

**Social Impact Partnership to Pay for Results Act (SIPPRA)
Pay for Success Clean Energy Training Project
Biannual Evaluation Progress Report**

Grantee: New York State Energy Research and Development Authority (NYSERDA)

Federal Award Number(s): MI-35803-21-60-A-36

Reporting Period: June 1, 2021 (period of performance start date) – February 28, 2023 (due date of March 1, 2023)

Note: Please note that language from SIPPRA’s NOFA and the additional requested topics from USDOL are listed below in italics. Responses from NYSERDA and the broader project team are not in italics.

Core Topic Areas:

(1) Include information on the:

- *Unique factors that contributed to achieving or failing to achieve the outcome in the context of the intervention, including but not limited to any major change in policy or law that may have affected the project intervention and whether or not the project was implemented with fidelity, e.g., randomization of treatment and control groups;*
- *Challenges faced in attempting to achieve the outcome; and*
- *Improved future delivery of this or similar interventions.*

Outcomes were not evaluated during this reporting period. However, as highlighted in the quarterly performance reports, enrollment continues to be a challenge and may have broader implications for the study. This challenge is also described in Appendix 1C in this report. Despite these persistent challenges in enrollment, the project is showing improved performance on interim indicators, such as graduation rates, placement rates, and starting wages.

(2) Assess the degree to which the project was delivered as intended, including a discussion of how closely the project’s theory and intended procedures aligned with actual project implementation.

To date, the project has been delivered as intended, with the exception of the slower than expected recruitment of training providers and study participants. The underlying theory of change is that the provision of clean energy training, in combination with wrap-around supports, and help with job placement, will increase participants’ earnings. Participating providers are generally providing these supports, although the treatment contrast, or the difference between these services and those provided to individuals assigned to the control group (and not eligible for green jobs training) varies across providers. An overview of the treatment contrast by training provider is included below:

- Training Provider: The treatment contrast is green jobs training with additional career services compared with no training or services. (Two training providers – one current and one that is being onboarded to the study.)
- Training Provider: The treatment contrast is green jobs training with additional career services compared with green jobs training without these career services.
- Training Provider: The treatment contrast is green jobs training with career services compared with career services alone, without any technical training.
- Training Provider: In the case of a provider that is currently being onboarded to the study, the treatment contrast will be green jobs training with career services compared with other technical training (not in green jobs) with career services.

It will be important to place any impact findings in this context. Ideally, the project would only bring in providers that are able to provide a strong treatment contrast, but the need to reach the target sample size has limited the extent to which the project can turn away training providers.

(3) *Include information related to the intervention model, including:*

- *Whether it has evolved and whether the intervention was delivered with fidelity to the plan;*
- *Staffing;*
- *Recruitment/identification and screening of participants;*
- *Selection and enrollment;*
- *How the intervention was implemented; and*
- *Findings.*

Training providers have adapted their programs in several ways:

- Intervention fidelity: The planned interventions across the three current training providers vary substantially in their designs, including how they deliver technical training, the kinds of support services they offer, and how they deliver support services. To date, the training providers have not made substantial changes to how they had intended to deliver training and related services.
- Staffing: One training provider had a staffing change at the program director level, but the transition to the new program director was smooth and did not affect the delivery of training and related services. Staffing at the other two current training providers has remained stable.
- Recruitment/identification, screening, selection, and enrollment: Training providers adapted their recruitment processes to build in persistence supports in order to increase the potential that individuals who enroll are likely to complete the program. Some examples of these adaptations include:
 - Including a pre-assessment with components from the curriculum.
 - Better communicating the program to set expectations for potential program participants.
 - Including additional questions in the pre-vetting and screening processes.
- Intervention implementation: As noted in prior quarterly performance reports, training providers have adopted multiple strategies to increase participants' retention:
 - Offering additional mathematics modules to help program participants excel at quantitative techniques.
 - Shortening the training programs' lengths.

- Offering stipends.
- Engaging employers in panels.
- Providing additional supportive services.
- Introducing technical skills training earlier in the curriculum, then followed by essential/soft skills training.
- Findings: To date, impact findings are not available for the project.

Please see Appendix 1B for additional insights from the implementation study.

(4) Include an assessment by the independent evaluator of the value to the federal government as discussed and defined in Section 4.f.ii, Outcomes: Outcome Valuation.¹

Not applicable. Outcomes were not evaluated during this reporting period such that the value to the federal government could be determined.

¹ In calculating the value to the federal government of the completed outcome(s), the independent evaluator may only take into consideration changes in federal outlays and revenues that have occurred as of the completion of the outcome and not extrapolate to later points in time or assume that other outcomes will be achieved. That is, the value calculation must only take into account the value achieved as the result of the completed outcome(s).

