



INSTITUTE *for* CHILD SUCCESS

May 13, 2016

Marie Raymond
City of Tempe
Human Services Administration
3500 South Rural Road
Tempe, AZ 85282

Dear Marie:

This letter confirms and documents the terms of the City of Tempe's ("Awardee") agreement with the Institute for Child Success ("the Institute"). Under this memorandum of understanding, the Institute and the Awardee will partner to help Awardee move towards implementing Pay for Success (PFS) financing.

The Institute's work under this memorandum of understanding is made possible by a grant from the Corporation for National and Community Service's (CNCS) Social Innovation Fund (SIF). CNCS is a federal agency whose mission is to improve lives, strengthen communities, and foster civic participation through service and volunteering. SIF is CNCS's innovative program that awards grants to and works with existing grant-making institutions to direct resources to innovative, community-based nonprofit organizations to identify, validate, and grow promising approaches to challenges facing local communities in the areas of Youth Development, Economic Opportunity, and Healthy Futures. Funding for this is provided by both the CNCS and the Institute For Child Success.

I. Scope of Work

I. The Institute

The Institute will provide technical assistance to Awardee, to facilitate Awardee's ongoing work to pursue Pay for Success ("PFS") financing. Through that technical assistance, the Institute's staff will work with staff from the Awardee, as well as other key stakeholders, to conduct program analysis, engage stakeholders, construct budget analyses, identify programs, and build the support necessary to launch a PFS financing transaction.

Specifically, ICS will offer jurisdictions assistance to help them:

- Specify outcomes they want to improve through PFS financing and calculate baselines;



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- Assess the evidence base for Early Childhood interventions and assess the likelihood of successful implementation and impact locally;
- Calculate costs and benefits, including savings produced, by specific interventions;
- Analyze which agencies at which levels of government realize savings and benefits;
- Assess the capacity of service providers for interventions of interest (if selected for the Nonprofit Finance Fund's service provider training);
- Build capacity of providers for PFS finance, managing to outcomes, and effective scaling;
- Quantify the target populations for specific interventions, determining unmet need and developing realistic plans for scaling programs to reach the underserved;
- Calculate how outcomes will change if specific interventions are expanded;
- Identify stakeholders needed for a successful PFS transaction;
- Educate and build support among a wide range of stakeholders (e.g. via a jurisdiction-wide Pay for Success working group);
- Facilitate meetings with intermediaries, investors, and other players in the PFS field; and
- Connect with other jurisdictions and organizations undertaking similar projects to share resources & experience.

The specific tasks that the technical assistance will focus on will be determined jointly by ICS and the Awardee after a full assessment of the jurisdiction's goals, context, needs, and available data. In the course of this work, the Institute expects to make approximately 3 in-person site visits to Awardee's jurisdiction.

Awardee also agrees that the Institute's services under this memorandum of understanding are not duplicative of services provided to Awardee by another Social Innovation Fund Pay for Success technical assistance provider.

2. Awardee

a. Staff time commitment-coaching model

While the Institute will provide significant technical assistance and coaching, the success of that work will depend on significant staff work by Awardee. Accordingly, Awardee has until May 31, 2016 to identify and/or hire the following staffers who will commit the specified percentage of their time to the project over 9 to 12 months:

- **Project Champion**: one senior executive branch official who will prioritize and oversee the project (5% time)



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- **Project Manager:** one staff member with an early childhood background and/or experience in data and program analysis to gather and analyze data, arrange and sometimes lead meetings, and perform much of the feasibility study work; this individual should be a full-time employee who is available in a similar capacity to carry on the necessary work after the feasibility study is completed (ideally 100%; minimum 50%)
- **Data Manager:** one or more staff members with access to relevant data (e.g. child welfare, Medicaid, education) who can conduct analyses as needed (5-15% depending on whether database can be easily queried)
- **Attorney:** one lawyer who will address any legal concerns (e.g. data sharing agreements) to ensure the Sub- Recipient can complete the work legally and efficiently (as needed)
- **Budget Official:** one budget official who can review and advise on cost savings analyses and potential funding sources (1%)

Awardee staff time committed to this grant is considered an in-kind match for the underlying SIF Grant. Accordingly, Awardee's staff time-keeping requirements must comply with requirements discussed under OMB circulars A-122 (for non-profit awardees) or OMB circular A-87 (for governmental awardees). Awardee agrees to provide periodic reports to the Institute of value of the time actually dedicated to this project.

Required documents for staff time in-kind match:

- Employee salary certification form
- Fringe benefit certification form
- Monthly timesheets

Awardee agrees to commit at least \$35,000 in non-federally funded staff time to the PFS effort under the coaching model. If Awardee is unable to meet the \$35,000 in-kind staff match under the coaching model, Awardee is required to pay ICS a cash match in the amount that is necessary to effectively complete the work.

Awardee agrees that any time spent working towards this award will not be funded by federal funds, or counted towards any other federal matching requirements.

b. Expectations for Communication and Participation:



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As part of the Institute's ongoing Pay for Success work to develop and share PFS capacity in the early childhood sector, it will host various events (e.g.-webinars and in-person meetings) to share ongoing work and lessons learned. In addition, extensive communication will be required to ensure the project's success. During the course of this memorandum of understanding,

- Awardee agrees to ensure that at least two representative participate in monthly PFS webinars;
- Awardee agrees to ensure team participation on weekly check-in calls;
- Awardee agrees to ensure team participation in approximately 3 site visits by the by Institute's staff, lasting 2-3 days each;
- Awardee agrees to ensure timely response to email (i.e.-within 48 hours);
- Awardee agrees to ensure that at least three representatives attend the Third Annual Conference of Early Childhood Social Impact Performance Advisors;
- Awardee agrees to ensure that there is at least one representative at all other ICS or PFS related event where attendance is requested.

