Performance Based Funding for Adult Education Results: Support for What We Value

Author:
Luanne Teller
World Education, Inc.

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Luanne Teller
Lteller@worlded.org

World Education, Inc.
44 Farnsworth Street
Boston, Massachusetts 02210–1211
617.482.9485

WORLD EDUCATION

The Centre for Literacy
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Introduction

Many of our adult learners in basic education are among our most vulnerable populations. For them, adult education is their last best hope. If we cannot—or will not—help them, where will they go? Who are we willing to leave behind? Those of us who have worked directly with adult learners understand the significance of these questions. Whatever our intentions, the answers to these questions are directly impacted by the day-to-day choices we make about how to plan, implement, and manage our programs.

Currently, my work involves system-wide coordination for the Massachusetts (MA) System for Adult Basic Education Support (SABES). We are funded by the MA Department of Elementary and Secondary Education/Adult and Community Learning Services (ACLS) to develop and provide professional development (PD) for adult literacy practitioners throughout the state. While my current contract is performance-based, the specific project that I am discussing in this paper is a direct service program for adult learners which I managed prior to my current position. I have chosen to focus on this project because the impact of performance on adult learners through direct service is much easier to track and document than the indirect impact of PD. The same principles apply, but my experiences with the adult literacy services program seem more relevant for the purposes of this institute.

Pay-for-Performance Contracts and Cost-Reimbursable Grants

The two most common forms of funding in the MA adult education system are performance-based contracts and cost-reimbursable grants. Performance-based contracts identify outcomes for performance and pay only when the required performance/deliverable has been met. Cost-reimbursable grants pay based on the expenses incurred and submitted by a program according to the negotiated agreement. The difference appears simple on the surface. However, when you delve into the ways these contracts/grants are administered, managed, and tracked, the differences are significant and the implications for practice become complex.

Our Program Components

From 1990-1999, I worked at an office skills job training program in Plymouth, MA as an office skills and job search instructor, job developer, curriculum developer, and site manager. Working collaboratively with the Department of Transitional Assistance (DTA) and Department of Employment and Training (DET), our program was funded on a pay-for-performance basis through the Jobs Training Partnership Act of 1982 to transition people off public assistance and into full-time employment. Our program was intensive. Students attended 30 hours per week for 30 weeks of training, and then continued to participate in a 90-day job search period.

Our target audience was primarily single mothers on public assistance, most of whom had limited or no work experience. Besides lacking awareness of employer expectations around professional conduct and job search strategies, they had virtually no marketable occupational skills. Most had one or more children, were fluent in English, had stable living arrangements, and found themselves on public assistance (at least in part) because the fathers of their children were not paying court-mandated child support.

We believed it was best to work with the homeless only after they had been placed in shelters or short-term housing because of the stability it provided; however, we occasionally suspected that some of our students were living in their cars. Most had a high school diploma or GED, but we accepted non-high school completers if their skill level would allow them to pass the GED with support during the 30 weeks of training. Some had health issues; a few were chronic. Because the goal of our program was to get people into full-time jobs, students had to have valid social security numbers and be eligible to legally work in the United States. (I believe the DTA referred undocumented adults to English classes in the community, primarily at the public library.)

We accepted almost any student who was ready and motivated to work. For those who were not ready, we worked with community partners to provide referrals. Who was not eligible for our program? We did not take people who were actively abusing drugs or alcohol. Instead, we worked with DTA to refer them to a local agency that provided rehab services and advised them to come back when they were in recovery. Those with very low literacy and English proficiency levels who did not have the skills to tackle our rather ambitious curriculum were referred to the literacy program and intensive GED classes at the local public library. The DTA worked to find shelter for homeless families before referring them to us. In each instance, we always tried to find some community resource for any student who was not ready for us.

We could not be all things to all people. No one program can serve the full range of all adult learners' needs, but we could try to "find" all things for all people, and our community partnerships were key in connecting people to the right resource. Eventually, many of those we referred found their way back to us—when it was the right time and when they were ready.

