

PAY FOR SUCCESS – A NEW WAY TO FUND WHAT WORKS

SUMMARY: Pay for Success is a public-private partnership in which a philanthropic or private sector funder pays the up-front costs for a social service intervention and is repaid by a government entity based on the achievement of previously agreed-upon specific outcomes within a given timeframe.

BACKGROUND: In 2016, Salt Lake County approved two Pay for Success (PFS) projects. The County Council appropriated \$3 million in 2016 and indicated its commitment to appropriate \$11.5 million over the course of four years to finance PFS results. The first project centers on reducing jail and prison recidivism, and the second addresses persistent homelessness.

SERVICE PROVIDERS: First Step House was selected to manage the criminal justice reduce-recidivism program. Using the evidence-based Recovery, Engagement, Assessment, Career Development and Housing (REACH) program, this PFS initiative will serve approximately 225 formerly incarcerated adult males at high-risk of re-engaging in criminal behavior. Participants receive a suite of intensive services targeted at criminogenic factors.

The Road Home received the contract to address persistent homelessness. Using the Homes Not Jail (HNJ) program, the Road Home will help address homelessness by providing rapid rehousing services to approximately 315 “persistently homeless” adults who have spent 90 to 364 days in emergency shelters in the previous twelve months.

FUNDING & SUCCESS METRICS: Private investors funded the project upfront, with the county committing up to \$11.5M in Success Payments if evaluation shows the milestones and success outcomes are met. The Utah Criminal Justice Center (UCJC), a collaborative partnership between the University of Utah and the Utah Commission on Criminal and Juvenile Justice, was selected as the evaluator. All PFS appropriations are in an off-budget escrow account that is controlled and managed by the county.

| <u>REACH Payable Metrics</u> |
|---|
| <ul style="list-style-type: none"> • Statewide arrests • Incarceration days • Employment • Treatment engagement |

| <u>HNJ Payable Metrics</u> |
|---|
| <ul style="list-style-type: none"> • Months without shelter or jail • Mental health services • Substance abuse services • Graduation to permanent housing |

TIMELINE:

- December 2017 – Pilot period conclusion.
- January 2018 – HNJ and REACH begin full implementation.
- Ongoing Service delivery – Project performance managed by Sorenson Impact Center; annual evaluation reports published by UCJC.
- PFS projects conclude – Project will end 6 years after project launch (24 quarters). Final report by UCJC. Repayments made, contingent upon evaluation reports, in 2022 and 2023.