OBC | OUTCOMES BASED CONTRACTING

at the Southern Education Foundation

Outcomes Based Contracting for Education Technology: Feasibility Analysis and Recommendations

Introduction

The purpose of this memo is to present an analysis of the feasibility of K-12 school districts contracting with education technology (ed tech) providers through an outcomes based contracting (OBC) model. In an OBC model, some payments from districts to ed tech providers would be contingent upon students' achievement of mutually agreed upon outcomes. This memo explores how districts and providers might work together to pilot OBCs and shares specific recommendations for OBC creation and implementation.

For the purposes of this feasibility analysis, ed tech products are defined as curricular-based technology materials that: 1) act as direct student interventions; 2) contain standalone academic content; and 3) adaptively target individual student needs. Furthermore, the ability to track individual student usage is critical for ed tech products being considered for OBC. There are two distinct ed tech product service models that this memo considers for OBC:

- Ed tech products **used only for a priority population,** such as a literacy tool used during a reading intervention block for students whose reading level is below grade level.

- Ed tech products **used with all students in a grade level and/or across grade levels,** such as a supplemental math tool used with all students as part of core tier 1 instruction (but for which outcomes can be tracked and paid on for a priority population).

The recommendations in this memo were developed based on insights gathered from a series of interviews with districts and providers conducted in September and October of 2023, in addition to desk research on a number of ed tech products.

- **7 Districts Interviewed:** Districts represented a cross-section of geographies and local education contexts, all serving students P/K-12 (data source: NCES American Community Survey Education dashboard):

  - Southeast, south, and west, including Texas and California;
  - Serving populations of 19,000 to 90,000 students, ranging from 43 to 108 schools;
  - Serving urban, suburban, and rural student populations;
  - BIPOC and Latinx populations of ~30% to ~90%;
  - ~18% to ~43% of families receive SNAP (supplemental nutrition) benefits
  - Public districts and charter networks.

- **8 Providers Interviewed**: Providers represented various sectors of the ed tech industry, including:
  - For-profit and nonprofit providers;
  - Providers housed within postsecondary institutions;
  - Providers receiving philanthropic funds;
  - Recently-established providers and those with 20+ years of experience in the industry;
  - Providers offering a single product and providers who offer a full suite of core curriculum, screening, assessment, supplemental, and intervention products.

This memo includes an overview of OBC, a summary of findings, an analysis of the feasibility of OBC for ed tech products, and considerations for the Southern Education Foundation's (SEF) 2024 cohort.

What is Outcomes Based Contracting?

Outcomes based contracting (OBC) is a contracting model designed to tie funding to impact. In contrast to a traditional fee for service (FFS) contracting model, in which all funding is tied to the delivery of services or products, in OBC, a portion of the funding dispersed through a contract is contingent on the achievement of a set of agreed upon outcomes. This compels mutual accountability among all involved parties for achieving outcomes while ensuring that public dollars are spent on impact.

In the K-12 education space, school districts and providers can contract for student outcomes, such as increased growth, proficiency, and social and emotional learning. Payments are made from the district to the provider if individual students using the provider's product achieve contracted outcomes, via a set "rate card."

Summary of Findings

Below is a summary of key takeaways and recommendations related to the feasibility of developing OBC for ed tech products. These findings will be explored in greater detail in the Outcomes Based Contracting Feasibility Analysis section of the memo, which discusses takeaways associated with each OBC criteria.

01. OBC for Ed Tech Products is Viable and Beneficial: It is generally viable to pursue OBC for contracting for ed tech products. Both districts and providers expressed enthusiasm about exploring OBC, and many ed tech products, though not all, meet the criteria for OBC viability (see page 4). While limited product model fidelity poses a challenge to effective OBC implementation, it is also evidence for why OBC will be beneficial to the ed tech arena. OBC will hold districts, providers, and schools accountable to coordinating effectively to improve product implementation.

