PROVIDER GUIDE

HOW EDUCATION PROVIDERS CAN USE OBC TO SUSTAIN LONG-TERM AND EFFICACIOUS PARTNERSHIPS

PROCUREMENT IN K-12: THE CURRENT CHALLENGES

In today's rapidly evolving educational landscape, school districts and edtech providers each face challenges maintaining up-to-date K-12 data infrastructure and procurement practices that seamlessly support academic and instructional decisions. The absence of standardized edtech procurement processes in many districts leads to fragmented decision-making and inconsistent implementation while providers navigate diverse district requirements and integration challenges. These inefficiencies come at a significant cost—consuming valuable time, slowing critical decisions, and heightening data security and privacy risks for all stakeholders.

Districts continually seek ways to maximize their budgets amid an ever-changing funding landscape. As a result, there is more focus than ever on solution-provider partnerships that prove their efficacy and impact on student learning, especially against the multitude of edtech contracts to evaluate. Now, as technology continues to transform education, edtech providers should not only ensure their solutions meet key industry benchmarks in safety, usability, accessibility, interoperability, and evidence-based design but also explore cost-effectiveness models tied to academic impact to justify a continued partnership.

Outcomes based contracting (OBC) offers an innovative approach to addressing the fundamental gaps in some instructional edtech implementation by restructuring how districts and edtech providers procure together to align on student learning outcomes.

The significant challenge is how districts and edtech providers can collaborate to enhance program implementation through streamlined procurement while demonstrating value and academic impact. Various approaches have been explored, from joint procurement authorities, such as those in California, to frameworks like the five EdTech Quality Indicators.

This guide focuses on a strategy linking funding to student outcomes, fostering stronger accountability and more effective implementation: outcomes based contracting (OBC). By linking financial incentives to academic outcomes, OBC shifts procurement from a transactional process to a structured partnership focused on measurable results, aiming to enhance the effectiveness of edtech investments.

37%

Project Unicorn's 2024 State of the Sector Report findings show that only 37% of respondents noted having a formal process for vetting edtech tools, learning applications, system integrators, and implementors.

AN OPPORTUNITY TO ALIGN EDTECH PROCUREMENT WITH STUDENT OUTCOMES

Outcomes based contracting (OBC) offers an innovative approach to addressing the fundamental gaps in some instructional edtech implementation by restructuring how districts and edtech providers procure together to align on student learning outcomes.

By making at least 40% of the contract contingent on achieving specific student outcomes, OBC creates a direct link between financial investment and student success. This model helps solve the persistent problem of fragmented decision-making by requiring partnerships to clearly define desired outcomes upfront and establish standardized procurement processes that prioritize evidence-based solutions and best practices in implementation. Mutual accountability ensures that districts and edtech providers commit to implementing solutions with fidelity, adhering to the research-backed dosage required to achieve meaningful and measurable student outcomes.

Why 40%?
A 40% contingent payment in an Outcomes Based Contract (OBC) strikes a balance by providing a strong incentive for performance while managing risk. This ensures that both providers and districts implement the contract with fidelity to achieve the desired outcomes.

OBC facilitates a crucial shift in the relationship between districts and edtech providers, moving from a traditional vendor-buyer dynamic to a collaborative partnership focused on student success. This partnership approach transforms stakeholder communication; an outcomes based contract establishes a systematic and shared approach to data collection, analysis, problem-solving, and continuous improvement that supports informed, transparent decision-making between districts and edtech providers. This creates a self-reinforcing cycle where improved data infrastructure is necessary and enables better outcome measurement, leading to more informed procurement decisions and, ultimately, more effective use of educational resources.

Additionally, OBCs can help certain edtech providers with a distinct differentiator in a crowded market by showcasing their commitment to student success and strong collaboration with districts. Aligning financial and student learning incentives assists in building trust and demonstrates evidence of impact, which districts increasingly prioritize when selecting partners. Furthermore, the apparent success metrics generated through an OBC with one district can be compelling evidence of effectiveness, supporting expansion into new markets and strengthening credibility for future partnerships.