APPENDIX 1. DOL-Requested Additional Topic Areas for Progress Reports (MI-35803-21-60-A-36)

Per the email from the U.S. Department of Labor (DOL) on January 30, 2023, NYSERDA is including additional topic areas for the award identified above. Comments and updates are included where relevant.

A. Research Question(s) and Evaluation Study Design

Has the evaluation study encountered any challenges, such as those identified in the evaluation design plan's theory of change? If so, how has the evaluation team and/or grantee addressed these challenges? Has the evaluation team made any alterations to the study's research questions or planned design on account of these challenges? If so, what changes did it make?

Although training providers put into place one or more of the key project components, there were a notable number of individuals who were accepted into the program but did not start training or who started training but did not complete it. As noted above, providers have taken steps to address enrollment and retention, such as by providing stipends. The team has not made any changes to the study's research questions.

Is the study addressing any additional research questions (as part of the evaluation or for learning purposes only)?

The primary research question is the effect of the programs on participants' earnings. Additional exploratory questions may include effects on earnings for specific subgroups of participants and an analysis of how program implementation and other features are associated with completion and job placement. The latter analysis is non-experimental.

B. Implementation Analysis: *What has the implementation study learned to date in the following areas:*

How did NYSERDA design and develop the SIPBRA project and what were the national and local contexts and political, policy, legal, and/or program environments in which it did so? If such contexts or environments have changed, how has the project adapted to the changes?

NYSERDA, along with the broader project team, developed the SIPBRA project several years ago in response to the FY19 NOFA. The original aims of the project have remained consistent over time; the goals included are to (1) to increase employment and earnings of individuals who identify as low-income, (2) to offer wrap-around and other social supports to individuals participating in technical training, (3) to build the pipeline of workers who can contribute to the clean energy economy, and (4) to leverage federal funding to reimburse NYSERDA such that it can reinvest over \$7M in clean energy workforce development projects.

Since then, the political, policy, legal, and other program environments have evolved. Namely, at the federal level, multiple pieces of legislation, such as the Inflation Reduction Act of 2022, include provisions to spur investments in the clean energy economy. At the same time, other industries

(e.g., technology) are being impacted by slowing economic growth. It is unclear at this stage, how these competing dynamics will impact our project.

Have any of the intervention model's key components changed? If so, how? For example, describe any changes in the following areas:

- *Staffing*
- *Recruitment/identification and maintenance of training providers and other key partners*
- *Recruitment/identification, screening, selection, and enrollment of participants*
- *Recruitment/identification, screening, selection of investors*
- *Intervention features and strategies across participating providers*

Please see question (3) in the main section above for information regarding staffing, recruitment of participants, and other intervention strategies.

This Pay for Success Clean Energy Training project under SIPBRA does not leverage outside investors.

Regarding training provider recruitment, NYSEDA selects these organizations through its existing procurement processes, which includes (1) extending contracts for existing training providers who have successful training projects (e.g., Hudson Valley Community College and Nontraditional Employment for Women) and (2) selecting new training providers through its workforce development solicitations (e.g., Building Skills New York, the College of Staten Island, and the HOPE Program). NYSEDA issues these workforce development solicitations multiple times each year. NYSEDA also promotes SIPBRA on its website, in outreach to potential training providers and workforce development organizations, and through targeted outreach to existing training providers as noted above.

C. Pay for Success (PFS) Model

What are the evaluators learning about the feasibility and viability of the PFS model/approach, including in the following areas:

- *Selecting partners (e.g., ensuring that key players are included in the management structure and keeping them sufficiently engaged for the project's duration)*
- *Developing partnership/contractual agreements*
- *Raising capital and identifying and maintaining investors*

Not applicable. The Pay for Success Clean Energy Training project structure does not include investors or other management partners; payments outlined in Table 1 of Annex D of Schedule 1 of the Final Outcomes Award (MI-35804-21-60-A-36) would be made from Treasury and USDOL to NYSEDA, if outcomes are achieved. The project has not included other contractual agreements or a capital raise.

Has project implementation to date shed any light on whether the PFS financing and managerial structure is incentivizing the right partners in the right ways?

- *Do partners have differing perspectives on the project's costs? If so, what are these perspectives and to what extent can the PFS cost-sharing model accommodate them?*

- *Have any challenges/obstacles in project implementation diminished partner/investor confidence that the level of return will be commensurate with the risk?*
- *Is the size and scale of the current intervention sufficient to keep investors interested and engaged? If not, what challenges does the project face in this regard?*

Not applicable. The Pay for Success Clean Energy Training project structure does not include investors; payments outlined in Table 1 of Annex D of Schedule 1 of the Final Outcomes Award (MI-35804-21-60-A-36) would be made from Treasury and USDOL to NYSERDA, if outcomes are achieved. Thus, the prospect of reimbursement of over \$7M in outcomes payments continues to incentivize NYSERDA to prioritize this project, namely by proactively sourcing training providers to meet the project’s enrollment goals. Please see Appendix 1B above for specific ways that NYSERDA seeks to identify and recruit prospective training providers.

