

**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: March 1, 2023 – August 31, 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 unitalicized.

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 previous quarterly performance progress reports, enrollment continues to be a challenge, particularly now that two out of five training providers have exited the project after encountering several implementation challenges.

(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, except for 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 wraparound 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 clean energy job training) varies across providers as follows:

- Building Skills NY: The treatment contrast entails clean energy job training with additional career services compared to no training or services.

- The HOPE Program: The treatment contrast consists of clean energy job training with career services compared to career services alone, without any technical training.
- Nontraditional Employment for Women: The treatment contrast comprises clean energy job training with career services compared to other technical training (not in clean energy) with career services.

Additionally, two other training providers started to participate in this project but, given low enrollment into their programs stemming from (a) hiring delays, (b) limited staff capacity, (c) extenuating challenges in implementing the evaluation, and (d) limited demand for their training programs, NYSERDA presented both training providers with the option to exit the project. Both training providers chose to do so; they will continue to receive funding from NYSERDA to offer their training programs but will not participate in the study component of this project. For reference, their treatment contrasts were as follows:

- The College of Staten Island: The treatment contrast entailed clean energy job training with additional career services compared to no training or services. (This was the same treatment contrast as Building Skills NY's.)
- Hudson Valley Community College: The treatment contrast consisted of clean energy job training with additional career services compared with clean energy job training without these career services.

(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 report the following experiences and findings, including:

- Intervention fidelity: Training providers have not made substantial changes to how they have delivered training and related services.
- Staffing: One training provider announced a staffing change that will occur after this reporting period; the project team will support the training provider to onboard additional staff to the project, as needed.
- Recruitment/identification, screening, selection, and enrollment: As described in the Q2 2023 quarterly performance progress report, one training provider has adjusted its screening and pre-vetting processes to ask about potential program participants' availability (e.g., vacations) and potential barriers (e.g., limited access to childcare, reliable Wi-Fi, a laptop). This same training provider is now also including in the screening process a consultation with prospective trainees to confirm the viability of arriving consistently and on time at the subcontractor's training site. Another training provider has enhanced its marketing and outreach (e.g., by adding subway ads) for its first cohort.
- Intervention implementation: As described in the Q2 2023 quarterly performance progress report, providers note that program participants may experience other challenges, such as

being formerly incarcerated or having a history of substance use, which has required additional support from providers.

- Findings: To date, impact findings are not available for the project. Early survey data of study participants, as conducted by the evaluator, suggest a notable difference in enrollment in and completion of training between the program and control groups. However, this finding is preliminary, given the low response rate to the survey.

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?

As mentioned in the prior biannual evaluation progress report due March 1, 2023, the project team has not made any changes to the study's research questions, although the project team notes challenges with meeting the study's overall enrollment goals. Specifically, while two training providers that participated in the project have completed study enrollment, two other training providers (the College of Staten Island and Hudson Valley Community College, as noted above) have ceased to participate in the project, representing a reduction in more than 100 potential study participants in the program group. The one training provider still actively conducting training is early in its project, with a low first cohort enrollment figure; however, the training provider is using insights from this initial effort to strengthen enrollment to ensure successful future cohorts.

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

As mentioned in the prior biannual evaluation progress report, 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. Given that only three training providers remain in the study, their study samples are pooled, and their models differ greatly, the team does not expect the implementation analysis to be able to shed significant light on impacts.

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 (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 more than \$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.

The primary programmatic context that has changed compared to what was intended at the outset of the project has been the challenge of recruiting training providers to participate in the 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 intervention fidelity, staffing, recruitment/identification, screening, selection, and enrollment, intervention implementation, and findings.

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

Regarding training provider recruitment, NYSERDA selects these organizations through its existing procurement processes, which include (1) extending contracts for existing training providers who have successfully completed other 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). NYSERDA issues these workforce development solicitations multiple times each year. NYSERDA also promotes the project on its website, in outreach to potential training providers and workforce development organizations, and through targeted outreach to existing training providers. However, since the previous biannual evaluation progress report due March 1, 2023, the College of Staten Island and Hudson Valley Community College are no longer participating in this project. Furthermore, as mentioned in the Q2 2023 quarterly performance progress report, NYSERDA has decided to deprioritize study enrollment compared to its standard training projects given the project's overall challenges.

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 NYSERDA, 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.

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 Q2 2023 quarterly performance progress report, regarding managing the project and overseeing service provision, the project continues to experience lower than expected enrollment, driven by (1) few training providers interested in and eligible for participating in the project, (2) long contracting timelines to engage prospective training providers to start new training cohorts, (3) low rates of individuals starting and completing training, and (4)

NYSERDA's decision to deprioritize study enrollment compared to its standard training projects given the project's challenges.

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 purpose 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 372 study participants have enrolled as of August 28th, 2023. This figure excludes enrollments from the College of Staten Island and Hudson Valley Community College since they are no longer participating in the project. 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 at this time.