TERMS & DEFINITIONS:

Outcomes based contracting (OBC)

is one model for procuring and contracting for certain supplemental academic products and services. In this model, at least 40% of contract payments are contingent on achieving agreed-upon student outcomes, fundamentally shifting education purchasing from focusing on service costs to investing in measurable results. This framework requires partnerships to clearly define desired outcomes upfront and establish mutual accountability, with both parties sharing specific responsibilities for implementation success. Through its emphasis on evidence-based implementation and transparent performance metrics, OBC strengthens procurement practices by ensuring instructional products and services align with their research-backed design while fostering collaborative partnerships between districts and edtech providers focused on student learning and success. The model provides partnerships with a framework to understand cost-effectiveness, evaluate educational investments, and ensure that public dollars are tied directly to academic impact, ultimately working to achieve meaningful results for all students regardless of background or circumstance.

- Resource: The Center for Outcomes Based Contracting at the Southern Education Foundation's website

Data modernization

for edtech providers is not just a goal but an ongoing opportunity to deliver greater value to schools through continuous improvement and alignment with evolving technologies and data management best practices. This process involves four key components: data governance, interoperability, technological advancements, and data security/privacy. By supporting K-12 organizations in transitioning from legacy systems to modern cloud-based technologies, edtech providers can enhance data accuracy, accessibility, and operational efficiency. Through robust data governance frameworks and interoperability standards, providers can help districts seamlessly integrate data from various sources—such as student information systems and learning management platforms—while ensuring security and privacy compliance. Beyond streamlining administrative processes, modernized data systems enable real-time analytics, personalized learning experiences, and predictive interventions to identify at-risk students. For local and state education agencies and education service centers, investing in modern data infrastructure maximizes the value of their data assets. Edtech providers that offer scalable, secure, and interoperable solutions empower educators with timely, data-driven insights that drive student success—positioning themselves as essential partners in the digital transformation of education.

- Resource: Project Unicorn's Data Modernization in K-12 Education

Edtech procurement

is the structured approach that allows districts to evaluate, select, and acquire technology solutions that align with instructional goals. The K-12 procurement process is critical for edtech providers to ensure their solutions effectively reach and support schools. A well-defined procurement process begins with clear documentation of technical infrastructure needs, functional requirements, and desired student outcomes—often outlined in a comprehensive Request for Proposal (RFP). A standardized and transparent procurement process allows providers to showcase how their solutions meet district needs, differentiate them from competitors, and establish long-term value. By aligning with structured procurement frameworks, edtech providers can better demonstrate the impact of their solutions, facilitate smoother acquisition and implementation, and build collaborative partnerships that extend beyond the initial sale. Ultimately, a well-executed procurement process benefits both districts and providers by ensuring technology investments are effective, scalable, and positioned for long-term success in improving student outcomes.

- Resource: Project Unicorn's Navigating the K-12 Education Procurement Landscape and the Better Edtech Buying Guide

Interoperability,

defined as the seamless, secure, and controlled exchange of data between applications, is a foundational element of modern K-12 data infrastructure. For edtech providers, interoperability is a key differentiator in determining how seamlessly their solutions integrate into a district's broader technology ecosystem. Interoperability ensures that data from student information systems, learning management systems, assessment platforms, and other edtech tools can be automatically shared and integrated using open data standards and protocols. By prioritizing interoperability, edtech providers make their solutions more efficient and aligned with district needs. Interoperability also plays a critical role in supporting comprehensive data strategies, enabling districts to provide educators and administrators with unified, real-time insights into student performance and program effectiveness. Additionally, seamless data integration streamlines reporting processes and establishes a strong technical foundation for data-driven decision-making at all levels. Edtech providers that deliver interoperable solutions position themselves as strategic partners in helping districts maximize the impact of their technology investments.