We ran our program like on-the-job training:

- Potential students were interviewed to determine their eligibility for the program.
- Punctual and full attendance was required. Students were allowed three absences which had to be excused. Three partial days (arrived late or left early) counted as one absence.
- After the first week, professional dress was required every day. Upon entering the program, almost none of our students had a professional wardrobe. We began accepting donations of professional and interview outfits and over time, built quite a substantial collection. As needed, students had access to select and keep professional dress outfits from the collection to wear to the program each day, and up to two interview outfits for their job search. Additionally, we sent students on a field trip to thrift shops with a contest to see who could find the most appropriate interview outfit for the least amount of money, with a $5 limit. After these supports were in place, students who arrived inappropriately dressed were counseled and sent home to change.
- Students met with instructors for "performance reviews" after 30 and 90 days.
- To replicate what they would experience on the job, students spent most of their time working at desks with computers, rather than in a "traditional" classroom setting. Instruction was individualized and curriculum was contextualized.
    - We did not use a "grammar" textbook, but a proofreading book instead. Students learned and applied grammar rules by proofreading office documents such as business letters, reports, and memos.

    - Keyboarding class was similarly contextualized. Depending on the specific track a student followed, she would learn to type using business formats, order forms, or medical records. Typing tests were scored for speed, accuracy, and formatting errors. Students were then required to correct their errors. We noted that learning to type fast for the sake of typing fast is not useful. What is useful is being able to efficiently type documents that are accurate and properly formatted.
    - We taught math (fractions/decimals/percents) without a math textbook. Students learned to calculate discounts, generate payroll forms and taxes, and prepare budget projections including if/then scenarios, first by using calculators and then by entering the information into computer spreadsheets. Before they left the program, students prepared monthly and annual budgets to help project the minimum salary they could accept.
- Most students lacked work experience of any kind, so they were required to do weekly community service and conduct job shadows which they were expected to arrange on their own. In addition to providing valuable experience for a resume, this gave students a basis for articulating answers to interview questions using actual experience (I did) rather than hypothetical (I would) responses.
- Students were eligible for child care only as long as they were actively participating in the training program and then in the subsequent job search period. Once they were employed, the child care support continued on a sliding scale fee based on income.

How We Were Paid

We were paid in three installments:

1. A percentage paid on enrollment. Students were considered enrolled after two weeks. During the first two weeks, the student and the program could "opt out" without penalty, meaning the program could replace the student and the student would not jeopardize her opportunity for a more suitable placement.

2. A percentage paid upon job placement. There was a 90-day job search period following completion of the training program. A placement was considered "successful" by our funder if it

was full time. (Note that program staff considered a placement successful if it was full time, had benefits, and had opportunities for growth. Further, students were never encouraged or required to accept jobs that did not meet their personal needs and professional goals.)

3. A percentage paid upon retention in job for 90 days.

We were not paid for placement or retention for students who found jobs after the 90-day job search period had lapsed. Despite this fact, we continued to work with any student who had demonstrated a strong job search effort and was interested in our continued support.

Each of the payments was triggered by a one-page form. For enrollment, a one-page Verification of Enrollment form was signed by the director. For job placement and retention, a one-page Employment Verification form was signed by the student and the employer.

Results

When I left the program in 1999, we had developed systems that led to placing 92% of students in full-time employment with benefits. With rare exception, students were still employed after 90 days. We used a 10:1, 10:1 formula: On average, for every ten employers a student contacted (with a resume, cover letter, personal visit, or call) they could expect to get one interview. For every ten interviews, they could expect to get one job offer. Students were not allowed to "complain" about their job search until they had made 100 contacts. This formula worked for almost every student. We were most proud of how many students were promoted within their first 90 days of employment. Because students had minimal experience, they were often hired in entry-level positions. Due to the rigorous training we provided, however, they went into those jobs well prepared with strong skills and professional work habits. They generally quickly impressed their new employers, leading to 40% of students being promoted within the first 90 days.