Awardee and ICS will both make diligent efforts to communicate relevant information in a timely manner and to respond promptly to project-related inquiries.

c. Media, branding, and external communications

Publications created or developed by Awardee staff whose time is counted as in-kind match must be consistent with the purposes of this memorandum of understanding. SIF's and the Institute's logo may be included on such public documents. Awardee is responsible for assuring that the following acknowledgment and disclaimer appears in any external report or publication developed as part of this technical assistance.

"This material is supported by work of the Institute for Child Success (ICS), which was made possible by the Corporation for National and Community Service (CNCS) under Social Innovation Fund Grant No 24.024. Opinions or points of view expressed in this document are those of the authors and do not necessarily reflect the official position of, or a position that is endorsed by, CNCS."

To coordinate outreach and branding materials with SIF, Awardee also agrees to:

- Make products produced under this memorandum of understanding available to ICS and others in the field upon written request from ICS;



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- Provide advance copies to the Institute of significant announcements regarding work produced as part of this memorandum of understanding;
- Generally consider the effect of public communications relating to this project on the Social Innovation Fund's and the Institute for Child Success's mission.

II. No Discrimination in Employment.

In connection with the performance of services under this memorandum of understanding, Awardee agrees not to refuse to hire, discharge, promote or demote, or to discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability.

III. Evaluation by Abt Associates

CNCS has contracted with Abt Associates to evaluate its Pay for Success grant program. The Awardee will provide appropriate information and otherwise cooperate with the evaluators to the extent required.

IV. Compliance with Terms and Conditions of the underlying SIF Grant

This memorandum of understanding incorporates the Terms and Conditions (T&C) of the Institute's SIF Grant (reproduced below as Appendix A). Awardee is considered a "Sub-recipient" of the Institute's SIF Grant, because it is an entity which will receive services from the Institute that are supported by the grant.

Awardee's work under this memorandum of understanding is considered an in-kind match of the funds from the SIF grant, meaning that Awardee is also an "other organization carrying out activities under this award."

Accordingly, Awardee agrees to comply with all provisions in the T&C that apply to "Sub-recipients" and to all provisions in the T&C that apply to "other organizations carrying out activities under this award" (Applicable Provisions). In an effort to facilitate review, this section discusses some of those provisions. However, Awardee agrees to comply with all Applicable Provisions, even if they are only mentioned in the T&C itself.

Some of the Applicable Provisions include:



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- Awardee understands that its staff, whenever performing work under this memorandum of understanding, may not engage in activities proscribed in the “Prohibited Activities” section of the attached Terms and Conditions (including, but not limited to, a prohibition on lobbying and partisan political activities).
- Awardee’s staff performing work this memorandum of understanding must undergo a CNCS-compliant Criminal History Check, and certify to the Institute that required checks occurred prior to engaging in work under the memorandum of understanding. The requirements for that check can be found on CNCS’ website at <http://www.nationalservice.gov/resources/criminal-history-check>.

V. Intellectual Property

In addition to providing assistance and support to Awardee, a goal of this project for the Institute for Child Success is to research, study and learn more about, and make publicly known the design and implementation of Pay for Success Initiatives. Accordingly, the Institute shall have the right to use, publish, and to present publicly any findings and data based on or derived from work performed under this MOU; provided that no Confidential Information shall be disclosed in such publications or presentations. The Institute shall provide Awardee with an opportunity to review any such materials at least 5 business days prior to submission for publication or presentation for the purpose of identifying any Confidential Information that is contained therein and should be removed; Awardee shall perform such review within 5 business days of receipt. Publications and presentations of general conclusions about innovation initiatives drawn from work with multiple states, and publications or presentations that summarize publicly available information about Awardee’s initiatives, do not have to be submitted for review.

VI. Memorandum of Understanding Period and Termination

This memorandum of understanding will be effective from May 1, 2016 until April 30, 2017, unless such time is extended by written agreement of the Parties. Either Party may terminate this memorandum of understanding upon thirty (30) days written notification to the other Party. However, in the event that CNCS terminates its award to the Institute, this memorandum of understanding shall be immediately terminated. Further, the Institute reserves the right to discontinue services under this memorandum of understanding if, in the Institute’s sole discretion, such action is required to fulfill the Institute’s obligations under its award from CNCS or if CNCS fails to provide funds for federal fiscal year 2017. Awardee may terminate this memorandum of understanding pursuant to Arizona Revised Statutes Section 38-511.



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VII. Execution of Memorandum of Understanding

I am emailing you a signed copy of this letter. Please indicate your acceptance of the terms above by signing and dating where indicated below, return one copy to Christina Vazquez by mail or by email (cvazquez@instituteforchildsuccess.org), and keep one copy for your files. This contract may be signed in one or more counterparts, and electronic transmission of a duly authorized signature shall be deemed an original.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jamie Moon', written over a faint horizontal line.

Jamie Moon
President
Institute for Child Success

_____ [Name] Date