- Resource: Project Unicorn's page on What is Interoperability?, including Digital Promise's Video to Learn More About Data Interoperability

The Five EdTech Quality Indicators

serve as a framework for evaluating and procuring practical edtech tools, developed by the Edtech Quality Collaborative (made up of seven leading edtech organizations - 1EdTech, CAST, Consortium for School Networking (CoSN), Digital Promise, InnovateEDU, ISTE+ASCD, and SETDA). For edtech providers, the Five Edtech Quality Indicators offer a clear framework for demonstrating the effectiveness and reliability of their solutions in the K-12 market. These indicators define high-quality edtech tools as safe, evidence-based, inclusive, usable, and interoperable. Edtech providers can strengthen their credibility and streamline the district procurement process by aligning their products with these quality standards. Expert validations confirming that a product meets the five EdTech Quality Indicators help reduce the burden on educators and school system leaders, making it easier for districts to identify and adopt solutions that drive meaningful learning outcomes. Providers that proactively integrate these quality indicators into their product development and marketing strategies position themselves as trusted partners in education and can remove potential roadblocks to a successful procurement framework, like an OBC.

- Resource: SETDA's EdTech Quality Indicators Guide

WHY OBCS ARE WORTH EXPLORING

Below, find a list of reasons why edtech providers should consider outcomes based contracting.

Growing Interest

There is a growing demand for outcomes based contracts across the K-12 education landscape. Outcomes based contracts (OBCs) have already gained traction in multiple districts, particularly among the 50 largest districts in the U.S., with high concentrations in states like Florida, Texas, and California. A 2025 EdWeek article reported that more than 80 percent of K-12 district leaders agree that OBCs are aligned with student learning and innovation, signaling a potential for increasing demand for OBCs in the years ahead. For providers, this growing interest represents a significant opportunity—engaging in OBCs can serve as a key market differentiator, positioning their solutions as what districts actively seek to drive measurable student outcomes and improve overall educational impact. By aligning their offerings with this OBC, providers meet district needs and stand out in an increasingly competitive market.

Implementation Fidelity

Outcomes based contracting (OBC) strengthens edtech partnerships by supporting districts and edtech providers in intentional collaboration and strengthening implementation fidelity through mutual accountability mechanisms. Partnerships under an OBC utilize a product based on evidence of effectiveness and plan with the end in mind, beginning by defining the target population and desired outcomes. The framework moves beyond traditional procurement practices, establishing mutual accountability between districts and edtech providers, with both parties sharing specific responsibilities for implementation success.

Cross-departmental collaboration is essential for effective procurement, and OBC serves as a powerful tool for breaking down traditional silos within districts. OBC requires executive leadership and critical stakeholders to be engaged from the outset. By bringing together representatives from all key teams, districts foster a shared understanding of the program and the accountable roles from the beginning. This early collaboration ensures that RFP and contract development align with financial and instructional priorities, leading to a more cohesive, efficient, and accountable implementation process.

Exploratory Market Advantage

Engaging in outcomes based contracting (OBC) offers edtech providers a valuable market advantage, setting them apart from competitors and positioning them as key partners for school districts. As the demand for data-driven, result-oriented solutions grows, districts increasingly seek edtech providers who can deliver measurable student outcomes. By aligning their solutions with OBCs, providers demonstrate their commitment to student success and accountability. This helps build trust with districts and enables providers to showcase their product's effectiveness in tangible terms. The ability to offer solutions directly linked to student achievement creates a competitive edge in a market focusing more on outcomes.

Additionally, the growing adoption of OBCs across the K-12 landscape means that providers who engage in these contracts can capitalize on a rising trend. As districts seek more evidence of the impact of their investments, providers that integrate OBCs into their offerings stand out as forward-thinking, solution-oriented partners. By doing so, they differentiate themselves from other vendors that may still operate under traditional contract models, which do not explicitly tie compensation to measurable educational results. This market advantage attracts new business and fosters long-term, sustainable relationships with districts, as providers can demonstrate their solutions' value through clear, data-backed results.