02. Create OBCs for Specific Student Populations: Currently, ed tech products are often used by large and broad populations of students within districts. Districts often give students and teachers across all schools and multiple grade levels access to ed tech products, particularly products that are designed to serve as supplemental tools for districts' core curricula. As noted above, there are two ed tech product service models we are considering:

- Ed tech products used only for a priority student population as an intervention;
- Ed tech products used broadly across a large group of students as a curriculum supplement

03. Invest in Products with Intentionality: Districts' widespread practice of purchasing many different ed tech products for large populations of students can confuse schools and teachers that are seeking to understand how and why those ed tech products should be used to improve outcomes. This confusion can make it challenging to implement products with fidelity to their intended service models, which ultimately reduces the effectiveness of the products. OBC can help districts focus on a smaller number of products by prompting districts to establish clear, specific outcome goals for students, as well as develop practices to better align product selection and usage with districts' curricula. This more narrow focus may ultimately help districts achieve better outcomes for students, while reducing spending on products.

04. Develop Mutual Accountability Mechanisms for Providers & Districts: One notable barrier to successful implementation of outcomes based contracts is the variance with which specific schools and classrooms currently implement ed tech products. This is due to, among other reasons, competing demands and priorities between schools/classrooms, a lack of monitoring implementation fidelity on the part of the district, and insufficient support from providers to implement products effectively. To mitigate this challenge, districts and providers will need to develop accountability mechanisms that ensure increased provider support and district monitoring of product implementation. These accountability mechanisms will create an environment in which implementation fidelity is prioritized and thus more likely to occur.

Provider Accountability Mechanisms: OBCs and their associated RFPs should include a set of minimum expectations for providers on the support that they provide to districts with product implementation, as well as the consequences for not meeting these requirements (likely the forfeiture of outcome payments). This support will help districts, schools, and teachers understand what will be necessary to effectively implement products both during the sales process and on an ongoing basis. Beyond contracted implementation support, providers will also need to adopt a mindset of shared ownership with districts for the success of product implementation, keeping in mind that districts are juggling many competing priorities and may not always have product usage top of mind. This means that providers must be mutually accountable to ensuring product implementation success.

05. Shift to Inclusive Pricing Models: Currently, many ed tech providers use an "a la carte" pricing model, in which districts pay for product licenses on a per student or per school basis and then can choose whether to pay for additional support and professional learning services, which are priced separately. Given that OBC will require deeper implementation support from providers to ensure that students meet outcomes (discussed above), providers should consider an inclusive pricing model that does not separate product license costs from the cost of recommended implementation support. This will both increase the likelihood of effective implementation and ensure that districts can confidently set outcomes prices knowing that they are accounting for all components necessary for effective product implementation.

Example Contract Language

(Note: This should be updated with input from both district and provider)

Provider Accountability Mechanisms - the Provider is responsible for providing implementation support throughout the length of the contract. In order for the Provider to obtain outcome payments, Provider must meet the following minimum service requirements:

- *Develop a structured and customized professional development plan, detailed for the entirety of the contract;*
- *Deliver [X number of] training and support hours per month for districts, schools, and teachers, which would include onsite, individualized support;*
- *Create and execute a communication plan for district to use to share insights about product usage and student outcomes with schools, teachers, and parents;*
- *Schedule and facilitate monthly continuous improvement (CI) meetings for the duration of the contract with district leadership in order to:*
    - *Present and review analysis of student usage and outcomes data to help district and schools understand how students are using products and opportunities for improvement;*
    - *Make recommendations about solutions to improve student outcomes and product implementation;*
    - *Discuss and prioritize solutions to focus on, and align on tactical steps for implementation of those solutions.*
- *Communicate frequently outside of monthly CI meetings as needed, particularly during the first three months of product implementation.*

District Accountability Mechanisms: OBCs should include contracted minimum expectations to hold districts and schools accountable for ensuring that products are implemented at specified dosages and frequencies within specific usage settings. Districts, schools, and providers should work together to define minimum implementation standards. If schools do not follow these, districts may be responsible to pay the full contingent amount to providers, even if outcomes are not achieved.