Key Conditions for Success

Many factors contributed to the effectiveness of our program. They included:

- Adults who were (or became) motivated to work.
- Clear and consistent expectations: We said what we meant and we meant what we said.
- Transparency: Exceptionally honest and frequent communication among partners committed to our collective success because we knew it was vital to students' success.
- High expectations and standards applied to all: We were firm but fair with students; agency liaisons held ourselves and each other to high standards.
- Intensive, regular "advising" in the form of "performance reviews" to model the expectations of and experiences with employers.
- A job developer who cultivated relationships with employers, generated job leads for students, and compiled information from employers about their evolving needs.
- Contextualized curriculum that helped learners to develop skills based on what they would be doing in an actual job. Adapted curriculum based on information provided by employers about emerging needs and changes in the workplace.
- Practice in real-life contexts like job shadowing and community service that built students' skills, experience, and confidence. Classes in which professional dress and professional conduct were taught, modeled, and expected.
- Willingness to have frank discussions with students about how their appearance, skills, and conduct would impact their ability to find and keep a job. Knowing that students would need support and guidance to acquire that knowledge and to practice those skills.
- Commitment to have sensitive conversations and to keep them in confidence. Commitment to finding students whatever supports they needed to continue in the program and to promote their success.

The right people in the right place at the right time.
There is no substitute for bold voices who are willing to speak up for the neediest students.

The End of our Success

Although we were told that our program was considered one of the most successful in Massachusetts, fundamental changes in its structure led to its demise. As state budgets tightened and new welfare reform policies were implemented, state policy makers looked to "streamline" programs so they appeared more efficient to voters. A tense meeting with my supervisor led to my understanding that he would not be willing to advocate for supports that were essential to effectiveness. With no input from the staff and partners who had been so committed to students' success, it was abruptly decided to downsize the program from 30 weeks to 10.

Despite my protests that such a structure could not work, it became clear my input would not impact decisions that had already been made. The following day, I rendered my resignation because I could not in good conscience entice students to a program that I knew could not foster their success. I refused to be part of a process that set up students to fail.

Within six months, the program downsized, and then closed within a year after the decision to limit instruction to 10 weeks was implemented. That performance measure was neither realistic nor achievable.

Differences between Pay-for-Performance and Cost-Reimbursement

In my experience with both performance-based and cost-reimbursable contracts, funders have had clear priorities, high standards, and specific expectations for how funding could be used. The greatest difference was in how contracts were implemented and where our time, effort, and attention were focused.

Financial Logistics: Here are examples of the differences in how cost-reimbursable vs. performance-based projects in which I have worked were paid:

Cost Reimbursable		Performance-Based
Invoices submitted based on staff time, expenses, and other program costs.	→	Invoices submitted based on student achievement – e.g., enrolled, placed in job, or retained employment.
Invoices typically paid monthly based on actual/pro-rated/projected monthly costs.	→	Invoices paid monthly/quarterly only when performance was met and documented.
Payments are regular and fairly equal.	→	Payments are sporadic and unequal.
Initial payments cover planning and start-up staff time, building costs, materials, etc.	→	Sometimes funders will advance start-up costs, or start-up costs may not be advanced or covered by the contract. If not, the first several months must be covered by the host institution. It often takes several months before the first payment is received.
Most of funding is based on inputs.	→	All of funding is based on outcomes.
Low risk for the host institution/ High risk for the funder.	→	High risk for the host institution/ Low risk for the funder.

Focus on Work: Here are some examples of typical statements we would make for each type of funding. Both show that we cared about learners and what they needed. Nevertheless, you can see that the focus is different.

Cost Reimbursable		Performance-Based
All of my students have cover letters and resumes.	→	All of my students got jobs.
We just hired a really great GED teacher.	→	At my meeting with ABC Company, they just agreed to interview 5 graduates for entry-level jobs with potential for growth.
This new strategy will help improve learner gain.	→	We need to do a better job of connecting with employers who provide better benefits.