Financial Incentive

There is a strong financial incentive for edtech providers to engage in outcomes based contracting (OBC) due to the potential for higher earnings tied to the achievement of student outcomes. Providers can earn approximately 10-20% more than they would under a traditional contract by taking on greater responsibility and aligning their solutions with measurable student success. This added compensation reflects the increased commitment and financial risk involved in ensuring outcomes are met and provides a clear incentive for providers to deliver high-quality, practical solutions that directly impact student learning and achievement.

> Demonstrating strong student outcomes not only validates the effectiveness of a program but also signals long-term sustainability and can increase the likelihood of partnership renewal.

Demonstrating ROI: Why K-12 Districts are Looking for Outcome-Driven Edtech

Now is the ideal time for edtech providers to engage in outcomes based contracts (OBCs) due to the evolving pressures faced by K-12 districts in managing their technology investments and demonstrating impact. As highlighted in the EdTech Quality Indicators Guide, the number of technology licenses available to districts grew rapidly during the pandemic, leading to a crowded digital portfolio. With the growing need to streamline data processes, manage budgets more effectively, and ensure that technology aligns with educational goals, districts are under increasing pressure to show measurable results from their investments.

This creates a unique opportunity for edtech providers to step in and offer solutions that are not just products but also vehicles for demonstrable student success. OBCs allow providers to align their solutions directly with educational outcomes, ensuring that their technology investments are tied to tangible improvements in student learning. This outcome-driven approach offers districts a way to justify their spending by providing clear, quantifiable evidence of return on investment (ROI).

As the demand for data-driven decision-making and cost-effective solutions continues to rise, edtech providers that adopt OBCs can position themselves as strategic partners rather than just vendors. Providers can reinforce their value proposition by using outcome metrics to validate their solutions' effectiveness and cost-efficiency, making a stronger case for long-term collaboration with districts.

In an era where districts are pressured to make every dollar count and the digital landscape is more crowded than ever, OBCs offer a powerful way for edtech providers to demonstrate their commitment to student outcomes. These contracts allow providers to build trust, strengthen partnerships, and ensure their solutions are integral to a district's long-term success.

CASE STUDY

A leading edtech provider faced a critical challenge with their virtual reading intervention program in one of Florida's largest school districts. Despite securing the partnership, the reality was troubling: student usage remained disappointing, and engagement metrics showed that learners weren't connecting with the platform meaningfully.

The provider seized a significant competitive advantage renegotiating their partnership under an Outcomes Based Contract (OBC). This strategic innovation fundamentally transformed their market position by aligning their business incentives directly with measurable student literacy success. This value proposition sets them apart in the crowded edtech landscape.

Leveraging the OBC model as a market advantage, the provider simultaneously approached a neighboring district. Their offering featured:

- A risk-sharing partnership model focused on improving student outcomes.
- An implementation methodology designed to address common challenges.
- The neighboring district swiftly embraced this innovative partnership approach, recognizing the exceptional value compared to standard vendor relationships. This parallel implementation established the provider as a regional leader in literacy intervention procured under an OBC.

The provider gained a market advantage by pioneering the OBC model in reading intervention. Their business growth accelerated as district leaders increasingly sought partnerships that tie a portion of provider payment to achieving agreed-upon student outcomes. This first-mover advantage in aligning payment with student literacy outcomes continues to drive their expanding market share and industry leadership position.

OBC AND DATA MODERNIZATION

For edtech providers, the importance of data modernization in outcomes based contracting (OBC) cannot be overstated. OBCs emphasize implementation fidelity, mutual accountability, and measurable student outcomes—goals that require districts and providers to invest in robust, modern data systems that integrate with existing platforms. These systems must be able to track intervention dosage and individual student progress in real-time, making data modernization a critical element for successful OBC implementation.

