

PAY FOR SUCCESS AGREEMENT

BETWEEN

SALT LAKE COUNTY, UTAH

AND

SLCO PFS 1, INC.

DATED AS OF

December 14, 2016

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PAY FOR SUCCESS AGREEMENT

This **PAY FOR SUCCESS AGREEMENT** dated as of December 14, 2016 is executed by and between **SALT LAKE COUNTY**, a body corporate and politic and a legal subdivision of the State of Utah, and **SLCO PFS 1, INC.**, a Utah nonprofit corporation recognized as a 501(c)(3) organization under the Internal Revenue Code of 1986, as amended.

WHEREAS, the Utah State Legislature amended the Utah Code during the 2014 General Session to enable a county to appropriate money in aid of a private enterprise project if such county receives value in return for monies appropriated and if in the judgment of such county's legislative body, the private enterprise project provides for the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of such county's residents;

WHEREAS, effective March 3, 2015, the County Council enacted *Salt Lake County Code of Ordinances Chapter 3.71 – County Participation in and Appropriation to a Private Enterprise Project*, enabling it to appropriate funds in aid of a private enterprise project if the County Council determines the project enhances the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the county residents and further determines the County will receive value in return for the funds appropriated as evidenced by a study which considers (a) the value received, (b) the purpose for the appropriation including an analysis of how it will be used and (c) the necessity of the appropriation to accomplish the stated goals and purpose of the County; and based on such study and following a public hearing, the County Council may adopt by resolution a determination of the value the County will receive in return for an appropriation to a private enterprise project;

WHEREAS, “Pay for Success” contracting is a private enterprise project and an innovative mechanism for funding and evaluating evidence-based initiatives for the delivery of publicly-funded services intended to (a) create strong incentives for improved performance and long-term positive outcomes, (b) facilitate faster and more rigorous determinations of whether publicly-funded programs achieve desired results, (c) accelerate the adoption of new, more effective solutions to core challenges faced by communities nationwide, and (d) provide a mechanism to create public-private partnerships to facilitate implementation of these solutions;

WHEREAS, state and local governments across the United States are exploring and utilizing Pay for Success initiatives as a means through which to invest in preventive, evidence-based interventions for vulnerable, high-risk, high-need populations;

WHEREAS, the County is at the forefront of the development of Pay for Success initiatives and is committed to measurably improving outcomes for at-risk populations in the County and desires to do so by (a) implementing performance-based contracting in order to shift performance risk for social programs to the private sector; (b) building capacity for local nonprofit service providers; (c) holding service providers more accountable using data-driven performance evaluation; and (d) creating mechanisms which allow the County to discontinue ineffective or inefficient service programs;

WHEREAS, on July 9, 2014, the County issued a *Request for Proposals MAY 7001 for Financing and Grant Assistance for Pay for Success Partnership*, pursuant to which the County

selected Third Sector to advise the County in the development of multiple Pay for Success initiatives;

WHEREAS, on December 12, 2014, the County issued a *Request for Proposals MAY 13277 for Pay for Success Financial and Legal Intermediary*, pursuant to which the County selected CFU, to set up and manage all legal and fiscal services in connection with the Projects;

WHEREAS, on January 13, 2015, the County Council approved the further development of Pay for Success initiatives in the areas of criminal justice and homelessness.

WHEREAS, CFU thereafter incorporated SPV to perform the duties and obligations of CFU in connection with the Projects and serve as the financial and legal intermediary among the County, Third Sector, the Service Providers, the Funders, the Independent Evaluator and the Project Manager;

WHEREAS, CFU has entered into a Shared Services Agreement with SPV pursuant to which CFU makes available to SPV certain employees and other resources necessary for SPV to perform its functions in connection with the Projects;

WHEREAS, on April 15, 2015, the County issued a *Request for Proposals MAY 16098 for Lead Agency for Criminal Justice Recidivism Pay for Success Project*, pursuant to which the County selected First Step to provide the First Step REACH Services;

WHEREAS, on August 10, 2015, the County issued a *Request for Proposals MAY 16100 for Lead Agency for Homelessness Pay for Success Project*, pursuant to which the County selected Road Home to provide the Road Home HNJ Services;

WHEREAS, the County raised a total of \$1,170,000 of funding in order to finance the creation and development of the Projects which amounts have been held in the Development Fund;

WHEREAS, support for Project Costs will come from amounts held in the Development Fund and funds received by SPV in the form of Loans or Grants, the exact terms of which are set forth in the Loan Agreements and Grant Agreements, respectively;

WHEREAS, on December 15, 2015, the County Council voted to increase the County certified tax rate in order to continue a \$9.4 million annual revenue stream that had previously been levied to pay for a 20-year jail bond and further expressed the legislative intent to allocate this revenue for criminal justice reforms;

WHEREAS, the County views both Projects as falling within the scope of criminal justice reforms;

WHEREAS, on February 23, 2016, the County Council adopted the study *Evidence-Based Interventions for Criminal Justice Reform*, evaluating the Projects intended to serve the Target Populations, which study anticipated a \$3,000,000 appropriation for fiscal year 2016 and up to a total of \$11,500,000 over the course of four years for the Projects;

WHEREAS, a public hearing was held on March 15, 2016, and thereafter, on March 29, 2016, the County Council adopted by Resolution No. 5068, a determination by way of the study that the County will receive value in return for the \$3,000,000 appropriated to the Projects for fiscal year 2016 and that the Projects will contribute to the safety, health, prosperity, moral well-being, peace, order, comfort or convenience of county residents;

WHEREAS, Resolution No. 5068 further required the County Mayor to (a) report to the County Council on a bi-annual basis, prior to the opening of the County budget, the net value received by the County for funds appropriated, which reports shall include expenditures saved, expenses foregone, the intangible benefits to the County, the intangible benefits received by residents, and other conveniences or comforts to County residents afforded by the Projects, and (b) to notify the County Council of payment benchmarks for success or performance payments;

WHEREAS, if and only to the extent the Projects achieve the desired outcomes described herein, as determined by the Independent Evaluator in accordance with the Evaluation Plans, the County is authorized to make Success Payments to SPV on the terms set forth herein;

WHEREAS, on March 29, 2016, the County Council made its first annual appropriation of \$3,000,000 (for fiscal year 2016) for the purpose of funding Success Payments that may be required hereunder; and

WHEREAS, SPV intends to use any funds received from the County in accordance with the provisions hereof, and as applicable, the provisions of the Loan Agreements and Grant Agreements.

NOW, THEREFORE, in order to establish the terms and conditions of the Projects and provide for the funding thereof, the Parties do hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01 Defined Terms. For purposes of this PFS Contract, the following terms have the meanings set forth below.

Annual Evaluation Report means the report described in Section 6.08(b).

AP&P means the State Department of Corrections Adult Probation and Parole.

Assignees means Lenders to whom SPV has collaterally assigned the right to payment in accordance with Section 12.04(b).