Example Language *- should be discussed and updated with input from both district and provider: The district is responsible for ensuring that:*

- *Students are using the Product for at least [X minutes] and [X number] of sessions per week during the school day;*
- *Teachers attend [X%] of professional training/learning sessions offered by Provider throughout the contract term.*

Failure to meet these requirements will result in the automatic rendering of outcome payments for all students affected, regardless of outcomes achievement.

Findings on Criteria for Outcomes Based Contracting

This summary table of the established criteria for OBC feasibility provides a brief overview of findings from the study. Each criterion links to the full narrative, described in the Feasibility Analysis beginning on p. 8

Criteria	District Requirements	Product / Provider Requriements	Feasibility	Recommendations
Student Population	Clearly defined group of students whose outcomes will be assessed	Ability to track individual student usage of product consistently and accurately	**Feasible, with adjustments needed**	**Focus on a Specific Population:** Districts should create OBCs for products purchased for use with discrete groups of like-performing students, which would require establishing specific eligibility criteria for the specific student population in the OBC contract. **Operationalize District Practices for Tracking Usage:** If not already in existence, districts will need to create practices in which they routinely leverage usage reports and tracking capabilities of ed tech products to assess whether students are using ed tech products at minimum required dosages.
Service Model	District accountability mechanisms to ensure schools are adhering to minimum standards for product implementation and service model fidelity	Provider accountability mechanisms to ensure providers are providing the supports necessary for effective product implementation	**Feasible, with adjustments needed**	**Create Accountability Mechanisms:** Districts and providers will need to partner to establish and monitor minimum standards for how products are used. This will necessitate both increased provider support and district monitoring of product implementation. **Allow Schools to Opt Into Product:** Pilot an "opt-in" model, where schools can decide whether they want to implement the product contracted through OBC. Schools that opt into product usage, and therefore OBC, would be expected to meet specific implementation standards to ensure service model fidelity.

Findings on Criteria for Outcomes Based Contracting (Continued)

Criteria	District Requirements	Product / Provider Requriements	Feasibility	Recommendations
Outcomes & Data	Outcomes selected must be able to be impacted by the desired product/ intervention type, with evidence to support this	Allows for data interoperability with district data systems to be able to effectively analyze outcomes for a specific student population using the product (randomized control trial) Ability to generate reports that show students usage and progress/ performance data	**Feasible**	**Focus on Assessment Metrics:** While districts may consider contracting for any priority outcomes that they can track consistently, outcomes from off-the-shelf assessments are likely to be the most viable for OBC contracts with ed tech providers, because they can be assessed on the timeline needed for district and provider fiscal payments. **Select Products with Strong Evidence of Impact on Outcomes:** Districts should assess and select providers whose products are supported by evidence that they can affect priority outcomes. For OBC, districts should prioritize products that meet Tier 1 or 2 ESSA standards (ideally Tier 1) and/or have RCT-supported strong evidence to demonstrate efficacy.
Economics & Financing	Sustainable funding for the shift to OBC (e.g. not temporary grants, ESSER) Ability to set aside funding for meaningful contingent payments, where the provider can obtain "upside" compared to their traditional price should enough outcomes be achieved.	Provider accountability mechanisms to ensure providers are providing the supports necessary for effective product implementation	**Feasible**	**Create Accountability Mechanisms:** Districts and providers will need to partner to establish and monitor minimum standards for how products are used. This will necessitate both increased provider support and district monitoring of product implementation. **Allow Schools to Opt Into Product:** Pilot an "opt-in" model, where schools can decide whether they want to implement the product contracted through OBC. Schools that opt into product usage, and therefore OBC, would be expected to meet specific implementation standards to ensure service model fidelity. **Address Variance in Provider Pricing:** While provider pricing variance is not prohibitive for OBC, it can create challenges to developing appropriate rate cards. The OBC ie, SEF OBC team is partnering with districts and providers to continue to explore how to mitigate this challenge.