A modern, functional data infrastructure is not just an optional upgrade but also essential for sustaining the detailed monitoring required for OBC success. Guidance from the Center for Outcomes Based Contracting highlights the technical requirements to make this possible, including clearly defined data collection processes, data sharing protocols, and system interoperability standards. For edtech providers, ensuring their solutions meet these requirements is key to aligning with district needs and demonstrating value.

For OBCs to be effective, districts and edtech providers must identify key data elements and the specific reports required at every level—from classroom teachers tracking daily student activity to district leaders monitoring system-wide progress. Reports must include essential metrics such as attendance, participation rates, and student performance indicators, with clear agreements on how data will be accessed,

updated, and used to drive improvement. By integrating these elements into their solutions, providers can help districts ensure their data infrastructure can support outcome-driven initiatives.

As state and local education agencies (SEAs and LEAs) transition from legacy systems to modern cloud-based technologies and strengthen their data governance frameworks, they will gain the technical capacity to meet OBC requirements and develop the analytical capacity to drive continuous improvement. Edtech providers prioritizing interoperability and data-driven outcomes will be better positioned to support these districts, empowering them to make real-time decisions and deliver measurable results.

Ultimately, combining OBCs with modern data infrastructure enables districts and edtech providers to harness the full potential of data, driving better decision-making, improved student outcomes, and stronger accountability—benefits central to long-term, successful partnerships.

CASE STUDY

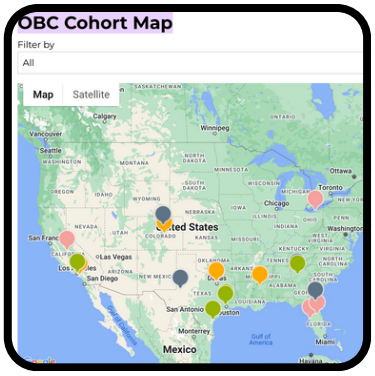
Outcomes based contracting can catalyze improvements in data infrastructure and implementation quality, as demonstrated by one partnership's experience. Despite investing $1.7M annually in a digital literacy platform, the district struggled with inconsistent usage. They restructured a portion of their contract to an OBC, aligning their implementation with a district-wide literacy initiative and clearly defining their target student population and desired outcomes. The edtech provider demonstrated how OBC can transform the edtech provider relationship as an essential partner in building the required data infrastructure. They developed customized reporting dashboards that gave stakeholders at every level — from teachers to district leaders — real-time visibility into the metrics outlined in the contract. Beyond these technical solutions, the edtech provider collaborated with the district's curriculum and professional learning teams to integrate the platform meaningfully into their broader literacy strategy. This partnership exemplified how OBC's emphasis on mutual accountability drives both parties to invest in the systems and processes needed for success. It ensured that technology implementation aligned with instructional goals, while the new data infrastructure enabled continuous monitoring and improvement. By combining OBC's framework with enhanced data systems, the partnership transformed from a struggling implementation into a coherent, data-driven approach to supporting student literacy for years to come.

ADDITIONAL RESOURCES AND NEXT STEPS

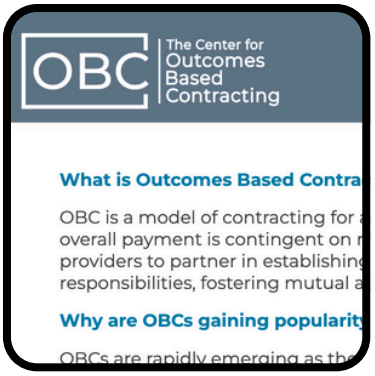
Edtech providers interested in learning more about implementing outcomes based contracting can access several resources to support their journey. The Center for Outcomes Based Contracting offers detailed guidance on creating outcomes based contracts, including templates, standards of excellence, and examples from other partnerships.