Automatic Termination Events means the events described in Section 11.01(a).

Biannual Evaluation Summary means the summary described in Section 6.08(a).

Budget means Appendix C-1 or Appendix C-2, as the case may be.

CFU means The Community Foundation of Utah, a Utah nonprofit corporation.

Client means the First Step REACH Clients and the Road Home HNJ Clients.

Comparative Outcomes means Performance Measures other than the Non-Comparative Outcomes.

County means Salt Lake County, a body corporate and politic and a legal subdivision of the State.

County Council means the Salt Lake County Council, the legislative body of the County.

County Criminal Justice Minimum Performance Threshold Failure means that at any time after the Criminal Justice Pilot Period, the Project Manager and Independent Evaluator together determine, based on the Evaluation Reports, that for two consecutive Quarters the average number to date of Eligible Criminal Justice Referrals newly enrolled per Quarter is fewer than 12 individuals and the County caused to be referred to the Criminal Justice Project Treatment Group an average to date of 24 or fewer Eligible Criminal Justice Referrals per Quarter.

County Criminal Justice Pilot Failure means that at the end of the Criminal Justice Pilot Period the Project Manager determines, based on the Pilot Report, that there have been fewer than 18 First Step REACH Clients enrolled and the County has caused to be referred 36 or fewer Eligible Criminal Justice Referrals to the Criminal Justice Project Treatment Group.

County Homelessness Minimum Performance Threshold Failure means that the Project Manager and Independent Evaluator together determine, based on the Evaluation Reports, that for two consecutive Quarters (i) during Quarters 5 through 16 after the Homelessness Launch Date, an average to date of less than 11 Road Home HNJ Clients are placed in housing per Quarter and the County has caused to be referred an average to date of 52 or fewer Verified Persistently Homeless Individuals to the Homelessness Project or (ii) during Quarters 17 and 18 after the Homelessness Launch Date an average of less than 19 Road Home HNJ Clients are placed in housing and an average to date of 89 or fewer Verified Persistently Homeless Individuals have been referred to the Homelessness Project.

County Homelessness Pilot Failure means that at the end of the Homelessness Pilot Period the Project Manager determines, based on the Pilot Report, that there have been fewer than 17 Road Home HNJ Clients placed in housing and the County has caused to be referred 80 or fewer Verified Persistently Homeless Individuals to the Homelessness Project.

County Minimum Performance Threshold Failure means Minimum Performance Threshold Failure as a result of County Criminal Justice Minimum Performance Threshold Failure or County Homelessness Minimum Performance Threshold Failure.

County Pilot Failure means Pilot Failure as a result of County Criminal Justice Pilot Failure or County Homelessness Pilot Failure.

Criminal Justice Evaluation Agreements means the collective group of data sharing agreements required to be entered into by the Independent Evaluator on or before the Criminal Justice Launch Date in order to successfully evaluate the Criminal Justice Project.

Criminal Justice Launch Date means the date established by the Executive Committee as the date on which all conditions to Launch set forth in Section 2.02 have been satisfied with respect to the Criminal Justice Project.

Criminal Justice Pilot Period means the first six (6) months after the Criminal Justice Launch Date which period will be used to assess operational performance of the Criminal Justice Project.

Criminal Justice Project means the Pay for Success social service delivery program in the County intended to serve the Criminal Justice Target Population.

Criminal Justice Project Control Group means Eligible Criminal Justice Referrals who are randomized by the Independent Evaluator as part of the Criminal Justice Project control group and not included as part of the Criminal Justice Project Treatment Group.

Criminal Justice Project Treatment Group means potential First Step REACH Clients referred to the Criminal Justice Project as Eligible Criminal Justice Referrals and randomized by the Independent Evaluator to First Step.

Criminal Justice Referral Agreement means the referral agreement between the County, AP&P, First Step and Independent Evaluator, dated on or before the Criminal Justice Launch Date.

Criminal Justice Target Population means high-risk, high-need individuals in the County who have been released from the County jail system and are most likely to recidivate.

Defaulting Funder means a Funder who fails to deliver funds to SPV in accordance with the terms of its Loan Agreement or Grant Agreement.

Development Fund means the fund administered by SPV pursuant to the Development Fund Agreement.

Development Fund Agreement means the Development Fund Agreement dated as of August 31, 2015 among the County, Third Sector and SPV.

Drop Date means 200 days after Execution Date.

DWS means the State Department of Workforce Services.

Earned Success Payments means any Success Payments earned during the period covered by the applicable Evaluation Report.

EC Closed Session means an Executive Committee Meeting or portion thereof where the general public has been dismissed pursuant to Section 5.02(d).

EC Members means members of the Executive Committee.

Eligible Criminal Justice Referrals means individuals from the Criminal Justice Target Population identified by First Step and the Independent Evaluator as an individual with limited or no jail time remaining on their sentence eligible to participate in the Criminal Justice Project.

Escrow Agent means U.S. Bank National Association, as Escrow Agent under the Escrow Agreement.

Escrow Agreement means the Escrow Agreement dated as of November 21, 2016, between Salt Lake County and U.S. Bank National Association.

Evaluation Agreements mean the Criminal Justice Evaluation Agreements and the Homelessness Evaluation Agreements.

Evaluation Plan means Appendix B-1 or Appendix B-2, as the case may be.

Evaluation Reports means the Biannual Evaluation Summaries, Annual Evaluation Reports and Final Evaluation Reports.

Exclusive EC Matters means those items on which the Executive Committee has the exclusive right and obligation to consider and vote on as set forth in Section 5.02(f), subject to Funder Consent as set forth in Section 5.03.

Execution Date means December 14, 2016.

Executive Committee means the committee established pursuant to Section 5.02.

Executive Committee Meetings means regular or special meetings of the Executive Committee.

Expected Termination Date means the day after (a) the last of the Final Evaluation Reports has been prepared and delivered as required hereunder and (b) the balance in the SPV Operating Account has been fully disbursed pursuant hereto.

Failed Funding Date means the date on which funding was due to have been provided to SPV, but was not so provided, by a Defaulting Funder under the terms of a Loan Agreement or Grant Agreement.

Final Evaluation Report means the report described in Section 6.08(c).

First Step means First Step House, a Utah nonprofit corporation.

First Step REACH Client means each participant in the Criminal Justice Project receiving the First Step REACH Services and enrolled in the Criminal Justice Project pursuant to First Step's formal intake and assessment procedures, which include (1) a face-to-face meeting with a First Step assessment and intake specialist; (2) a consent to treatment form; and (3) an assessment process and/or attendance for at least one program service.

First Step REACH Services means the services provided by First Step relating to and necessary to achieve the desired outcomes associated with the Criminal Justice Project.

First Step Service Provider Agreement means the Service Provider Agreement between SPV and First Step, dated as of the date hereof.

