President-elect Trump’s Administration has the tremendous opportunity to build on his desire to increase government efficiency and ensure prudent fiscal investments by creating a policy environment that drives continued innovation, promotes the development of research and data, facilitates strategic, cross-sector partnerships, and steers investment towards programs that work.

The U.S. Department of Health and Human Services (HHS) oversees numerous programs essential to children, families, and workers. Because HHS programs impact the lives of a vast cross-section of the population, HHS is uniquely positioned to leverage a strategic approach that recognizes the systemic challenges communities face and leverages evidence-driven solutions. Too often, however, the metrics used to assess the effectiveness of human services programs focus on inputs and outputs (for example, the amount of funding provided, the number of people served, or the expansion of program offerings), rather than on the quality of outcomes and results.

Given the enormous investment in HHS programs every year, HHS is uniquely positioned to implement a policy approach that focuses on outcomes (for example, the effective delivery of services or the tangible benefits experienced by recipients) ensuring that resources are used effectively to achieve the greatest positive outcomes. Moreover, because of the breadth of policy and programs housed under HHS, the department is uniquely positioned to leverage intra-agency data and strive for multi-generational outcomes.

America Forward’s Coalition of more than 70 entrepreneurial organizations across the country are leading the way in the use of cutting edge data and research to pursue bold, outcomes-driven solutions to some of the most difficult challenges associated with child development, education, and workforce development. Our organizations are constantly learning about what works, developing new innovations, measuring outcomes, and achieving real results in their communities.

Building on the lessons learned by our member organizations, America Forward has developed a set of detailed policy priorities for President-elect Trump’s Administration that will empower HHS to help states, communities, schools, service providers, families, and nonprofits accelerate improvements that can expand opportunity for all.

Policy Proposals

1. Promote Outcomes-Driven Programs in Early Learning
The Every Student Succeeds Act (ESSA) authorized a new Preschool Development Grant program that will be housed in HHS, and administered jointly by HHS and the U.S. Department of Education (ED). The implementation of this new program presents an opportunity for the Administration, through HHS, to ensure that national programs for early learning focus on outcomes and success rather than input measures and compliance.
a. When implementing the new Preschool Development Grant program, HHS should emphasize innovative models for achieving coordination between early learning programs and expanding access for children and families. This should mirror a more innovative approach to early education programming generally, which includes:

   i. Increased investments in Pay for Success models to expand early screening and early intervention services

   ii. Ongoing reform of Head Start to award a portion of grants each year to new partnerships focused on measurable, school readiness outcomes

b. Existing federal pre-K expansion and enhancement grants should be leveraged and the federal charter schools program improved to provide incentives to states and communities to create high-quality charter preschools — especially for our most disadvantaged young learners.

   i. These charter preschools should be designed to improve school readiness outcomes and be held accountable for results.

   ii. In all cases, program effectiveness data should be accessible and easy to process so that program providers can leverage information to improve results and spur new innovation.

2. Ensure Coordination between HHS and the U.S. Department of Education

In order to improve outcomes for children and families, it is essential that HHS and ED work collaboratively. Each agency provides critical support services and development opportunities, and the next Administration should ensure that those efforts are fully aligned in order to leverage the greatest positive impact, both from programs that are officially jointly-administered – like the Preschool Development Grants program – and programming that is simply accessed by similar populations. As part of this effort, the next President should ensure robust data sharing agreements between the two agencies, and should continually urge officials in both agencies to consider when collaborative efforts can streamline service delivery and lead to better outcomes.

3. Take Promising New Early Learning Science to Scale

We now know definitively that the first five years of a child’s life have outsized influence on all that follows. But more than one million young children born every year will have the odds stacked against them because they are living in poverty. As a result, families living in poverty often don’t receive the support for new parents, health care, or early learning programs that would offer them, and their children, a fair start. At the same time, research into early childhood development has led to the development of approaches with the potential to improve outcomes dramatically for young children.