Review the 2024 impact report from the Center for OBC



See where districts are already implementing OBC



Explore the What is Outcomes Based Contracting one-pager for providers

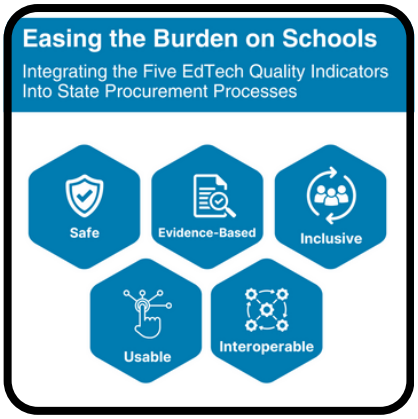
LEARN MORE ABOUT OUTCOMES BASED CONTRACTING:

- Follow the Center for OBC on LinkedIn
- Visit the Center for OBC Events page to join upcoming webinars and in-person learning opportunities
- Contact the Center for OBC to continue the conversation
- Try out elements of OBC:
  - In preparation for your next contract, document the mutual accountability mechanisms that need to be in place for all stakeholders to ensure the program is in place for students to meet the research-based dosage guidance
  - Enhance collaboration and partnership with districts by establishing regular data review meetings focused on continuous improvement. Ask districts to share key reports to monitor implementation metrics (like attendance and student progress) at the classroom, school, and district levels.

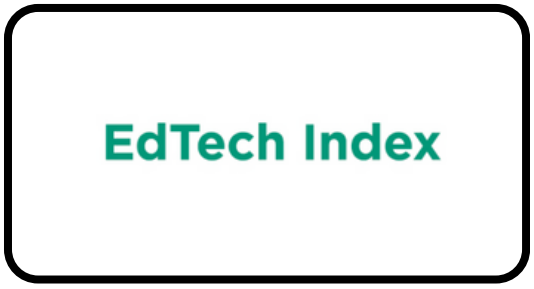
EXPLORE ADDITIONAL RESOURCES ON PROCUREMENT IN K-12 EDTECH



ISTE/Project Unicorn Better Edtech Buying Guide



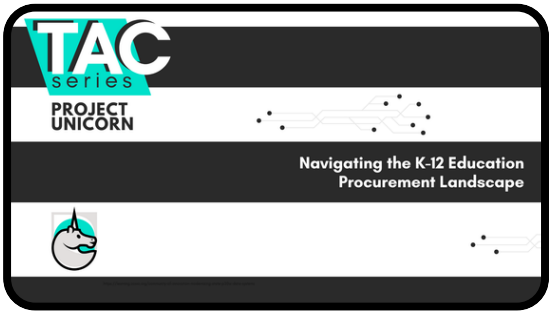
SETDA's Five EdTech Quality Indicators Procurement Guide



Register your product in the EdTech Index, where educators find, evaluate, and compare Edtech products with trusted third-party quality indicators



Explore the Guide on How Districts Can Use OBC to Modernize Data Infrastructure & Procurement



Explore Project Unicorn's Navigating the K-12 Education Procurement Landscape Resource

The Center for Outcomes Based Contracting at the Southern Education Foundation helps districts and providers implement outcomes based contracting (OBC) with a focus on innovation, mutual accountability, and continuous improvement. By embedding measurable student outcomes into contracts, the OBC model ensures that districts can make strategic, data-driven decisions even amid resource constraints—keeping student learning at the forefront. Through direct support, research insights, public resources, technical assistance, and cohort-based learning, the Center equips districts and providers with the knowledge and tools to implement OBC effectively, driving long-term student success.

OBC
The Center for
Outcomes Based Contracting
at the Southern Education Foundation

obc.southerneducation.org

Follow on LinkedIn

Project Unicorn is a national initiative coordinated by InnovateEDU and powered by a coalition of organizations representing stakeholders across the education sector focused on optimizing education data with interoperability. As part of our efforts to transform the educational landscape, we develop a wide range of resources, events, and tools to educate K-12 buyers, putting them on the path to improve the impact and security of student data in their educational technology purchases and data ecosystem.

PROJECT UNICORN®

projectunicorn.org

Follow on LinkedIn

@projunicorn