Funder Consent means, in the case of consent items relating to both Projects, approval by Lenders who have invested and/or committed to invest at least two-thirds (2/3) of the total amount of funding provided or to be provided by all Lenders, and in the case of a decision relating to a single Project, approval by Lenders who have invested and/or committed to invest at least two-thirds (2/3) of the total amount of funding provided or to be provided by all Lenders for such affected Project. The calculation of approval thresholds for Funder Consent shall not include Funders who invested in a single Project that has failed to Launch or that has terminated or, for a Funder that has invested in both Projects shall not include amounts invested or intended to be invested by such a Funder in a Project that has failed to Launch or that has terminated.

Funders means Lenders and Grantors.

Funding Plan means Appendix A-1 or Appendix A-2 hereto, as the case may be.

GAAP means generally accepted accounting principles for not-for-profit entities set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession which are applicable to the circumstances as of the date of determination.

GRAMA means Utah Government Records Access and Management Act, Utah Code Ann. §§ 63G-2-101 to -901.

Grant means each grant, transfer or pledge of monies to SPV by a Grantor pursuant to a Grant Agreement.

Grant Agreement means each agreement executed by or between SPV and/or a Grantor pursuant to which a Grant is made, including, without limitation, any agreements or documents relating to the terms of such Grant.

Grantor means each individual and entity providing a Grant pursuant to a Grant Agreement.

HMIS means the DWS Homeless Management Information System.

HNJ means Homes Not Jails.

Homelessness Evaluation Agreements means the collective group of data sharing agreements required to be entered into by the Independent Evaluator on or before the Homelessness Launch Date in order to successfully evaluate the Homelessness Project.

Homelessness Launch Date means the date established by the Executive Committee as the date on which all conditions to Launch set forth in Section 2.02 have been satisfied with respect to the Homelessness Project.

Homelessness Referral Agreement means the referral agreement between the County, DWS, Road Home and Independent Evaluator, dated on or before the Homelessness Launch Date.

Homelessness Pilot Period means the first twelve (12) months after the Homelessness Launch Date which period will be used to assess operational performance of the Homelessness Project.

Homelessness Project means the Pay for Success social service delivery program in the County intended to serve the Homelessness Target Population.

Homelessness Target Population means high-risk, high-need individuals in the County who are persistently homeless, have a high frequency of arrest and incarceration, and are likely to become chronically homeless.

HUD means the U.S. Department of Housing and Urban Development.

Immunity Act means the Utah Governmental Immunity Act, Utah Code Ann. §§ 63G-7-101 to -904.

Impact Lender means any Lender providing an Impact Loan.

Impact Loan means a Loan subordinate to a Senior Loan made pursuant to a Subordinate Loan Agreement by and between Northern Trust Company, as collateral agent, SPV, as borrower, and an Impact Lender.

Independent Evaluator means the University of Utah, on behalf of its Utah Criminal Justice Center.

Independent Evaluator Agreement means the Independent Evaluator Agreement dated as of the date hereof, between SPV and the Independent Evaluator with respect to the Projects.

Launch means to formally commence a Project for purposes of evaluating outcomes and calculating Success Payments under this PFS Contract.

Launch Date means the Homelessness Launch Date or the Criminal Justice Launch Date, as the case may be.

Lead Evaluator means Dr. Rob Butters, Ph.D. or his designee or successor, if approved by the Executive Committee.

Lender means each individual and entity providing a Loan pursuant to a Loan Agreement.

Loan means each loan to SPV by a Lender pursuant to a Loan Agreement.

Loan Agreements means each agreement executed between SPV and a Lender or Lenders pursuant to which a Loan is made or committed, including, without limitation, any agreements or documents relating to the terms of such Loan or pledging collateral to secure such Loan and any intercreditor agreements.

Material Breach means a breach of this PFS Contract by a Party that would either (i) reasonably be expected to materially adversely affect one or more payments by the Funders or the payment of any Success Payments, or (ii) be a material violation of applicable law; certain events described hereunder are deemed a Material Breach by the terms hereof and the Executive Committee also has the right to determine whether a Material Breach has occurred.

Minimum Performance Thresholds means the minimum standards of operational performance for a Project as described in Section 2.07.

Non-Comparative Outcomes means the outcomes of the non-comparative Performance Measures, as such Performance Measures are described and further defined in the Evaluation Plans.

OC Closed Session means an Operational Meeting or portion thereof where the general public has been dismissed pursuant to Section 5.01(d).

OC Members means members of the Operating Committee.

Operating Committee means the committee established pursuant to Section 5.01.

Operational Meetings means regular or special meetings of the Operating Committee.

Optional Termination Event means the events described in Section 11.01(c).

Parties means the County and SPV.

Performance Measures means the specific measures and outcomes further defined and described in the Evaluation Plans upon which Success Payments are based.

PFS Contract means this Pay for Success Agreement dated as of the Execution Date between the County and SPV.

PFS Effective Date means the earlier to occur of the Homelessness Launch Date and the Criminal Justice Launch Date.

PFS Escrow Fund means the escrow account established with the Escrow Agent pursuant to the Escrow Agreement.

Pilot Failure has the meaning assigned it in Section 2.03(b).

Pilot Period means the Criminal Justice Pilot Period or the Homelessness Pilot Period, as the case may be.

Pilot Report means the report described in Section 6.02.

Presumptive Termination Event means the events described in Section 11.01(b).

Projects means the Homelessness Project and the Criminal Justice Project, collectively.

Project Costs means all Project-related costs, including, without limitation, the costs of repaying amounts loaned to the Development Fund, costs to provide the Services, operational costs of the Service Providers and SPV relating to the Projects and this PFS Contract, costs of the Independent Evaluator and Project Manager relating to the Projects and this PFS Contract, and fees of Third Sector and the Escrow Agent, whether such costs were incurred prior to or after the Execution Date.

Project Manager means the University of Utah, on behalf of its Sorenson Impact Center.

Project Manager Agreement means the Project Manager Agreement dated as of the date hereof, between the Project Manager and SPV.

Project Manager Monthly Report means the report described in Section 6.04.

Projects means the Homelessness Project and the Criminal Justice Project.

Proposed Funding Agreement means any proposed Loan Agreement or Grant Agreement or any amendment thereto.

Quarter means a calendar quarter, except as provided in Section 2.05.

Ramp-Up Period means the period commencing on the Execution Date and ending on the Homelessness Launch Date or the Criminal Justice Launch Date, as the case may be.

Replacement SPV means any successor financial and legal intermediary appointed hereunder.

Reporting Timeline means Appendix D-1 or Appendix D-2, as the case may be.

Risk Mitigation means taking necessary steps to reduce any adverse effects, upon information that a Client may be or is a danger to themselves or others.

Road Home means The Road Home, a Utah nonprofit corporation.

Road Home HNJ Client means each participant in the Homelessness Project receiving the Road Home HNJ Services and enrolled in the Homelessness Project pursuant to Road Home's formal intake and assessment procedures.

