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Looking to Improve Skills Development and Employment Opportunities for At-Risk Young Adults, the **SkillSource** Group, Inc. Launches Innovative Contract to Tie Program Outcomes to Performance Payments

*Northern Virginia Becomes First in the Nation to Leverage Pay-for-Performance Provisions of 2014 Workforce Innovation and Opportunity Act*

(Vienna, VA) January 30, 2018 – A first-of-its-kind contract designed to increase the number of young adults engaged in education and employment programs has been signed by the **SkillSource** Group, Inc. (**SkillSource**), the non-profit entity of the Northern Virginia Workforce Development Board (NVWDB), and Fairfax County, the One-Stop Operator for Northern Virginia Workforce Area #11, including Fairfax, Loudoun and Prince William counties, and the cities of Manassas, Manassas Park, Fairfax and Falls Church. The project will look to specifically improve skills development and employment outcomes for economically disadvantaged foster care and justice-involved young adults, ages 18 through 24, utilizing the Northern Virginia Workforce System.

The Northern Virginia Team Independence (NVTI) project, a partnership between **SkillSource**, Fairfax DFS, and social service and justice organizations across Northern Virginia, leverages new Pay-for-Performance (P4P) provisions in the 2014 Federal Workforce Innovation and Opportunity Act (WIOA). The three-year initiative, which has already enrolled participants, aims to serve a total of 100 out-of-school and unemployed foster care and justice-involved young adults through mobile outreach and enrollment in the community and targeted case management. The programming addresses key barriers to engaging hard-to-reach young adults in the region and aims to provide much needed support to this vulnerable population. In the nine months of 2017 during which the program enrolled participants, 25 young adults were enrolled (compared to 2015 when there were only eight enrollees).

The Northern Virginia project is the first local workforce area in the nation to use the P4P provisions in WIOA, which enable workforce boards to encourage providers to focus on harder to reach outcomes through performance—or “bonus”—payments. Over the next three years, **SkillSource** will set aside P4P bonus payments to DFS to incentivize achievement of the WIOA outcome measures for young adults enrolled in the NVTI project.

“We are pleased to be moving forward using this model to increase our efforts in reaching this group of young adults who are challenging to engage and enroll in our program,” said Todd Rowley, chairman of the NVWDB and Senior Vice President at United Bank. “These young adults have been historically underserved and will greatly benefit from our workforce training and education services. With this intervention, we will be able to measure and demonstrate our effectiveness serving this population.”

“**SkillSource** and the Commonwealth of Virginia are leading the nation in creating programming that is judged on outcomes and its impact on individuals’ lives,” explained Caroline Whistler, CEO of Third Sector Capital Partners, Inc., a national non-profit helping government align spending with outcomes. “Leveraging the P4P provisions in WIOA gives Northern Virginia new tools to address key workforce development challenges and not only create positive changes in individuals’ lives but also drive lasting systems-level change.”

Among the WIOA outcome measures being tracked for the participants are: skills gained during programming; placement in training, employment or education six months and a year after exit; and attainment of a degree or certificate within a year after exit. Fairfax DFS can earn up to four bonus payments for each young adult enrolled in NVTI, one for each successful outcome achieved over the course of the project. If Fairfax DFS is able to achieve established performance targets with these at-risk young adults, they have the potential to earn up to \$150,000 in P4P bonus payments.

“The services delivered to these young adults will provide a critical foundation to improve their lives and provide an opportunity to develop skills they need to succeed in life,” said David Hunn, President and CEO of the **SkillSource** Group, Inc. and Executive Director of the NVWDB. “Out-of-School young adults, especially those who are justice-involved or in the foster care system, are an important target of our efforts to strengthen the Northern Virginia workforce.”

An independent validator will be engaged to confirm achievement of milestones during this project. Ultimately, Northern Virginia aims to launch a scaled-up version of NVTI to track other longer-term outcomes for at-risk youth such as recidivism, public assistance utilization, and wages.

The P4P Feasibility Assessment for this project was conducted by Third Sector and funded, in part, by the Social Innovation Fund, a program of the Corporation for National and Community Service, Fairfax County Government, First Virginia Community Bank, the Greater Washington Community Foundation, and the Prudential Foundation. Through that work, **SkillSource** and Fairfax County were able to explore and determine the intervention and strategy for implementing this P4P contract.

#### **About SkillSource:**

The **SkillSource** Group, Inc. is the non-profit fiscal agent of the Northern Virginia Workforce Development Board (NVWDB), responsible for administering public workforce services for Northern Virginia’s Area #11, which includes Loudoun County, Prince William County, and Fairfax County. While **SkillSource** and NVWDB share a common mission, **SkillSource** is a separate entity with its own Board of Directions and governance structure. **SkillSource** administers WIOA funding, brings in revenue through grants and other fundraising, implements NVWDB policies, and contracts, and oversees the Public Workforce System in Northern Virginia.

#### **About Third Sector:**

Third Sector leads governments, high-performing nonprofits, and private funders in building evidence-

based initiatives that address society's most persistent challenges. As experts in innovative contracting and financing strategies, Third Sector is an architect and builder of the nation's most promising Pay for Success projects including those in Commonwealth of Massachusetts, Cuyahoga County, Ohio, Santa Clara County, California and Salt Lake County, Utah. These projects are rewriting the book on how governments contract for social services: funding programs that work to measurably improve the lives of people most in need while saving taxpayer dollars. A 501(c)(3) nonprofit based in Boston, San Francisco and Washington, DC, Third Sector is supported by its work for governments and service providers as well as philanthropic and government grants. To learn more, visit [www.thirdsectorcap.org](http://www.thirdsectorcap.org).

#### **About the Social Innovation Fund**

The Social Innovation Fund (SIF) is a program of the Corporation for National and Community Service, a federal agency that engages millions of Americans in service through its AmeriCorps, Senior Corps, and Volunteer Generation Fund programs, and leads the nation's volunteer and service efforts. The SIF positions the federal government to be a catalyst for impact—using public and private resources to find and grow community-based nonprofits with evidence of results. The SIF focuses on overcoming challenges confronting low-income Americans in three areas of priority need: economic opportunity, healthy futures, and youth development. To learn more, visit [www.nationalservice.gov/sif](http://www.nationalservice.gov/sif).

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