Findings on Criteria for Outcomes Based Contracting (Continued)

Criteria	District Requirements	Product Provider Requriements	Feasibility	Recommendations
Economics & Financing (Continued)	Ability to operationalize a payment schedule that aligns with outcomes measurement (which may necessitate upfront base payments to cover costs until outcomes can be measured)	Provider accountability mechanisms to ensure providers are providing the supports necessary for effective product implementation	**Feasible**	**Include Meaningful Contingent Payments:** Building in additional funding for contingent payments, where the provider can obtain "upside" compared to their traditional price should enough outcomes be achieved, will help incentivize providers to accept delayed contract payments and take on the additional risk of payments being tied to outcomes.
District, School, & Provider Buy-in	Strong commitment from district and schools to implement contracted products with fidelity and communicate regularly on barriers to implementation and outcomes	Strong commitment from providers to proactively support districts and schools, including willingness to adopt a mindset of shared ownership for success	**Feasible, with adjustments needed**	**Align Products with District Priorities:** Districts should focus on products that align with their priorities to ensure that product implementation does not feel like an additional burden. **Create Accountability Mechanisms:** As described in the Service Model Summary of Findings, creating accountability mechanisms that are included in RFPs and resulting OBCs will hold providers and districts accountable to successful implementation. **Pilot an Opt-In Model:** As described in the Service Model section, allowing schools to opt into product usage may help mitigate school buy-in challenges.

Outcomes Based Contracting Feasibility Analysis

The following section contains lessons learned, based on interviews and desk research, for the OBC criteria described in the previous section. Where challenges and potential barriers to OBC implementation have been identified, recommendations to mitigate those challenges are also included.

Student Population

Description of Criterion

In an OBC model, it is important to be able to track intervention usage for a specific, like-performing student population. This is important for several reasons:

- Given that payments are made to providers when students achieve outcomes, districts must be able to specify the students whose outcomes will be tracked, analyzed, and used to determine payments.

- Performance targets are set based on estimated student achievement. If a product serves students of different grade levels and performance tiers, it becomes more challenging to set appropriate targets.

- If outcomes achievement for a student population is based on specific implementation standards being met, it becomes crucial to track those implementation standards for that student population.

Lessons Learned & Recommendations

Opportunities for OBC

Ability to Track Product Usage: Districts generally can track student usage of ed tech products. Data on completion rates for diagnostics and/or assignments are often used to understand how and whether students are using products, though many providers make specific usage reports that show student activity available to districts.

Challenges for OBC

Large Student Population Size: Ed tech products are often used by thousands of students within a district. Most districts interviewed make some types of ed tech products available to all students in multiple grade levels across the entire district, though some districts use products for a more specific group of students that have been identified for intervention. For example, one district used a product only for students in grades K-8 who were identified for Tier 2 and Tier 3 math performance intervention.

When ed tech products are used for a large student population, it can be more challenging to intervene when product usage is low for specific students and to ensure that products are being used for what they are intended for. It can also be challenging to select specific outcomes that apply to all students to include for payment in an OBC, given that there is often greater diversity in student needs and high priority outcomes across a larger population.

Lack of Clearly Defined Eligibility Standards: In addition to serving a large number of students with ed tech products, many districts lack clearly defined eligibility standards for determining which students should use ed tech products. Several districts made their purchased products available to all students across multiple grade levels, but did not have specific standards in place to determine which students should use the products. Other districts used a failing grade and/or a state-identified screener to determine which students should use products.

Lack of Processes to Track Product Usage: As discussed above, though many districts are *able* to track student usage of ed tech products given the products' capabilities, not all districts have consistent processes in place for regularly assessing gaps between intended dosage and actual student usage of products currently.

Recommendations to Address Challenges

Focus on a Specific Population: Districts creating OBCs should identify a discrete, like-performing group of students for which to improve specific outcomes through the OBC model, which will ensure that the selected outcomes are high priority for all students in that group. Districts and providers may explore targeting a narrower, more discrete group of students through an addendum to a larger contract. Alternatively, districts may contract for products that are designed as intervention tools to be used with specific student populations. In either scenario, districts and providers should ensure that the student population is clearly defined through concrete, measurable attributes, such as grade level, content area, current proficiency level, or other factors. Through targeting a more focused student population in the initial OBC contracts for ed tech products, districts and providers will be able to determine how to negotiate future contracts for specific and/or broader student populations, leading to more strategic use of limited district resources in a post-ESSER environment.