Road Home HNJ Services means the services provided by Road Home relating to and necessary to achieve the desired outcomes associated with the Homelessness Project.

Road Home Service Provider Agreement means the Service Provider Agreement between SPV and Road Home, dated as of the date hereof.

Senior Lender means any Lender providing a Senior Loan.

Senior Loan means a Loan made pursuant to a Senior Loan Agreement by and between Northern Trust Company, as collateral agent, SPV, as borrower, and a Senior Lender, which Loan is senior to an Impact Loan.

Service Provider Agreements means the First Step Service Provider Agreement and Road Home Service Provider Agreement.

Service Provider Monthly Report means the report described in Section 6.03.

Service Providers means Road Home and First Step.

Services means the Road Home HNJ Services and the First Step REACH Services.

Significant Policy Change means a policy change which the Independent Evaluator, at the request of the Executive Committee, determines materially influences one or both of the Target Populations in a manner that significantly reduces the untreated group's values for payable outcomes during the project period. Significant policy changes are those that would subsequently hinder the ability of the respective Projects to produce the anticipated effect because untreated base rates would be significantly lower than projected values for the untreated group in the absence of such policy changes. These types of changes may be detected and tested using procedures outlined in the evaluation plan (i.e., examining trends before and during the term of the Projects and determining whether policy-based discontinuities occurred).

Special Majority Approval means the approval of a majority of the EC Members constituting a quorum eligible to vote, which majority must include the County representative and the Funder representative.

SPV means SLCO PFS 1, Inc., a Utah nonprofit corporation recognized as a 501(c)(3) organization under the Tax Code, established as the special purpose vehicle.

SPV Claims means any and all demands, claims, damages to persons or property, losses and liabilities, including reasonable attorneys' fees arising out of or caused by SPV's misappropriation of funds or commission of fraud in the handling of funds under this PFS Contract.

SPV EC Quarterly Report means the report described in Section 6.06.

SPV OC Quarterly Report means the report described in Section 6.05.

SPV Operating Account means the deposit account(s) established and maintained by SPV pursuant to Section 4.02 and this PFS Contract.

State means the State of Utah.

Substitute Evaluation Report means a replacement Evaluation Report to be used in place of and for the time period covered by a challenged Evaluation Report.

Success Fees means, at the end of the 24th Quarter after the respective Launch Date of a given Project, any amounts remaining in the applicable general ledger of the SPV Operating Account for such Project after payment of all other amounts described in Section 4.02(e)(i) and (ii).

Success Payments means outcome-based payments from the County to SPV as described in Section 4.03(a).

Target Populations means the Homelessness Target Population and the Criminal Justice Target Population.

Tax Code means the Internal Revenue Code of 1986, as amended.

Third Sector means Third Sector Capital Partners, Inc., a Massachusetts nonprofit corporation.

URS means Utah Retirement Systems.

Verified Persistently Homeless Individuals means individuals from the Homelessness Target Population identified by HMIS as persistently homeless individuals who have spent at least one night in an HMIS participating shelter located in the County in the Quarter in which they were identified by HMIS.

Section 1.02 Appendices. The appendices attached hereto are hereby incorporated by reference and made a part hereof as if fully set forth herein.

ARTICLE 2

LAUNCH, PILOT PERIOD, TERM AND MINIMUM PERFORMANCE THRESHOLDS

Section 2.01 Ramp-Up Period; Drop Date. During each Ramp-Up Period, the Parties shall use their reasonable best efforts to satisfy, or cause to be satisfied, the conditions to Launch described in Section 2.02. In the event the conditions to Launch for a Project have not been satisfied and a Launch Date has not been established by the Drop Date, the Executive Committee may terminate such Project. If the conditions to Launch have not been satisfied and no Launch Date has been established for either of the Projects by the Drop Date, this PFS Contract will automatically terminate.

Section 2.02 Conditions to Launch. Notwithstanding the fact that certain of the Services may be provided during each Ramp-Up Period, the Parties agree that the Services contemplated by this PFS Contract for each Project, as further detailed in the applicable Service Provider Agreement, will only Launch after the conditions set forth in this Section 2.02 have been satisfied, as determined by the Project Manager.

(a) *General Conditions*. The following conditions to Launch are applicable to each of the Projects separately:

- (i) Loan Agreements and/or Grant Agreements have been duly executed to provide sufficient funding to begin the Pilot Period for the applicable Project;
 - (ii) Funders have disbursed to SPV all amounts required to pay Project Costs for the first two Quarters of the applicable Project after Launch (\$540,866 for the Criminal Justice Project and \$515,505 for the Homelessness Project), as set forth in the applicable Funding Plan; and
 - (iii) SPV has furnished to the County certificates of insurance evidencing the insurance coverages set forth in Section 12.12 are in full force and effect.
 - (iv) The Project Manager Agreement and Independent Evaluator Agreement have been duly executed.
 - (v) The Escrow Agreement has been duly executed.
 - (vi) The related Service Provider Agreement has been duly executed.
- (b) *Homelessness Project Conditions.* Prior to Launch of the Homelessness Project,
- (i) Road Home must have consented to Launch of the Homelessness Project in writing (by electronic mail), representing to the Parties that Road Home (A) has hired an appropriate number of staff and has adequate facilities to administer its intervention model and perform the Road Home HNJ Services; and (B) has adequate resources to serve the first nine (9) Road Home HNJ Clients;
 - (ii) the Homelessness Evaluation Agreements must have been duly executed; and
 - (iii) the County must have caused to be referred to Road Home no fewer than 18 Verified Persistently Homeless Individuals.
- (c) *Criminal Justice Project Conditions.* Prior to Launch of the Criminal Justice Project,
- (i) First Step must have consented to Launch of the Criminal Justice Project in writing (by electronic mail), representing to the Parties that First Step (A) has hired an appropriate number of staff and has adequate facilities to administer its intervention model and perform the First Step REACH Services; and (B) has adequate resources to serve the first 19 First Step REACH Clients;
 - (ii) the Criminal Justice Evaluation Agreements must have been duly executed; and

- (iii) the County must have caused to be referred no fewer than 19 individuals to the Criminal Justice Project Treatment Group.

Section 2.03 Pilot Period.

(a) *Funding.* Delivery of the Services during the Pilot Periods will be funded primarily from funds received from Grantors.

(b) *Pilot Failure.* If at the end of the applicable Pilot Period the Project Manager determines (unless expressly provided otherwise under this Section 2.03(b)), based on the applicable Pilot Report, that a Project has failed to achieve satisfactory levels of operational performance described below (a “Pilot Failure”), the same shall be a Presumptive Termination Event. In such event, the Project Manager will present evidence of the Pilot Failure to the Executive Committee, and the Executive Committee shall determine whether to continue the Project.