Cost Reimbursable		Performance-Based
My student just passed her citizenship test!	→	My student just voted!
We need to talk to this student about his attendance to be sure he understands the reason for our attendance policy. He's got to be here if he's going to learn.	→	We need to talk to this student about her attendance so she understands employer expectations. She's got to improve her attendance if she's ever going to be able to keep a job.

For Your Consideration

To be effective, every program must answer certain essential questions, regardless of how they are funded. These answers will form the basis for what will be valued, measured, and funded.

1. Based on our core values, what do we aspire to be as a system?
2. What resources, partners, and infrastructure are needed to get there?
3. What will success look like? How will we know we are there?
4. Who is our target audience(s)? How, then, will we address the needs of learners we cannot serve?

Programs that are performance-based face unique opportunities and challenges. Each situation is different, but this brief list highlights some typical realities.

Opportunities

1. Goals and outcomes are shared, clear, and well understood by everyone involved including funders, program staff, students, and community partners.
2. Day-to-day decisions and operations are driven by desired results.
3. Staff has more control over the program design and day-to-day operations. They can try new things, experiment, shift duties among staff; in short, they enjoy greater flexibility about how they will reach their required outcomes. It is easier—and in fact essential—to adapt to changes in environmental factors when the emphasis is on outcomes rather than inputs.

4. Staff focuses more on evidence (students' professional appearance and attitude, persistence, getting and holding jobs) to make judgments about what is working and what needs to be improved.
5. Performance evaluation is less complicated because the outcomes are clear, well-defined, and universally understood.

Challenges

Just as the right people are essential to making performance-based funding work, the wrong people can present challenges that make performance-based funding virtually impossible:

1. Performance measures need to be written in a way so they do not become a disincentive to serving our neediest populations. This, perhaps, is the greatest challenge of all.
2. Funders need to work with providers to develop performance measures that are reasonable, realistic, and achievable. The skills that adult learners need to be successful in college and in careers are complex and varied. Supporting this transition takes time, dedication, and persistence. Expecting programs to provide adequate supports requires adequate resources. The lack of adequate funding, and budgets that are level-funded or cut year after year undermine the capacity of the system to truly do great work. Stability matters.
3. Requirements for documenting outcomes should be as streamlined as possible so that the time diverted from actual work is minimized.
4. Funders and programs need to avoid the temptation to be held to both performance-based and cost-reimbursable standards. For example, if programs are going to be funded based on outcomes, they should not also be required to submit staff time sheets. The funder should not care if it took staff 100 hours or 20 hours to deliver results, as long as the performance measures are met. Assuming that the performance measures are reasonable, realistic, and achievable within the funding parameters, it should be the program director's responsibility to efficiently manage staff time and resources so that deliverables are met.
5. Communication, monitoring, and support that create a productive climate are critical. Finding the balance between micro-managing a program and a total hands-off, "sink or swim" approach is challenging and requires constant "checking-in" to see how everyone is doing.

6. Once supports are in place and programs have been given adequate time to succeed, funders need to be prepared to defund programs that are inefficient, poorly managed, and cannot produce the agreed-upon results. Programs, on the other hand, need to be prepared to speak up and advocate for program conditions that are necessary for student success when funders change the guidelines and rules.

Students who "show up", work hard, and are committed to improving their lives deserve programs that are going to deliver on their promises.

Final Thought

Pay-for-performance works best when everyone agrees that documenting good work is not nearly as important as doing good work. Evaluating our effectiveness is less complex and best accomplished when we agree to measure—and pay for—what really matters.

Good performance—what needs to be measured—is not a technical question, but inevitably in the realm of values. The challenge is to come to agreement on performance as a "big tent" which can include the full diversity of purposes.[1]

[1] Contested Ground: Performance Accountability in Adult Basic Education, Juliet Merrifield, Center for Literacy Studies, University of Tennessee. NCSALL Report # 1, 1998.