Operationalize District Practices for Tracking Usage: If not already in existence, districts will need to operationalize data tracking practices in which they routinely leverage the usage reports and tracking capabilities of ed tech products to assess whether students within their OBC population are using ed tech products at the dosages included in the contracted minimum service requirements.

Service Model

Description of Criterion

While creating and testing their products, providers develop evidence that students will be more likely to achieve outcomes if their products are implemented in specific ways. If schools do not implement products with fidelity to provider recommendations, students may be less likely to achieve outcomes. When considering whether to pursue an OBC model, providers may be less willing to take on the financial risks of OBC if there is no way to ensure that their products will be implemented with fidelity.

Therefore, it is important both for providers to communicate more clearly and more often about how to implement products with fidelity and for districts to have minimum defined standards for product usage and implementation within the OBC. This will ensure that all students have the best chance of achieving contracted outcomes and that providers have the best chance of receiving outcomes payments.

Lessons Learned & Recommendations

Opportunities for OBC

Clear Standards for Product Use from Providers: Many providers give dosage recommendations for their products (e.g. 60 minutes of lessons per week), and others recommend their products be used in specific settings, such as scheduled learning blocks during the school day. For example, the majority of ed tech providers interviewed for this feasibility study have clear standards for product usage, backed by studies that show at least ESSA Tier 2 level of evidence for their products.

Challenges for OBC

District-wide Standards vs. Local Control: Districts that offer substantial flexibility and autonomy to individual schools may find it more difficult to enforce the structures and processes necessary to implement products with fidelity, and thus have more variation in product usage from school to school and even classroom to classroom. One district that typically provides high levels of autonomy to principals and school leaders noted that "sometimes we get some pushback" when they engage school teams in conversations around implementation fidelity and usage expectation. Even within districts that require schools to reach recommended weekly targets for usage, there is often wide variation in how schools within a district use the same product. For example, one district described the same product being used in three distinct models depending on the school: within a station-rotation model during core instruction; during a dedicated intervention block for remediation and/or enrichment; or assigned for homework.

When districts do not set and enforce guidelines for implementation, there is likely to be greater variation in usage of providers' products; in schools and classrooms that do not implement products consistently and with fidelity, students are less likely to achieve the desired outcomes. However, blanket implementation mandates are likely not the solution. Districts may prefer to allow school leaders to make decisions that are best for their local context; additionally, in some instances, products may not be the right fit for every school within a district.

Barriers to Implementation Fidelity: Competing demands and priorities – for districts, schools, and teachers – are the greatest barriers to implementing ed tech products with fidelity. Some districts said that it can be challenging to find space in the school day for scheduled blocks of time for product usage. Others mentioned that teachers already have a lot on their plates, and don't always have time to look at product data reports and follow up with individual students on their usage of ed tech products.

Additionally, many districts provide schools with multiple ed tech products but do not always give clear instructions on the best uses for different products; this can lead to schools using many products, rather than focusing on intentionally implementing a select set with high fidelity.

Recommendations to Address Challenges

Create Accountability Mechanisms: As detailed in the Summary of Findings (pp. 2-3), mutual accountability mechanisms – for districts, schools, and providers – should be included in OBCs to ensure that all parties are working to ensure that products are implemented with fidelity. This would require districts and schools to meet minimum, contracted implementation standards, and providers to provide minimum levels of support to districts and schools.

Allow Schools to Opt Into Product: Use an "opt-in" model, where schools can decide whether or not they want to implement the product being contracted through OBC. Schools that opt into using the product would need to follow specific implementation standards to ensure that the product is used with a certain level of fidelity.

