Outcome Funding Overview

The following provides a general overview of Greater Texas Foundation’s approach to outcomes funding.

The four sections of this paper are:
**Introduction:** provides background on the foundation’s interest in outcomes funding and resources related to outcomes and theory of change.

**Definitions:** provides definitions of milestones, performance targets, and outcomes—all of which are part of the foundation’s full proposal. Letters of inquiry require only outcomes.

**Examples:** provides examples of outcome statements with related milestones and performance targets.

**Resources:** Includes links to several helpful publications and websites.

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**Introduction**
Greater Texas Foundation has an intense interest in outcomes funding (as described by the Rensselaerville Institute [www.rinstitute.org]). The foundation not only wants to understand the “what” of a grant proposal, but also, the “why.” For that reason, full proposals must include a “theory of change” and a detailed discussion of milestones, performance targets, and outcomes. The theory of change outlines major assumptions about the grant project and also explains the logic behind the proposal. Additionally, the theory of change explains how a sequence of proposed activities will bring about the specific change or impact the applicant seeks. A critical component of any theory of change is outcomes. Outcomes describe the proposed grant project’s impact in terms of measurable and lasting effect.

This approach to grantmaking aligns with a national trend towards increased accountability for effectiveness and collecting outcome data for program improvement. *It will help the Foundation:*

- Assess the degree to which it achieves desired goals.
- Enhance its judgment regarding selection of priorities and grants.
- Learn from its grantmaking, from both grants that do and do not achieve their anticipated outcomes.
- Share acquired knowledge with others.

The Foundation adopted this approach because it believes this approach will help grantees strengthen their programs and services and help the foundation assure its resources are invested wisely. Programs that can prove they achieve positive outcomes are more likely to gain or maintain funding from a variety of sources, increase participant and public support, and retain or attract high-quality staff. There are also significant lessons to be learned by the foundation and grantees from programs that are not able to achieve their anticipated outcomes. *The approach should help grantees:*
• Pinpoint changing target audience needs.
• Shape corresponding program improvements.
• Inform planning and track progress.

Definitions of "Milestones, Performance Targets, and Outcomes"
The development of milestones, performance targets, and outcomes are a key component for each grant proposal. Applicant organizations and foundation staff most likely will work together to refine and articulate appropriate and reasonable milestones, performance targets, and outcomes during the proposal review process. The following guidelines and examples should help clarify the relationships among milestones, performance targets, grant-period outcomes, and post-grant outcomes.

Milestones are a critical point of achievement for the target audience showing progress toward a performance target. In effect, these are mini-performance targets marking specific small changes in target audience behavior or program accomplishment met on the way to target achievement. Milestones shift implementor thinking from what they do to what the target audience does. Focusing on target audience response rather than on implementor activity helps program staff learn more about their target audience.

Performance targets are the specific changes in behavior, condition, or satisfaction that a program implementor seeks to achieve for customers (target audience) who use program products. A good performance target is tangible in that its achievement can be verified and is narrow enough that it can be directly achieved by the implementor who “owns” it. In sum, performance targets address the results of a strategy and include details on what, when, where, whom (target group), how much (extent), and how we will know (whenever possible, include an “as evidenced by” statement). Example: 95% of children at study school will read at or above grade level by the end of the third grade, as evidenced by school administered assessments.

- What – reading at or above grade level;
- When – end of the third grade
- Whom – third graders at study school;
- How Much – 95%
- How will you know – through school-administered assessments

Outcomes are the desired change(s) or results that the proposed project will eventually accomplish. They are the desired end-state which the grantee strives to achieve and sometimes include visionary language. They follow from the milestones and performance targets and identify the anticipated change that is the goal of the grant. Outcomes show the gap between what is and what could be.

Grant-Period Outcomes
1. Occur within the life of the grant-funded projects and often reflect an intermediate stage of change.
2. Are based on the successful accomplishment of the outputs, but may also be influenced by factors outside the grantee’s control.
3. Must be reported on by grantees at the end of the grant period.

Post-Grant Outcomes
4. Are the results expected to occur after the life of the grant, and reflect the longer term outcomes related to the purpose of funded support.
5. Often require the work of others and therefore usually are not under the control of the grantee.
6. Do not require grantee reporting. The foundation will assess progress on post-grant outcomes as it reviews clusters of grants and grantmaking strategies over time.

**Examples**

Keep in mind that **outcomes:**

- Are the expected results of the grant work made observable and/or measurable.
- Are selected based on experience and prior research. They must be realistic, grounded and achievable for the grantee. Applicant must be able to describe how the measurable or observable change will be documented, including resources (including financial) that will be applied.
- Are developmental: outcomes reflect what can be reasonably accomplished at a given point in time in light of resources, grantee experience and environmental conditions. Example: An effort to support policy change might have an outcome of getting a study in the hands of policymakers. A later effort would have an outcome of the policy being adopted by a targeted agency.
- Can be expressed qualitatively or quantitatively. The example above is quantitative. Example of a qualitative outcome: Board adoption of policy.
- Are not absolutely guaranteed because they depend on contextual factors and the actions of many groups of individuals.

**An important caveat:** There is no definitive formula for writing outcomes. It is not a science; rather, it is an experiential process – a way to learn through doing.

**EXAMPLE**

**Outcome**
To develop a pre-math and -science program that will demonstrate how other early childhood education organizations across the nation can teach disadvantaged young children pre-math and -science skills.

- Performance Targets
  - Milestones

**Teachers:** By June 2008, 100% of teachers will:
- Successfully completed training
  - Design training program
  - Develop training materials
  - Hold introduction session for program participants
  - Hold four training seminars
- Demonstrate an adequate level of math/science content knowledge
  - Perform content analysis of weekly lesson plans
  - Conduct additional training if needed
- Demonstrate competence in teaching math/science skills
  - Begin classroom observations
  - Conduct additional training if needed
- Improve the math and science learning centers in their classrooms
  - Distribute mini-grants to program participants to purchase math and science materials for their classrooms
- Integrate math and science throughout the educational program
  - Hold workshop for math, science and reading teachers
  - Perform content analysis of lesson plans
Correctly implement and teach the math/science curriculum
  • Develop math and science curriculum
  • Monitor, evaluate and observe the use of the curriculum

Children:
  □ 90% of the children who will be entering kindergarten in 2008 will internalize age-appropriate math/science concepts as demonstrated by scores on the LAP-R
    • Select groups for testing
    • Perform assessments
    • Publish results
  □ 90% of the children who will be entering kindergarten in 2008 will demonstrate significant gains on the TEMA-3
    • Select groups for testing
    • Perform assessments
    • Publish results
  □ By June 2008 there will be a program in place to teach parents how to reinforce classroom learning by working on math/science activities with their children at home.
    • Develop program for parents
    • Hold workshop for parents
    • Survey parents about their experiences and use of the activities

Resources:
University of Missouri Extension’s Logic Model:
http://extension.missouri.edu/staff/programdev/plm/
United Way Outcome Measurement Resource Network:
http://national.unitedway.org/outcomes/
Rensselaerville Institute:
http://www.rinstitute.org/
Mapping Change: Using a Theory of Change to Guide Planning and Evaluation:

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