organizations need and what funding is available, while generating new knowledge about the efficacy of this type of assistance.

**While performance improvement work is critical, it does not replace the need for external evaluation—particularly formative evaluation—that can provide field-wide lessons about program implementation.** Independently conducted formative evaluations can provide policymakers and funders with vital information about programs' costs and benefits; how programs operate; and how faithfully programs are implementing research-based practices and/or established program models.<sup>1</sup>

**Justice's Pay-for-Success pilot project within the Second Chance Act offers a unique opportunity to combine these two critically importance approaches.** Based on our experience, we recommend the following:

- **Ensure data are well defined, collected and used for improvement.** Even mature fields of practice face the challenge of different definitions of outcomes (e.g. what "counts" as a job placement—one day on the job, one week, one month?). And many organizations lack the capacity to collect good performance data—much less use it. Justice should support the forums (which must include facilitated work with provider agencies) and the infrastructure necessary to ensure that the right data is being collected and analyzed across Pay-for-Success programs—data that can actually be used to improve implementation.
- **Set appropriate performance targets.** P/PV's aforementioned workforce benchmarking project has revealed a considerable disconnect between the performance expected of organizations and what they are realistically able to deliver for the resources provided. Justice should support performance targets that are consistent with realities on the ground; informed by research and evidence; and again, guided by input from the agencies who are providing services.
- **Support meaningful evaluation.** The window for outcomes in Pay-for-Success pilots is narrow—generally, only two years. While experimental designs are generally favored, given their ability to most accurately detect the true impact of a program, we feel a formative evaluation that offers operational lessons and contextualizes results would be a more appropriate methodology at this stage to ensure a fair test of the model.

While we are strongly in support of this innovative pilot project, we encourage Congress and Justice to shape it in a way that maximizes success and ensures the most responsible stewardship of taxpayer dollars.

**Finally, as Justice works to better support implementing agencies, whether in Pay-for-Success pilots or other programming that engages social service providers, we encourage Justice and Congress to support expanded partnerships with intermediary organizations.** A growing body of evidence indicates that skilled intermediary organizations can be critical partners in improving provider performance, and there is growing federal precedent for the use of intermediaries. Most notably, the Social Innovation Fund at the Corporation for National and

Community Service—a \$50 million program that made its inaugural awards in 2010—grants resources through 16 intermediaries, who in turn subgrant to over 150 nonprofit community-based organizations.

Beyond funding, intermediaries support subgrantees by providing expert advice; implementation assistance; access to peer-generated knowledge; evaluation services; and importantly, feedback to both public and private funders that can guide future program and funding decisions. Although the ultimate goal is to build the capacity of nonprofit organizations to collect and use data on their own, intermediaries can play a critical technical assistance and management role in helping providers achieve self-sufficiency.

Thank you again for the opportunity to speak to the subcommittee today.

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<sup>1</sup> Walker, Karen E, and Kristin Anderson Moore. 2011. *Performance Management and Evaluation: What's the Difference?* Child Trends: Washington, DC. Retrieved from: [http://www.childtrends.org/Files/Child\\_Trends-2011\\_01\\_19\\_RB\\_PerformMgmt.pdf](http://www.childtrends.org/Files/Child_Trends-2011_01_19_RB_PerformMgmt.pdf)