📊 Outcomes & Data

Description of Criterion

Because OBC requires payments to be made for achieving specific outcomes, it is crucial that ed tech products selected for OBC impact measurable outcomes. While the outcomes of focus can vary, districts and providers should prioritize outcomes that can be measured consistently and accurately during the contract period, meeting the following criteria:

- **Impactable:** There should be a demonstrated track record of the desired product/intervention type impacting intended outcomes, as shown through prior evaluations (e.g. RCTs);

- **Measurable:** Clearly defined outcomes must be measured for all students in the focus population(s) within the contract timeline in a consistent, accurate, and timely manner;

- **Historic Baseline Data Available:** Historic baseline data on outcomes will be used to estimate expected outcomes achievement in order to set prices for outcomes.

Lessons Learned & Recommendations

Opportunities for OBC

Feasible to Consistently & Accurately Track Outcomes: Districts currently have the ability to consistently pull outcomes data from off-the-shelf and statewide assessments to track student growth and proficiency, outcomes that are likely to be prioritized within OBCs. Some districts can also track SEL and student satisfaction via state and local products.

Feasible to Access Baseline Outcomes Data: Districts typically have access to historical student assessment data, including growth and proficiency outcomes, which will enable districts to set appropriate and realistic baselines and performance targets for the outcomes in OBCs. Additionally, the outcomes of interest to contract for in ed tech OBCs are likely similar to the contracted outcomes in high impact tutoring OBCs, which will allow districts to build upon OBC work that is already happening.

Products with Strong Evidence for Impact on Outcomes: Many ed tech products have evidence supported by RCTs and/or quasi-experimental studies that they can measurably impact student outcomes, and most products meet Tier 1 or 2 ESSA standards.

Recommendations to Address Challenges

Focus on Assessment Metrics: While districts may consider contracting for any priority outcomes that they can track consistently, outcomes from off-the-shelf assessments are likely to be the most viable for OBCs with ed tech providers, because they can be assessed on the timeline needed for district and provider fiscal payments.

Select Products with Strong Evidence of Impact on Outcomes: Districts should assess and select providers whose products are supported by evidence that they can affect priority outcomes. For OBC, districts should prioritize products that meet Tier 1 or 2 ESSA standards (ideally Tier 1) and/or have RCT-supported strong evidence to demonstrate efficacy. When evaluating providers responding to OBC RFPs, districts should carefully review providers' historical track record of impact on outcomes.

💲 Economics & Financing

Description of Criterion

There are three key criteria related to economics and financing that districts need to consider when assessing OBC viability:

1. **Financial Sustainability:** Sustainable funding exists (or can exist) for the shift to OBC (e.g. not temporary grants, ESSER);

2. **Incentives Feasibility:** Ability to set aside funding for meaningful contingent payments, where the provider can obtain "upside" compared to their traditional price should enough outcomes be achieved;

3. **Payment Schedule Viability:** Ability to operationalize a payment schedule that aligns with outcomes measurement (which may necessitate upfront base payments to cover costs until outcomes can be measured)

Lessons Learned & Recommendations

Opportunities for OBC

Openness to OBCs: Most districts that were interviewed as part of this process expressed openness to structuring their contracts for ed tech products to include the contingent funding for outcomes achievement that is foundational to OBC. One potential benefit of pursuing OBC in this space is that it would focus districts on specific products, rather than purchasing multiple suites of products with redundant purposes, as many districts do currently. Investing in ed tech products with increased intentionality may ultimately reduce district spending in this space.

Challenges for OBC

Potential Challenges with OBC Payment Schedule: Ed tech providers are generally accustomed to receiving payment for products as a lump sum at the beginning of a contracting period. It will be a mindset shift for providers to accept that a percentage of their payment will come during and at the end of the implementation and assessment cycle. This delayed payment schedule may feel more challenging for smaller providers that make most of their revenue through school contracts, rather than philanthropic funding. That said, most providers interviewed expressed enthusiasm for OBC and named this as a challenge that they would be able to address internally.