A research-based Early Learning Innovation Fund could leverage partnerships between early childhood researchers and high-reach practitioners, both within and outside the traditional early learning system, to take the latest science to scale and improve effectiveness and efficiency of early learning systems.
4. **Leverage New Head Start Regulations to Promote Emphasis on the Role of Parents & Accelerate Development of Evidence Base**

Parents play a critical role in the development and trajectory of young children. The recently updated Head Start regulations acknowledge the importance of a two-generation approach, recognizing that programs like Head Start thrive when they position communities to determine the best way to serve its most vulnerable children and their families as they move out of poverty.

In support of this approach, a growing number of nonprofit and community-based organizations are committed to delivering programming that builds this evidence base and demonstrates that investing in parents – helping them to improve their personal well-being, strengthen their social connections, and improve their financial security – during their children’s earliest years, yields better results for children and families. By leveraging existing vehicles for funding like Head Start, and placing an emphasis on community partnerships, we can effectively knit together programs and policies that promote a multi-generation approach.

The next administration can further accelerate this work by highlighting the importance of investing in parents and children, and considering budget requests that increase demonstration authority and promote development of a strong evidence base. In fact, a modest shift in funding for Head Start research, demonstration, and evaluation from 0.25 percent of total appropriations to 1 percent could spur significant innovation, particularly if it includes a focus on developing knowledge that local grantees can use to improve their quality and outcomes. With partnership from the philanthropic sector, this research funding could be stretched farther. By emphasizing a two-generation approach and highlighting the ability to leverage community partners to accelerate impact, Head Start would be positioned to provide more families and children across the country with high quality programming that breaks the cycle of poverty.

5. **Expand Pay for Results within HHS**

Pay for Success initiatives condition government payments to service providers on the outcomes they achieve. This innovative financing model shifts taxpayer dollars to programs based on effectiveness, achieving better results for communities, and allowing flexibility for providers to choose the best strategy.

As Pay for Success pilot programs are beginning to take root across the country — addressing challenges from recidivism to housing to early childhood education — these initiatives should be expanded to new promising focus areas, including veterans, federal assistance programs, disability insurance, health care, aging in place, foster care and child welfare. In order for the government to further take advantage of this outcomes-driven social policy, barriers must be removed and incentives created, including:

- **a.** Expansion of dedicated Pay for Success grant competitions

- **b.** Flexibility within existing federal programs to enable Pay for Success approaches
c. Financial support for service provision if upfront payments are not made, such as federal loan guarantees for nonprofits, a revolving loan fund, and extending CRA credit to all bank investments in Pay for Success

d. Expansion to include “collective impact” strategies with multiple organizations aligning efforts to achieve a common goal

e. Development of low-cost, rigorous outcomes measurement systems to rapidly scale best practices and build a robust evidence base for promising focus areas, including veterans, federal assistance programs, disability insurance, health care, aging in place, foster care and child welfare

f. Training and technical assistance on Pay for Success for federal, state, and local government, as well as potential providers

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**Pay for Results**: An approach to government decision-making that supports policies and funding decisions that focus on results over outputs and inputs, that help unlock siloed resources, and that support development of and access to data.

**Pay for Success**: A type of pay for performance-based contracting between government and service providers in which impact is measured rigorously and government makes “success payments,” or increases a provider’s market share, only when results are achieved within a specific timeframe. Also referred to as Pay for Performance or Outcomes-Based Contracting.

**Social Innovation Financing**: A tool designed to address the payment delays and uncertainties inherent in some forms of Pay for Success contracting. In Social Innovation Financing, private funders, using various financial instruments, provide working capital to service providers with Pay for Success contracts to deliver social, health, housing, community development, and similar services, and those private funders take on the financial risk that the service provider will not meet the level of success necessary to trigger performance payments. Social Impact Bonds are one form of Social Innovation Financing (but are not actually bonds in a traditional sense).