- (i) Each of the following reflect failure to achieve satisfactory levels of operational performance for the Criminal Justice Project:

- A. If there have been fewer than 18 First Step REACH Clients enrolled; or

- B. If less than 50% of Eligible Criminal Justice Referrals referred to the Criminal Justice Project have been enrolled as First Step REACH Clients (or if less than 45% of Eligible Criminal Justice Referrals referred to the Criminal Justice Project have been enrolled as First Step REACH Clients, in the event 60% or more of the Eligible Criminal Justice Referrals referred to the Criminal Justice Project in the second Quarter of the Criminal Justice Pilot Period have been enrolled as First Step REACH Clients); or

- C. If less than 30% of First Step REACH Clients have been engaged in at least 100 hours of treatment within any three month period after enrollment.

- (ii) Each of the following reflect failure to achieve satisfactory levels of operational performance for the Homelessness Project:

- A. If there have been fewer than 17 Road Home HNJ Clients placed in housing; or

- B. If less than 50% of Road Home HNJ Clients have been placed in housing within three months of referral to the Homelessness Project; or

- C. If an average of more than 30% of housing placements of Road Home HNJ Clients resulted in a “negative exit,” as defined by HUD, within three months of housing placement; or

D. If Road Home failed to have a behavioral health clinician on staff for a total of six months of the Homelessness Pilot Period.

(c) *Amendments to Evaluation Plans.* If the applicable Service Provider, Project Manager and Independent Evaluator agree, based on the applicable Pilot Report or other reliable source, that the operational performance of a Project during the applicable Pilot Period is unlikely to result in an accurate evaluation of the true effect of the Project after the applicable Pilot Period, as evidenced by one or more of the results described below, the Project Manager and Independent Evaluator together may propose one or more amendments to the corresponding Evaluation Plan to the Executive Committee and the Executive Committee may, subject to Section 5.03(b), amend the corresponding Evaluation Plan, using such proposal(s) as the basis therefor; provided, however, that the Executive Committee is under no obligation to adopt any amendment in the form proposed.

(i) The following will evidence the need for discussion regarding possible amendment of the Evaluation Plan for the Criminal Justice Project pursuant to this Section 2.03(c):

A. Pilot Failure of the Criminal Justice Project other than as set forth in Section 2.03(b)(i)(A) and a determination of the Executive Committee not to exercise any termination right; or

B. If at either three or six months after the Criminal Justice Launch Date, less than 75% of treatment engagement data to date is accurately recorded, as determined by the Independent Evaluator in accordance with the applicable Evaluation Plan; or

C. If at the end of the Criminal Justice Pilot Period, less than 50% of First Step REACH Clients have been engaged in at least 100 hours of treatment within the three month period after enrollment, as determined by the Project Manager and First Step; or

D. If at the end of the Criminal Justice Pilot Period, less than 2/3 of First Step staff needed to serve First Step REACH Clients are trained in required modalities for their position (e.g., MRT, MI, etc.) over the course of any one Quarter, as determined by the Project Manager and First Step; or

E. If at the end of the Criminal Justice Pilot Period, more than 20% of Eligible Criminal Justice Referrals referred to the Criminal Justice Project Treatment Group are diagnosed by a medical professional with Schizophrenia or another severe mental disability, as determined by First Step and the Independent Evaluator based on medical records or other reliable sources.

(ii) The following will evidence the need for discussion regarding possible amendment of the Evaluation Plan for the Homelessness Project pursuant to this Section 2.03(c):

A. Pilot Failure of the Homelessness Project other than as set forth in Section 2.03(b)(ii)(A) and a determination of the Executive Committee not to exercise any termination right; or

B. If at the end of the Homelessness Pilot Period, the Project Manager determines that Road Home failed to have a behavioral health clinician on staff for a total of three months during the Homelessness Pilot Period.

Section 2.04 Expected Termination Date. Unless terminated earlier or extended pursuant to the terms of this PFS Contract, this PFS Contract will terminate on the Expected Termination Date.

Section 2.05 Quarters. If any Launch Date falls on the first day of any calendar quarter (January 1, April 1, July 1, or October 1), each calendar quarter will be a Quarter for purposes of this PFS Contract. If a Launch Date does not fall on the first day of any calendar quarter, then the first Quarter will be the period from the Launch Date until the end of the calendar quarter in which the Launch Date occurs, and the last Quarter will be a partial calendar quarter ending on the day prior to the day the “stub period” began in the first Quarter.

Section 2.06 Services. Notwithstanding the fact that certain of the Services may be provided during each Ramp-Up Period, the Road Home HNJ Services will commence on the Homelessness Launch Date pursuant to the Road Home Service Provider Agreement. The First Step REACH Services will commence on the Criminal Justice Launch Date pursuant to the First Step Service Provider Agreement.

Section 2.07 Minimum Performance Thresholds. If based on the Evaluation Reports the Project Manager and Independent Evaluator together determine that a Project fails to meet the Minimum Performance Thresholds, as described below, the Project Manager will present such evidence to the Executive Committee, and if the Executive Committee agrees with the conclusion of the Project Manager and Independent Evaluator, such failing Project may be terminated by the Executive Committee. For purposes of this Section 2.07, references to an average mean average to date.

(a) The following will be considered a failure to meet Minimum Performance Thresholds for the Criminal Justice Project:

- (i) *Referrals*. If at any time after the Criminal Justice Pilot Period the average number of Eligible Criminal Justice Referrals newly enrolled in the Criminal Justice Project per Quarter is fewer than 12 individuals for two consecutive Quarters; or
- (ii) *Enrollment Rate*. If at any time after the Criminal Justice Pilot Period an average of less than 50% of Eligible Criminal Justice Referrals referred to the Criminal Justice Project per Quarter for two consecutive Quarters are enrolled as First Step REACH Clients; or

- (iii) *Leading Indicator of Success.* If at any time after the Criminal Justice Pilot Period an average of less than 30% of First Step REACH Clients are engaged in at least 200 hours of treatment within six months of enrollment in the Criminal Justice Project for the time period covered by two consecutive Evaluation Reports.

(b) The following will be considered a failure to meet Minimum Performance Thresholds for the Homelessness Project:

- (i) *Referrals.* If during Quarters 5 through 16 after the Homelessness Launch Date an average of less than 11 Road Home HNJ Clients are placed in housing per Quarter for two consecutive Quarters; or

If during Quarters 17 and 18 after the Homelessness Launch Date an average of less than 19 Road Home HNJ Clients are placed in housing; or

- (ii) *Enrollment Rate.* If at any time after the Homelessness Pilot Period an average of less than 50% of Road Home HNJ Clients have been placed in housing within three months of referral to the Homelessness Project for two consecutive Quarters; or

- (iii) *Leading Indicator of Success.* If at any time after the close of Quarter 6 after the Homelessness Launch Date the average number of all Road Home HNJ Clients that have graduated to permanent housing to date is less than 30% in two consecutive Annual Evaluation Reports or Biannual Evaluation Summaries.