Developing More Complex Contracts: Some providers, though not all, named that given their existing pricing structure, it may be too complicated for them to create customized contract addendums that lead to different pricing structures for various subpopulations within a district. Both smaller providers with less robust contracting teams and larger providers with highly standardized contracting processes may find introducing more complexity into their contract structures challenging. Similarly, districts with smaller purchasing and data teams may experience more difficulties with launching and managing OBCs.

Variance in Provider Pricing: There can be significant variance in pricing among providers that offer similar ed tech products, which may make it difficult to develop a rate card in an OBC RFP that has appropriate, universal pricing for the desired product type.

Recommendations to Address Challenges

Include Meaningful Contingent Payments: Building in additional potential "upside", where providers can obtain some additional funding compared to their traditional price if outcomes achievement is high, will help incentivize providers to accept delayed contract payments and take on the additional risk of not being paid if student outcomes are not achieved.

Develop Precise Payment Schedules: Precise payment schedules will ensure that there is clarity for all stakeholders on when outcome payments will be calculated and paid. This clarity is needed for finance and operations teams on both the provider and district ends to put relevant processes into place to manage funding flows.

Create OBCs for Specific Student Populations: As discussed above in the Student Population section, it is critical that OBC contracts are created for discrete, like-performing student populations. To do this, districts should either create OBCs that fund products used as intervention tools for specific student populations, or, for products that are used with broader groups of students, develop OBC subcontracts or addendums within larger contracts that focus on discrete, like-performing student populations.

Address Variance in Provider Pricing: While provider pricing variance across providers is not prohibitive for OBC, it can create challenges to developing appropriate rate cards. The SEF team is partnering with districts and providers to continue to explore how to mitigate this challenge.

Provider, District, and School Buy-in

Description of Criterion

Moving from a traditional fee-for-service model to an OBC model can require major shifts in operations, mindsets, and behaviors for all parties involved. To navigate these shifts, strong commitment and investment in the success of the OBC is needed from districts, providers, and individual schools and teachers.

Lessons Learned & Recommendations

Opportunities for OBC

Enthusiasm to Explore OBC: Generally, both districts and providers expressed interest in establishing OBCs for ed tech products. Seven out of eight of the providers interviewed shared that they would be excited to pilot a contracting model that could further demonstrate the effectiveness of their products and distinguish them from their competitors. Additionally, all seven districts interviewed expressed interest in exploring OBC for ed tech products further, and noted that OBC could be a valuable way to strengthen partnerships with providers and adopt more of a shared ownership approach to product implementation.

Challenges for OBC

Varied District & School Buy-In for Implementation Standards: Providers expressed that commitment to close partnership and focused product implementation is needed from districts – particularly district leadership – to implement their products effectively, and that this commitment varies from district to district. Multiple providers expressed desire for more intentional implementation of their products by districts and said that commitment and messaging from district leadership influences buy-in for implementing products with fidelity at the local school level.

Increased Need for Provider Support: Just as providers highlighted the need for partnership from districts and schools, multiple districts named that they would like providers to show more investment in the implementation of their products within their local context and a mindset of shared ownership for implementation success, particularly given the many competing priorities districts are juggling. Districts mentioned that it would be helpful to have providers more proactively involved in conversations on how to use their products in concert with other student resources and curricula that districts have in place. Though some districts have a dedicated support person assigned by their providers, the burden of reaching out to those support people often lies on districts and is easy to deprioritize. Other districts do not have dedicated support people but said that they would find it valuable to have an individual from the provider organization that they could partner with for continuous improvement purposes.

Recommendations to Address Challenges

Align Products with District Priorities: Districts should focus on products that align with their existing strategic priorities to ensure that product implementation does not feel like an additional burden, but rather a way to advance their priorities.

Create Accountability Mechanisms: As detailed in the Summary of Findings (pp. 2-3), mutual accountability mechanisms – for districts, schools, and providers – should be included in OBCs to ensure that all parties are working to ensure that products are implemented with fidelity. This would require districts and schools to meet minimum, contracted implementation standards, and providers to provide minimum levels of support to districts and schools.