Describe any challenges in implementing the PFS model, including in these areas:

- *Managing the project*
- *Facilitating partner communication*
- *Handling dispute resolution*
- *Addressing investor issues*
- *Overseeing service provision*
- *For purposes of the impact evaluation, ensuring the following elements:*
 - *recruitment of an adequate sample size*
 - *high levels of participation in program services among the treatment group*
 - *strong treatment-control contrast*
 - *high quality and accessible data*

As previously discussed in the Q4 2022 Quarterly Performance Report, regarding managing the project and overseeing service provision, the project continues to experience lower than expected enrollment, driven by (1) few training providers eligible for and/or interested in participating in the evaluation, and (2) long contracting timelines to engage prospective training providers to start new training cohorts. See Appendix 1B above for information about NYSERDA’s recruiting efforts relative to new training providers. NYSERDA also continues to proactively work with training providers on approaches and strategies in order to increase study enrollment throughout each project’s duration.

There are no challenges associated with training provider communication or dispute resolution that the project team would like to elevate at this time. Lastly, there are no investors included in this project.

For purposes of the impact evaluation, a key challenge includes the lower than expected enrollment. While the original application goal was to enroll 1,000 individuals, only 357 study participants have enrolled as of February 13, 2023. Failing to reach the target study enrollment of 1,000 participants will reduce the statistical power of the impact analysis, increasing the likelihood that we will not be able to detect true program impacts as statistically significant. Additionally, as noted, the treatment contrast varies across enrolled providers, which may dilute the estimated program impact.

D. Outcome Payments

Please describe NYSERDA's process for determining how and when it will pay investors, based on such payoff elements as:

- *Timing. In addition to the payment schedule outlined in Table 1 of Annex D, has the project agreed to any "interim" payment points? For instance, if the project fails to achieve a certain outcome target to trigger payment by DOL, will it still pay out a specified amount to investors? Conversely, if the project achieves its target ahead of schedule, will it pay investors on an expedited basis?*
- *Amount. If the project surpasses its target by a certain margin, will it make a larger ("bonus") payment to investors?*
- *Order. Will the order of payouts vary based on the seniority of the investors, the size of the investment, and/or any other factors?*
- *Other Factors: Include any other relevant issues.*

Not applicable. The Pay for Success Clean Energy Training project structure does not include investors; payments outlined in Table 1 of Annex D of Schedule 1 of the Final Outcomes Award (MI-35804-21-60-A-36) would be made from Treasury and USDOL to NYSERDA, if outcomes are achieved. Because there are no considerations related to investors, the timing of outcome payments is based solely on the evaluation, including when the data and resources are available to conduct that work.

Has NYSERDA reached any agreements with investors that seek to manage the possibility of a missed payment by the federal government (due to the project's failure to reach an outcome target)? For example, can the project miss a threshold number of payments before investors are entitled to pull out?

Not applicable. The Pay for Success Clean Energy Training project structure does not include investors; payments outlined in Table 1 of Annex D of Schedule 1 of the Final Outcomes Award (MI-35804-21-60-A-36) would be made from Treasury and USDOL to NYSERDA, if outcomes are achieved.

For risk management purposes, has the project instituted any mechanism(s) to avoid early shutdown in case it misses a threshold number of payments? If so, please describe the mechanism(s). In case of early shutdown, what is the process for closing out the project?

Not applicable. The Pay for Success Clean Energy Training project structure does not include investors; payments outlined in Table 1 of Annex D of Schedule 1 of the Final Outcomes Award (MI-35804-21-60-A-36) would be made from Treasury and USDOL to NYSERDA, if outcomes are achieved.

What potential return(s) on investment has the project agreed to? Does the rate vary by investor and, if so, what factor(s) inform this rate (e.g., the size of investment)?

Not applicable. The Pay for Success Clean Energy Training project structure does not include investors; payments outlined in Table 1 of Annex D of Schedule 1 of the Final Outcomes Award

(MI-35804-21-60-A-36) would be made from Treasury and USDOL to NYSERDA, if outcomes are achieved.

E. Other Topics/Issues: *DOL believes that the topic areas outlined above are worth examining. Are there additional topic areas or issues that the NYSERDA partnership and evaluation teams would like to highlight regarding project and PFS implementation, the outcome payment structure, and/or any other areas?*

There are no further topics to highlight.