ARTICLE 3

EVALUATION OF PROJECTS GENERALLY

Section 3.01 Evaluation Plans. The Independent Evaluator has prepared, and the Parties have reviewed and approved, the Evaluation Plans which set forth detailed procedures for the evaluation of each of the Projects and their outcomes.

Section 3.02 Independent Evaluator's Role. The Independent Evaluator, pursuant to the Independent Evaluator Agreement, will be responsible for (a) creating a system for determining the eligibility of control groups and the eligibility of Clients to receive the Services, (b) verifying the number of Clients, (c) applying the evaluation criteria, performance measurement criteria and evaluation methodology set forth in the Evaluation Plans, (d) calculating Earned Success Payments, provided that in carrying out this responsibility, the Independent Evaluator is entitled to rely on the formulas and procedures of Section 4.04, and (e) performing such other functions as are set forth in the Evaluation Plans, the Evaluation Agreements and the Independent Evaluator Agreement. Pursuant to the Independent Evaluator Agreement, the Lead Evaluator will supervise all of the Independent Evaluator's obligations under the Independent Evaluator Agreement and the Evaluation Plans and advise the Executive Committee.

Section 3.03 Provision of Information. Each of the Parties shall provide to each other and the Independent Evaluator such information as is required pursuant to this PFS Contract or necessary for each party to carry out its respective responsibilities in accordance with this PFS Contract, the Independent Evaluator Agreement, the Evaluation Agreements and the Evaluation Plans. The Service Provider Agreement will include provisions that require the Service Provider to provide the Independent Evaluator with such information as is required pursuant to this PFS Contract in order for the Independent Evaluator to carry out its responsibilities under this PFS Contract, the Independent Evaluator Agreement and the Evaluation Plans (including without limitation the calculation of Minimum Performance Thresholds). Notwithstanding anything to the contrary above, it is not intended by the Parties for SPV to receive, request or retain any personal, private or protected Client information.

ARTICLE 4 **FUNDING AND PAYMENTS**

Section 4.01 Proposed Funding Agreements. At all times during the term of this PFS Contract, SPV shall not be responsible for identifying or soliciting Funders for the Projects, but shall, at the direction of the Executive Committee, use its reasonable best efforts to negotiate agreements for funding with Funders identified by the County. Prior to executing any Proposed Funding Agreement after the Execution Date, SPV shall provide a copy of each such Proposed Funding Agreement to the County. SPV shall not execute any such Proposed Funding Agreement without first obtaining written consent from the County; provided, however, that consent may be withheld by the County only to the extent the County is able to identify a provision of the Proposed Funding Agreement which impacts the rights, responsibilities, or obligations of the County in a manner that is inconsistent with this PFS Contract. For the avoidance of doubt, after SPV receives consent from the County, SPV hereby reserves sole discretion in determining whether a Proposed Funding Agreement is in acceptable form. At the direction of the Executive Committee, without prior submission to or consent of the County, SPV shall have the right to enter into an amendment to a Loan Agreement with Lenders or an amendment to a Grant Agreement with Grantors if necessary in connection with events described in Section 11.01(b)(xi)(A).

Section 4.02 SPV Operating Account.

(a) *Establishment of SPV Operating Account*. SPV shall establish and maintain during the term of this PFS Contract one or more deposit accounts with a financial institution approved by the Funders as of the Execution Date or approved by Funder Consent thereafter. On the earliest Launch Date, SPV shall deposit any remaining monies in the Development Fund into the SPV Operating Account. Also, SPV shall at all times deposit all monies received from the Funders, the County and the PFS Escrow Fund into the appropriate general ledger of such SPV Operating Account.

(b) *General Ledgers*. Within the SPV Operating Account, SPV shall establish and maintain a separate general ledger for each Project and the provisions of this Section 4.02 shall apply to each Project and its ledger individually. SPV shall track the revenues and expenses related to each Project in the separate general ledgers, whether in one or more accounts. If there are any shared expenses, then SPV shall allocate such shared expenses between the general

ledgers as allocated in the Funding Plan or as otherwise directed by the Executive Committee. Any amounts received from Funders shall be allocated to each of the Projects in accordance with each Funder's pro rata commitment allocable to such Project, as set forth in the applicable Loan Agreements or Grant Agreements, it being understood that certain Funders have committed to fund both Projects and certain Funders have committed to fund only a single Project.

(c) *Interest.* Any interest earned on monies in the SPV Operating Account will be held within the SPV Operating Account for distribution pursuant to this Section 4.02.

(d) *Control and Security Pledge.* The SPV Operating Account will be collaterally pledged to secure amounts owing or which may become owing under the Loan Agreements to certain Funders pursuant to one or more control and security agreements that will be negotiated and signed on the Execution Date.

(e) *Payments from SPV Operating Account.* Except as otherwise provided herein, any monies within SPV Operating Account may only be transferred or paid from the SPV Operating Account as follows:

(i) First, to pay all Project Costs.

A. *Payments to Service Providers.* SPV shall disburse payments to the Service Providers from the SPV Operating Account on a Quarterly basis pursuant to the terms of the Service Provider Agreements. (Nevertheless, during the first quarter following the completion of the Pilot Period for each Project, the SPV may make two disbursements to the applicable Service Provider.) Unless modified in accordance with the Service Provider Agreements and this PFS Contract, Service Provider Project Costs will be as set forth in the Budgets. The Funding Plans set forth the estimated amounts and the timing of payments of such Project Costs.

B. *Payments to SPV and Third Sector.* SPV shall disburse payments to itself and to Third Sector in accordance with the Funding Plans.

C. *Repayment of Development Fund Loans.* SPV shall disburse payments to repay loans to the Development Fund in accordance with the terms of its agreements associated therewith. The Funding Plans set forth the estimated amounts and the timing of payments of such Project Costs.

D. *Payments to Independent Evaluator and Project Manager.* SPV shall disburse payments to the Independent Evaluator and the Project Manager in accordance with the terms of the Independent Evaluator Agreement and the Project Manager Agreement, as the case may be. The Funding Plans set forth the estimated amounts and the timing of payments of such Project Costs.

E. *Insufficient Funds; Priority.* In the event there are insufficient funds in the SPV Operating Account to pay all Project Costs at any time, SPV shall disburse funds available within the SPV Operating Account for Project Costs on a pro rata basis to the parties entitled to such payments.

(ii) Second, to make all interest and principal payments to Lenders, as required under the Loan Agreements, or in the case of one or more Lenders desiring to redirect money otherwise payable to them, as specifically provided in the Loan Agreements, which payments from the SPV Operating Account are hereby authorized. SPV shall disburse funds to the Lenders in the order of priority and in the amounts set forth below, all in accordance with the timing set forth in the Funding Plans:

A. First, regardless of whether Earned Success Payments have been calculated or Success Payments made pursuant to Sections 4.04 and 4.05, respectively, SPV shall make interest payments to Senior Lenders and then to Impact Lenders, in amounts determined in accordance with the Loan Agreements.

