*wThe following is an example of outcomes-based contract terms based on an individual student-level approach (e.g., outcomes calculated on a per-student basis) that may be adapted and utilized by the recipient. It is intended for discussion and illustration purposes only and its contents are not intended to replace consultation of any applicable legal sources or the necessary advice of any expert, where appropriate. Neither Social Finance, Inc. nor any person acting on its behalf can be held responsible for the use made of this document.*

**EXHIBIT [A]: EXAMPLE OUTCOMES BASED CONTRACT TERMS**

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**OUTCOMES DELIVERABLE AND PAYMENT**

As outlined in this Exhibit [A] to the [Contract], [District] and [Vendor] have agreed to measure certain implementation and learning outcomes, and that the final amount payable by [District] to [Vendor] will reflect achievement of such outcomes. If the outcomes exceed certain thresholds, as set forth herein, [District] will make an additional payment for services to [Vendor] as part of its final payment under this Contract for the Measurement Period (as defined below). If the outcomes fall below certain thresholds, [District] will reduce the amount of the final payment due to [Vendor] for the Measurement Period. This Exhibit [A] sets forth the methodology that the [District] and [Vendor] agree to (a) assess the Fidelity of Implementation Threshold, (b) determine Student Outcome, and (c) calculate the net, aggregate Outcome Payments to be added to or deducted from the final payment under this Contract for the Measurement Period.

1. **Definitions**
2. *“Measurement Period”* shall mean [the most recent full academic year].
3. *“Target Population”* shall mean [student population] who are using the[Vendor] services at the start of the Measurement Period.
4. *“Base Contract Value”* shall mean the cost of services for each student in the Target Population based on the total campus cost and the number of such students enrolled at that campus at the start of the Measurement Period.
5. *“Outcome Payments”* shall mean additional payments calculated on a per student basis, and paid on a net, aggregate basis to [Vendor] based on Student Outcome for those students who meet the Fidelity of Implementation Threshold. Such Outcome Payments will be added to or deducted from the final payment of the Base Contract Value for the Measurement Period. Outcome Payments are expressed as a percentage of the Base Contract Value between [*-X% and X%*].
6. *“Fidelity of Implementation Threshold”* shall mean that [*insert* *fidelity of implementation metric(s)*] and completed the [*insert* *name of student outcome* *assessment*] assessment(s).
7. *“Student Outcome”* shall mean the [*insert student outcome metric(s)*] on the [*insert student outcome assessment*] assessments, measured from [*insert measurement timeline*] for each student in the Target Population during the Measurement Period.
8. **Fidelity of Implementation Threshold**

In accordance with the measurement timeline described in Section IV below, [District] shall determine if the Fidelity of Implementation Threshold has been met for each student in the Target Population.

[District] will make a net, aggregate Outcome Payment in accordance with Section III below calculated on a per student basis, and then aggregated on a net basis for each student in the Target Population for which the Fidelity of Implementation Threshold has been met.

If no students have met the Fidelity of Implementation Threshold, no Outcome Payments will be due.

1. **Milestones &** **Outcome Payments**

If the Fidelity of Implementation Threshold has been met with respect to any students in the Target Population, Outcome Payments will be made based upon the level of Student Outcome. Outcome Payments are calculated for each student who has met the Fidelity of Implementation Threshold as a percentage of the Base Contract Value described in Table 1. [District] shall calculate the applicable Outcome Payments due or to be deducted for each such student per the thresholds described in Table 2, as well as the aggregate net amount of Outcome Payments to either be added to or deducted from the final amount of the Base Contract Value. Negative amounts, which reduce the amount due to [Vendor] are shown as negative values and denoted with parenthesis. Positive amounts, which result in an additional payment by [District] to [Vendor], are shown as positive values.

**Table 1: Base Contract Value**

|  |  |  |  |
| --- | --- | --- | --- |
| **Campus / School** | **Base Contract Value ($)** | **Students in the Target Population (#)** | **Base Contract Value Per Student ($)** |
|  |  |  |  |
|  |  |  |  |

**Table 2: Outcome Payments Per Student who meets the Fidelity of Implementation Threshold**

|  |  |  |  |
| --- | --- | --- | --- |
| **Student Outcome Milestone** | **Outcome Payment**  **(% of Base Contract Value)** | **Outcome Payment ($) for School A** | **Outcome Payment ($) for School B** |
| *insert minimum Student Outcome milestone* | -X% |  |  |
| *insert Student Outcome milestone* | X% |  |  |
| *insert maximum Student Outcome milestone* | X% |  |  |

1. **Measurement and Payment Schedule**

Once annually, following the end of the Measurement Period, [District] will utilize its student data to assess, for each student i) whether the Fidelity of Implementation Threshold has been met, and ii) the Student Outcome. [District] will then calculate the aggregate amount of Outcome Payments to be added to or deducted from the final amount of the Base Contract Value for the Measurement Period.

1. **Maximum Outcome Payments**

The net aggregate amount of Outcome Payments to be added to or deducted from the final amount of the Base Contract Value will not exceed [*insert maximum outcome payment*] per year.

1. **Example Outcome Payments**

The below example is illustrative and shows how the outcomes-based contract terms would apply to students in [District].

For example, School A has [*insert total number of students*]. The Base Contract Value per student is [*insert Base Contract Value per student*]. Assuming the below Fidelity of Implementation Thresholds and Student Outcome results for students, [District] would pay [Vendor] an aggregate, net Outcome Payment of [*insert total from scenario below*].

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Fidelity of Implementation Threshold** | **Student Outcome Milestone** | **Outcome Payment Per Student** | **X** | **Number of Students** | **=** | **Total Outcome Payment** |
| Student does not meet | N/A | $0.00 |  |  |  | $0 |
| Student meets |  |  |  |  |  |  |
| Student meets |  |  |  |  |  |  |
| Student meets |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |