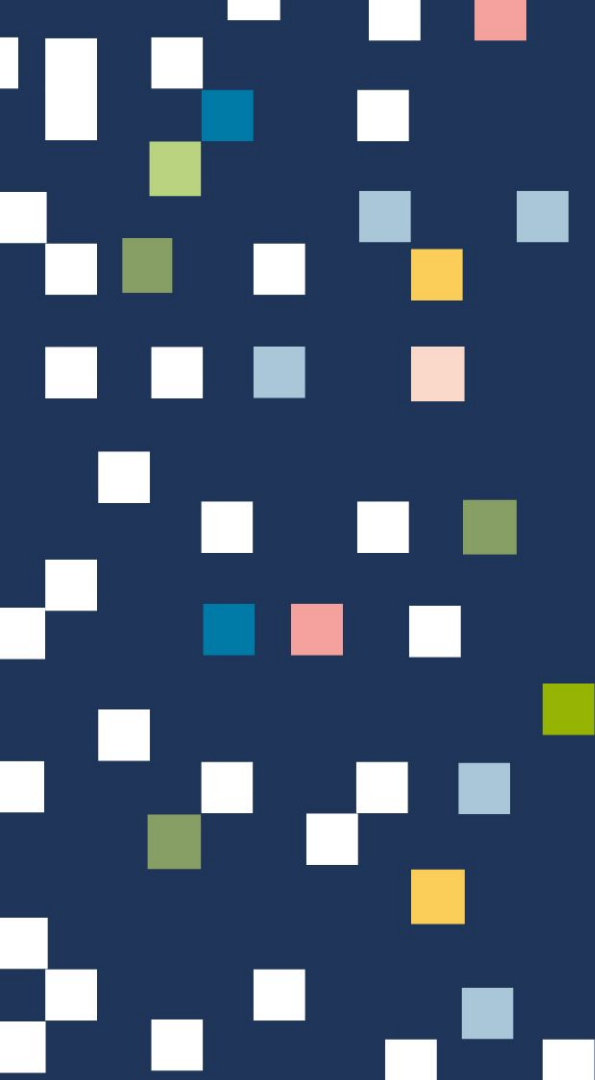




Outcomes Based Contracting in North Carolina

NC Blue Ribbon Commission |
October 19, 2026

Agenda

- Why This Matters for North Carolina
- Model Overview
- Evidence and Experience
- How States Have Built OBC Into Policy
- Options for North Carolina and Discussion



The **Center for Outcomes Based Contracting** serves as the field's trusted leader to advance the growth of the outcomes based contracting (OBC) model.

**We ensure investments meant to advance student learning
deliver measurable results.**

Technical
Assistance

Research Insights

Public Resources

Cohort-Based
Learning

Vision: By 2030, **1 million students** will receive instructional services under an outcomes based contract, with **2 million student outcomes** achieved.

Building on the Charge 1 Commitments

RECOMMENDATION 1C

High-dosage tutoring

A statewide, evidence-based framework for K-3 literacy tutoring by May 2028, with flexibility for local implementation

RECOMMENDATION 1D

Literacy coaching

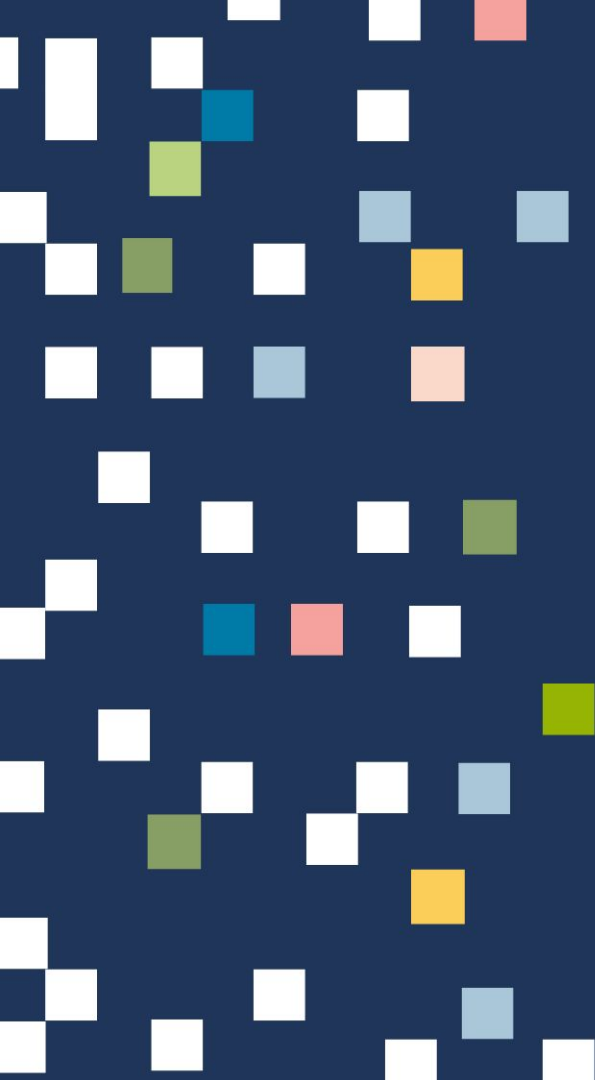
State-funded literacy coaching capacity in every low-performing elementary school by 2028-29

RECOMMENDATION 1E

Summer reading

State funding for summer reading camps or other evidence-based intervention for third graders not yet proficient

Each is a state investment in an instructional service that reaches students through local purchasing decisions.



Model Overview

The Current System

Traditional Procurement Pipeline:

- **Step 1:** District identifies need
- **Step 2:** Writes RFP for services & compliance
- **Step 3:** Providers promise to deliver services
- **Step 4:** District selects lowest cost/best proposal
- **Step 5:** Provider delivers per contract specs
- **Step 6:** District hopes it works for students

The Human Cost

BILLIONS OF DOLLARS spent annually on educational services

YET GAPS PERSIST and in some cases, widen

Every ineffective contract is not just wasted money -
it's a wasted opportunity to change a child's life
trajectory.

A contracting model in which **at least 40% of the total contract value** is tied to achieving mutually agreed-upon student outcomes.

TRADITIONAL CONTRACTS ASK

“Did you deliver what you promised?”



OBC ASKS

“Did students achieve the results we all committed to?”



Define Success Up Front

District and provider agree on who is served and which outcomes matter most.



Tie Payment to Results

A cost-effectiveness model where districts pay the full contract value only when students reach agreed-upon outcomes.



Share Accountability

Both partners commit to clear roles, with a set path to solve problems early.

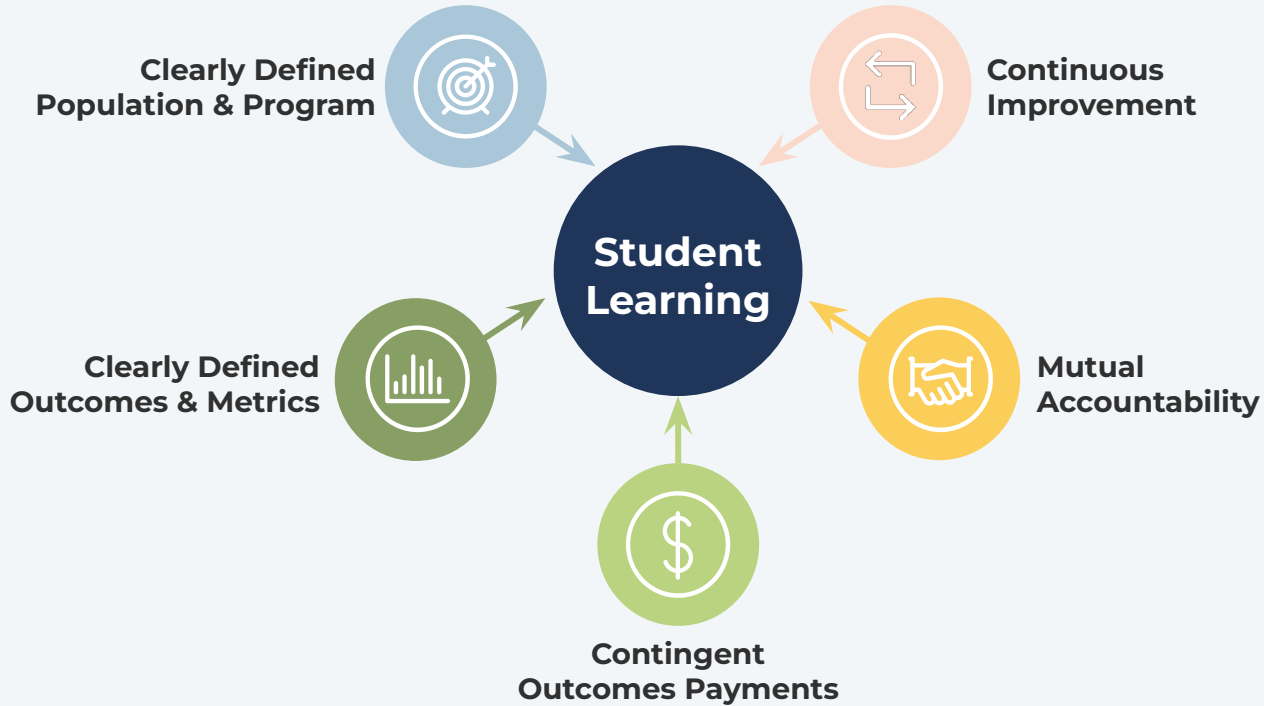


Improve Together

Partners review data regularly, adjust course, and innovate together to strengthen results.

OBC empowers partnerships to contract for clear student outcomes and compels **mutual accountability** for achieving them.

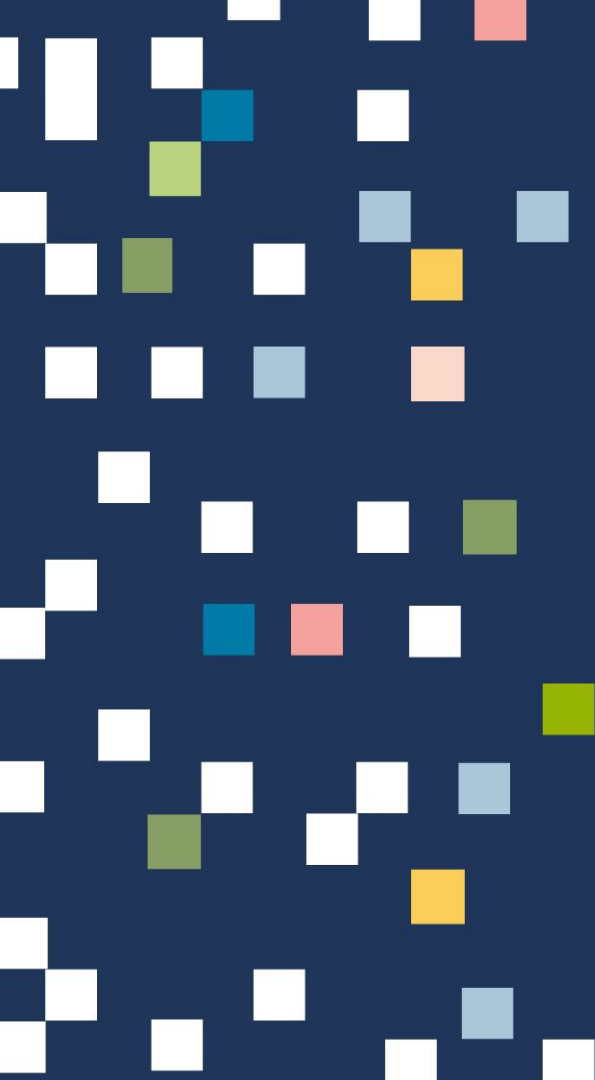
Domains for a Successful OBC



The **Standards of Excellence for Outcomes Based Contracting™** are built on five interconnected domains. Together, they create a unified framework for designing contracts that drive measurable improvements in student learning

OBC Product Lines Currently In Scope

Product Line	Evidence from the Field	OBC Cost Range - Per Pupil Per Year (all-in cost)	OBC Insights
HIT	High degree of evidence	\$1,000 - \$3,000	Causal impact proven at scale
Edtech	Low number of causal impact analyses	\$7 - \$170	Opportunity to build evidence for specific student populations
CBPL	Low number of causal impact analyses; challenging to measure the efficacy & impact of professional learning	Currently Researching	Early research shows OBC creates more intentional, data-driven, and accountable relationships



Evidence Behind OBC



Does OBC Work?

When...

Districts and providers agree on student goals upfront, define shared responsibilities, and tie payment to results

Then...

Implementation improves

Leading to...

Better outcomes for students

Implementation Integrity

Does OBC produce the implementation integrity it's designed to create?

Student Outcomes

Does higher-quality implementation translate into meaningful gains for students?

Testing this theory is the Center's most fundamental research commitment.

What WestEd Studied

RESEARCH QUESTIONS

- How does OBC affect the bidding and contracting process?
- How does OBC affect the relationship between districts and providers?
- How does OBC affect district spending on interventions?
- Which components of OBC most contribute to its effectiveness?
- Under what conditions is OBC successful?

What impact do tutoring and edtech interventions under an OBC have on student academic performance (ELA and math), including that of nontargeted students?

SAMPLE

2023-24 & 2024-25

8

districts in 4 states

Document review, observation, and 31 interviews with district leaders, providers, and school staff.

2023-24 & 2024-25

10

contracts, 6 districts

RDDs: 4 contracts in 3 districts
~5,000 students in grades 2–8

Headline Findings

1 Positive student impact

In districts where causal analysis was possible and interventions ran for their intended duration, OBC generated positive causal effects on student outcomes.

2 Stronger accountability & partnership

OBC created stronger mutual accountability between districts and providers, driven by clearer contracts, better communication, and stronger data use.

3 Coaching enabled success

District leaders credited the Center's coaching and TA with driving successful OBC development and implementation — most valuable early on, and most present where implementation integrity was strongest.

4 Building organizational capacity

OBC participation, paired with COBC coaching and TA, strengthened district and school practices in implementation integrity, continuous improvement, and data use — benefits that may extend beyond the contract.



The Implementation Findings



Contract development requires **internal district collaboration** and guidance for those new to the process, and **some providers appeared more “OBC-ready” than others.**



OBC created **stronger accountability** between districts and providers. Contracts placed **more implementation responsibilities on districts** than providers.



Spending under OBC was similar to spending on comparable interventions under traditional contracts, suggesting **districts received greater intensity of services for a similar cost.**



OBC participation and **COBC coaching** strengthened the ability of districts and schools to **use data and communicate** in ways that drove **continuous improvement.**



The Impact Findings + What They Mean

3 of 4 impact analyses found large positive effects on student outcomes

District / Intervention	Population	Effect Size	What This Means in Practice
District A   Virtual math tutoring SY2023-24	1,276 students 7 schools Grades 7-8	 +0.39 SD on state math assessment	A “large” effect using education researchers' standard benchmark (Kraft, 2020) for interpreting effect sizes.
District A   AI-enabled reading tutoring SY2024-25	1,998 students 20 schools Grades 2-4	 2nd grade: +0.26 SD on state ELA assessment 3rd & 4th grade: null	Bigger than the 4th-grade reading proficiency gap between the lowest- and highest-scoring states on the 2022 NAEP.
District B   Virtual math tutoring SY2023-24	736 students 7 schools Grades 6-8	 Null	Consistent with what researchers typically observe for a short implementation window (~8 of 25 planned weeks).
District E   Virtual reading tutoring SY2024-25	611 students 17 schools Grades 3-5	 +31 percentile pts on NWEA MAP	A meaningful shift in students' growth trajectory — same order of magnitude as the NAEP state-gap benchmark above.

Why This Evidence Is Different

STRONGER THAN A SINGLE IMPACT STUDY



Real implementation at scale, not a small pilot or a hand-picked group of highly engaged students



Independent outcome measures pulled from state and local accountability systems, not the program itself



The result: **stronger external validity than a single-site study**. Evidence for real-world implementation, not just one setting.

A FOUNDATION FOR MORE EVIDENCE



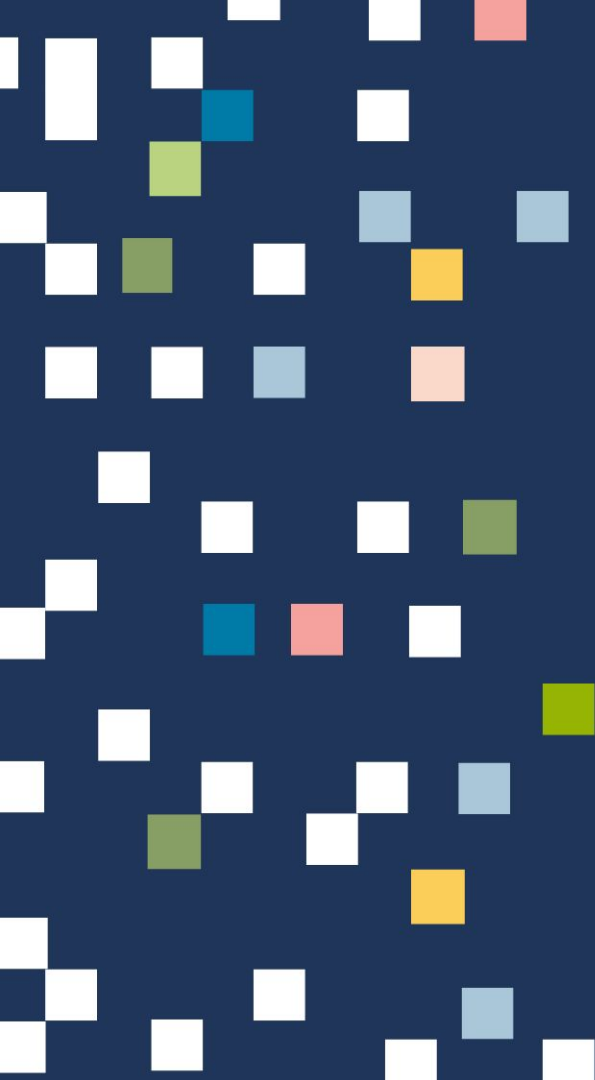
OBC already generates the **data to enable rigorous causal evaluation** at scale



District-embedded researchers can produce it in-house: **no formal study to commission, no data-sharing hassles**



The result: **faster, cheaper evidence** — built at scale, not one study at a time



Partnership & Implementation Pathways

Four Ways States Bring OBC to Scale

Direct SEA partnership

The state sets focus outcomes, students, and templates to reduce the lift on LEAs.

Indiana, Florida

State intermediary

A trusted partner extends state capacity, moving from cohorts toward statewide grant language.

Arkansas

State-facilitated district cohort

State and regional agencies build use cases and provider lists before scaling.

Texas, California, Colorado

Independent adoption

Districts adopt OBC using the Center's public tools and standards.

Districts nationwide

The right model depends on a state's policy landscape, funding, data infrastructure, and capacity.

What Other States Have Done

State	Approach	Policy lever
Indiana	State agency set outcomes, student focus, and templates for a middle grades literacy pilot	State guardrails and templates
Florida	A state-authorized university partner holds tutoring funds, contracts with providers, and uses MOUs with districts	Statewide contracting through a designated entity
Arkansas	An intermediary is moving from cohorts toward OBC language in state tutoring grants and exploring shared purchasing	Grant conditions and shared purchasing
Texas, California, Colorado	State and regional agencies use cohorts to build use cases and lists of providers willing to partner under OBC	Pilot cohorts and provider lists

Options for North Carolina

Lighter state role

Deeper state role

1

Guidance and tools

Publish OBC guidance, templates, and a list of willing providers

Builds on: 1c

2

Pilot district cohort

Launch a 2027-28 K-3 tutoring cohort under OBC, with independent evaluation

Builds on: 1c, 1e

3

Grant conditions

Include OBC standards, such as a minimum contingent share, in state literacy grants

Builds on: 1c, 1e funding

4

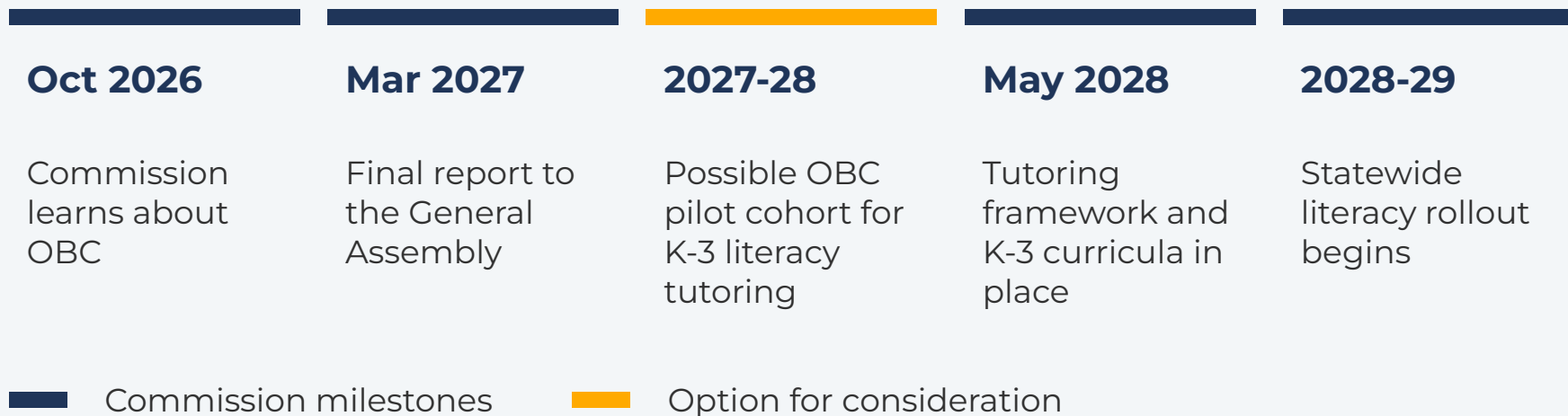
Shared purchasing

Enable regional OBC purchasing so small and rural districts can access vetted providers

Builds on: Charge 2

Options can be combined or sequenced, and each preserves local flexibility.

Timing Aligns With Charge 1



A pilot year before the statewide framework launches would let North Carolina design OBC in from the start.

What It Would Take in North Carolina

Data sharing

Build outcome data terms into North Carolina's third-party data agreement requirements from the start.

Start with interventions

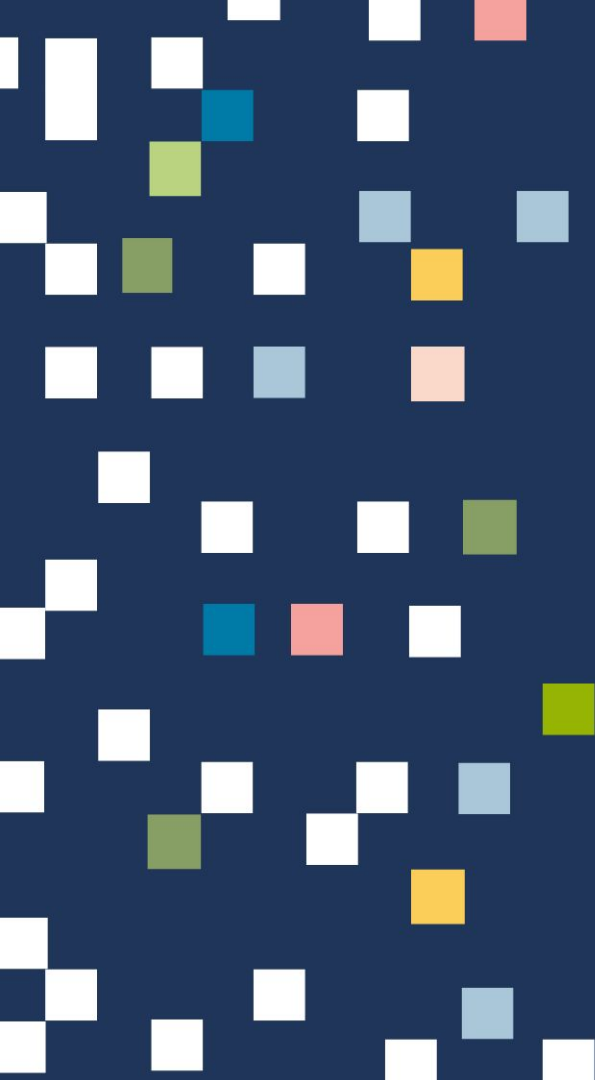
Tutoring has the clearest theory of change; curriculum and coaching can follow.

Existing funding streams

Attach OBC to dollars already committed to literacy rather than creating a new program.

State and regional capacity

Decide whether DPI, a regional entity, or an intermediary carries the lift, so LEAs can focus on students.



Questions and Discussion



The Center for
Outcomes Based Contracting

Thank You!