B. Second, subject to the payment of sufficient Success Payments, SPV shall make principal repayments to Senior Lenders and then to Impact Lenders, in amounts determined in accordance with the Loan Agreements.

C. After Quarter 18 and at any time prior to an anticipated repayment date under a Loan Agreement, the Executive Committee may direct SPV to prepay to all, and not less than all, Lenders, all principal drawn under the Loan Agreements in advance of the anticipated repayment date, together with interest accrued thereon and other amounts owed, if any. Notwithstanding anything herein to the contrary, such prepayment may be made before payment of Project Costs; provided that any prepayment must still be in the order of payment priority set forth in this Section 4.02(e)(ii) and that as a condition to such prepayment (1) the general ledger of the SPV Operating Account for the Criminal Justice Project must have a balance equal to or greater than \$350,000 after making such prepayment and the general ledger of the SPV Operating Account for the Homelessness Project must have a balance equal to or greater than \$400,000 after making such prepayment, and (2) the general ledger from which such prepayment will be made (based on original deposit of such funds) must have a balance sufficient to make the requested repayment and pay Project Costs coming due in the coming two Quarters. Upon any such prepayment, the Executive Committee shall amend the Funding Plan(s) accordingly.

(iii) Lastly, if at the end of the 24th Quarter after the respective Launch Date of a given Project, there are funds remaining in the general ledger of the SPV

Operating Account for such Project after payment of all Project Costs under subsection (e)(i) of this Section 4.02, and after payment of all interest and principal payments to Lenders, then SPV shall disburse Success Fees to the applicable Lenders and Service Providers as follows, and in the case of one or more Lenders desiring to redirect Success Fees otherwise payable to them, as specifically provided in the Loan Agreements, which payments from the SPV Operating Account are hereby authorized:

A. For amounts in the general ledger of the SPV Operating Account relating to the Criminal Justice Project,

(1) to Impact Lenders, the first \$245,500 of Success Fees and 58% of Success Fees in excess thereof, on a pro rata basis, in accordance with their original principal contributions, until total success fees allocated to the Impact Lenders reach \$507,500; and

(2) to First Step, 42% of Success Fees in excess of the first \$245,500 until First Step Success Fees equal \$190,000.

(3) After the Success Fees have been allocated as set forth in this subsection (A)(1)-(2), any remaining Success Fees will be allocated as follows:

1. 33.34% to First Step;

2. 32.33% to the Senior Lenders, on a pro rata basis, in accordance with their original principal contributions to the Criminal Justice Project;

3. 30.83% to the Impact Lenders, on a pro rata basis, in accordance with their original principal contributions to the Criminal Justice Project; and

4. 3.5% to the Project Manager.

B. For amounts in the general ledger of the SPV Operating Account relating to the Homelessness Project,

(1) to Impact Lenders, the first \$144,500 of Success Fees and 51.15% of Success Fees in excess thereof, on a pro rata basis in accordance with their original principal contributions; until total success fees allocated to the Impact Lenders reach \$343,500; and

(2) to Road Home, 48.85% of Success Fees in excess of the first \$144,500 until Road Home Success Fees equal \$190,000.

(3) After the Success Fees have been allocated as set forth in this subsection (B)(1)-(2), any remaining Success Fees will be allocated as follows:

1. 33.34% to Road Home;
2. 32.33% to the Senior Lenders, on a pro rata basis, in accordance with their original principal contributions to the Homelessness Project;
3. 30.83% to the Impact Lenders, on a pro rata basis, in accordance with their original principal contributions to the Homelessness Project; and
4. 3.5% to the Project Manager.

(f) *Availability of Funds.* Notwithstanding anything herein to the contrary, SPV shall not be required to make any payment under this PFS Contract in the event of insufficient funds in SPV Operating Account, provided SPV did not misappropriate funds, or in the event of SPV's inability to reach such funds due to a lien on the SPV Operating Account in favor of any Funder.

(g) *Misappropriation and Fraud.* In the event SPV misappropriates funds hereunder or commits fraud with respect to the handling of funds in its custody, the County may proceed to protect its rights hereunder and may exercise any other right or remedy upon such default as may be available under this PFS Contract or applicable law.

(h) *Insufficiency of Funds Not a Breach.* SPV may not be found to be in breach under this PFS Contract in the event it fails to make a payment under this PFS Contract as a result of (a) insufficient funds in the SPV Operating Account, provided SPV did not misappropriate funds, or (b) SPV's inability to access and/or disburse funds in the SPV Operating Account due to a lien on the SPV Operating Account in favor of a third party, including the County or a Funder, or any other reason, provided SPV did not misappropriate funds.

(i) *Payments from SPV Operating Account upon Early Termination.* Notwithstanding anything in this Section 4.02 to the contrary, in the event of early termination of a Project or this PFS Contract, the procedures in Article 11 will apply.

Section 4.03 Success Payments; County Appropriations; PFS Escrow Fund.

(a) *Success Payments.* Subject to and in accordance with the terms and conditions set forth herein, upon the achievement of the Performance Measures, the County intends to make outcome-based payments to SPV pursuant to Section 4.04 and 4.05 in an amount not to exceed \$11,500,000, representing a maximum of \$5,950,000 for the Criminal Justice Project and \$5,550,000 for the Homelessness Project. In the event the no Performance Measures are achieved, the County will not be required to make Success Payments hereunder.

(b) *Prior County Appropriations and PFS Escrow Fund.* Exclusively for the purpose of making Success Payments pursuant to Section 4.04 and 4.05 upon the achievement of Performance Measures or for the purpose of funding Project Costs during the Pilot Periods, the County has heretofore appropriated \$3,000,000 for fiscal year 2016. Such appropriated monies have been or will be deposited directly into the PFS Escrow Fund administered by the Escrow Agent pursuant to the terms of the Escrow Agreement, which PFS Escrow Fund the County shall establish for its benefit and at all times keep separate from other accounts of the County. All amounts deposited in the PFS Escrow Fund may be used by the County and Escrow Agent only for the purpose of making Success Payments hereunder or for the purpose of funding Project Costs during the Pilot Periods, provided that (i) any interest earned on amounts in the PFS Escrow Fund may be remitted to the County at any time pursuant to the terms of the Escrow Agreement, and (ii) in the event less than all of the amounts appropriated for Success Payments are not earned hereunder, amounts not paid from the PFS Escrow Fund may be returned to the County on the Expected Termination Date.