Pilot an Opt-In Model: As described in the Service Model section, allowing schools to opt into product usage may help mitigate any school buy-in challenges that may exist within districts.

Notable Considerations for SEF OBC Ed Tech Interventions Cohort

Aligned with the 5 steps of OBC, the following considerations will be incorporated into the Ed Tech Interventions Cohort Experience.

1. Prepare · Educate & align stakeholders · Create the team	**Align Goals for OBC with District Priorities:** Districts considering OBC should identify priority outcomes, focus student population(s), and desired product/intervention types that advance districts' existing strategic priorities. This will help ensure that eventual product implementation does not feel like an additional burden. **Explore Service Models that Allow Schools to Opt Into Product:** Explore the potential to use an "opt-in" model for product use with schools. In this model, schools can decide whether they want to implement the product contracted through OBC; the OBC would only include schools who opt in.
2. Identify · Define the target population · Define the outcome and metric pairs	**Focus on a Specific Population:** Districts should create OBCs for products purchased for use with discrete groups of like-performing students, which would require establishing specific eligibility criteria for the specific student population in the OBC contract. While outcomes need to be customized to the specific population, the intervention does not (i.e., the ed tech product might be used with all students, with outcomes for specific populations). **Focus on Assessment Metrics:** While districts may consider contracting for any priority outcomes that they can track consistently, outcomes from off-the-shelf assessments are likely to be the most viable for OBC contracts with ed tech providers, because they can be assessed on the timeline needed for district and provider fiscal payments.

Notable Considerations for SEF OBC Ed Tech Interventions Cohort

3. Develop · Defining the pricing values for each outcome · Determine the total potential cost of the contract	**Address Variance in Provider Pricing:** While provider pricing variance is not prohibitive for OBC, it can create challenges to developing appropriate rate cards. The SEF team is partnering with districts and providers to continue to explore how to mitigate this challenge.
4. Create · Create and release and RFP · Develop & negotiate with provider(s) · Align district systems	**Select Products with Strong Evidence for Impact on Outcomes:** Districts should assess and select providers based on the evidence they provide that they can affect the identified outcomes. For OBC, districts should prioritize products that meet with Tier 1 or 2 ESSA standards (ideally tier 1) and/or have RCT-supported strong evidence to demonstrate efficacy. **Create OBCs for Specific Student Populations:** Create an OBC for products solely targeting priority population or negotiate an OBC contract addendum within a larger contract for products serving all students **Create Accountability Mechanisms:** In the RFP, districts should develop accountability mechanisms that ensure increased provider support and district monitoring of product implementation. These can be renegotiated in partnership with the provider during contract development to ensure mutual buy-in and collaboration. **Develop Precise Payment Schedules:** In the RFP, set payment schedules to ensure there is clarity for all stakeholders on when outcome payments will be calculated and paid. **Decide Whether to Opt Into Product Use:** Schools should decide whether or not they want to implement the product being contracted through OBC. Schools that opt into using the product would need to follow specific implementation standards to ensure that the product is used with a certain level of fidelity. **Evaluate for Data Interoperability:** Consider selecting products that have data interoperability with district data systems to be able to effectively and efficiently analyze student outcomes. The Project Unicorn Rubric can be used to help evaluate different products' on interoperability.
5. Drive · Launch services · Monitor & adjust	**Implement Continuous Improvement Processes:** Providers and districts should hold regular (e.g., monthly) meetings to discuss continuous improvement recommendations for the duration of the contract, where providers are expected to examine outcomes data and proactively bring solutions to improve student outcomes and product implementation. **Operationalize District Practices for Tracking Usage:** If not already in existence, districts will need to operationalize practices for routinely leveraging usage reports and tracking capabilities of ed tech products to assess whether students are using ed tech products at the dosages included in the contracted minimum service requirements.

SEF

SOUTHERN EDUCATION FOUNDATION

Since 1867, the mission of Southern Education Foundation has been to advance equitable education practices and policies in the South through research, advocacy, and leadership development that will result in every student regardless of background attaining a high-quality education that propels them toward the opportunity-rich life they deserve.

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