(c) *Future County Appropriations.* Exclusively for the purpose of making Success Payments pursuant to Section 4.04 and 4.05 upon the achievement of Performance Measures or for the purpose of funding Project Costs during the Pilot Periods, and subject at all times to its annual right not to appropriate funds as set forth herein, the County shall cause the employees and officers of the County responsible for budget preparation to

- (i) include in the annual budget requests for fiscal years 2017 and 2018 an annual appropriation of at least \$3,000,000, and include in the annual budget request for fiscal year 2019 an annual appropriation of at least \$2,500,000;
- (ii) take all actions reasonably within their power to seek to have such portions of the budgets approved by the County Council and the resulting appropriations made by the County Council; and
- (iii) deposit the appropriated funds immediately and directly into the PFS Escrow Fund;

such that the balance in the PFS Escrow Fund plus any amounts previously paid out of the Escrow Fund will equal at least \$3,000,000 as of January 31, 2017, \$6,000,000 as of January 31 2018, \$9,000,000 as of January 31, 2019 and \$11,500,000 as of January 31, 2021. The County's obligation to appropriate funds and deposit them into the PFS Escrow Fund for the purposes of this PFS Contract terminates once the total of funds appropriated and deposited into the PFS Escrow Fund equals \$11,500,000, the maximum authorized Success Payments pursuant to Section 4.03(a).

(d) *Non-Funding Clause; PFS Contract Subject to Annual Appropriation.* Notwithstanding anything herein to the contrary, in the event the funds necessary for the continuation of this PFS Contract (as described in Sections 4.03(c) and 4.03(e)) are not available beyond December 31 of any effective fiscal year of this PFS Contract, the County's obligation for performance of this PFS Contract will be limited to the funds deposited in the PFS Escrow Fund as outlined in Article 11 and any further obligations of the County hereunder will be null

and void. This PFS Contract shall create no obligation on the County as to succeeding fiscal years and shall terminate and become null and void on the last day of the fiscal year for which funds were budgeted and appropriated, except as to those portions of payments agreed upon for which funds were appropriated and budgeted. Termination of this PFS Contract pursuant to this Section 4.03(d) as a result of non-appropriation of funds as set forth in Sections 4.03(c) and 4.03(e), will not be construed as a breach of or an event of default under this PFS Contract and termination will be without penalty, whatsoever, and no right of action for damages or other relief will accrue to the benefit of SPV, its successors or its assigns, or third-party beneficiaries, if any, as to this PFS Contract, or any portion thereof, which may terminate and become null and void. Non-appropriation will be evidenced by a resolution of the County Council to that effect or the adoption by the County Council of a final budget for any fiscal year which does not include full funding for the Projects as described in Sections 4.03(c) and 4.03(e). In the event of a non-appropriation, the County shall notify SPV in writing no later than 30 business days prior to the expiration of the fiscal year for which funds were appropriated and this PFS Contract will automatically terminate pursuant to Section 11.01(a) on the last day of the last fiscal year for which appropriations were made, except as to those portions of payments agreed upon for which funds were appropriated and budgeted.

(e) *Loans from PFS Escrow Fund.* Notwithstanding anything herein to the contrary, to the extent one or more Grants has been committed pursuant to a Grant Agreement, but the committed amount of any such Grant (or a part thereof) is not scheduled to be paid under the relevant Grant Agreement until after the time that the amount of such Grant is required to pay Project Costs during the Pilot Periods, the County may direct the Escrow Agent to pay from the PFS Escrow Fund into the SPV Operating Account as a loan, amounts equal to one or more such committed Grants solely for the purpose of funding Project Costs during the Pilot Periods; provided, however, that the County shall not direct the Escrow Agent to pay any such amounts from the PFS Escrow Fund for the purposes described in this Section 4.03(e) to the extent that any such direction would, immediately following the relevant withdrawal, cause the balance of the PFS Escrow Fund to be less than an amount equal to the sum of all Loan amounts drawn down at the time of making such loan from the PFS Escrow Fund and \$2,000,000. Promptly upon receipt of the committed Grant funding against which a loan was made under this section, SPV shall remit the amount of the Grant to the County or Escrow Agent for deposit in the PFS Escrow Fund. In the event that a committed Grant is not funded and paid to the SPV for ongoing Projects, such that any loan from the PFS Escrow Fund under this section cannot be repaid pursuant hereto, the County shall request an additional appropriation from the County Council in an amount equal to the loan made from the PFS Escrow Fund and the County shall deposit the same into the PFS Escrow Fund. Notwithstanding anything herein to the contrary, the appropriations described in this Section 4.03(e) are subject to non-appropriation as more fully set forth in Section 4.03(d). **FOR THE AVOIDANCE OF DOUBT, THE LENDING TO SPV OF AMOUNTS PREVIOUSLY APPROPRIATED BY THE COUNTY WHICH ARE ON HAND IN THE PFS ESCROW FUND IS PERMITTED HEREUNDER ONLY IN ANTICIPATION OF AMOUNTS COMMITTED TO SPV IN ITS CAPACITY AS FINANCIAL AND LEGAL INTERMEDIARY FOR THE PROJECTS, AND ONLY TO FURTHER THE PUBLIC PURPOSES OF THE PROJECTS. LOAN(S) MADE PURSUANT TO THIS SECTION ARE NOT MADE IN THE INTEREST OF ANY PRIVATE OR CORPORATE ENTERPRISE, EXCEPT AS SPECIFICALLY PERMITTED BY THE LAWS OF THE STATE AND THE**

RESOLUTIONS OF THE COUNTY, AND SHALL NOT BE CONSTRUED AS AN UNLAWFUL LENDING OF THE COUNTY'S CREDIT.

Section 4.04 Calculation of Earned Success Payments. As part of each Evaluation Report, the Independent Evaluator will undertake the process described in Appendix E to calculate Earned Success Payments based on achievement of certain Performance Measures. If a Significant Policy Change has occurred, the Independent Evaluator will determine the amount of Earned Success Payments by applying a Discontinuous Growth Model as further described in Appendix E. The Parties, with the assistance of the Project Manager, shall keep record of Earned Success Payments, but Earned Success Payments are only to be paid from the PFS Escrow Fund, in accordance with the terms of Section 4.05. When calculating Earned Success Payments, the Independent Evaluator is entitled to rely on the formulas and procedures of Appendix E, which the Parties have reviewed and approved.

Section 4.05 Payment of Success Payments.

(a) *County Success Payments to SPV.* If Earned Success Payments are determined to be payable for the time period covered by an Evaluation Report, the County shall cause the Escrow Agent, on its behalf, to make Success Payments to SPV for deposit in the SPV Operating Account as follows, all subject to the overall cap of \$5,950,000 for the Criminal Justice Project and \$5,550,000 for the Homelessness Project and the prior appropriation and deposit of funds sufficient to make such Success Payments pursuant to Section 4.03(c):

- (i) *Non-Comparative Outcomes in Biannual Evaluation Summaries.* Any Earned Success Payments resulting from achievement of the Non-Comparative Outcomes, as evidenced by the Biannual Evaluation Summaries, will be paid into the SPV Operating Account, from funds available in the PFS Escrow Fund, in the amount calculated by the Independent Evaluator in accordance with Appendix E, on the first day of the Quarter immediately succeeding the Quarter in which the applicable Biannual Evaluation Summary is due. Success Payments based on Non-Comparative Outcomes will be limited to \$500,000 per Project during the term of this PFS Contract, and no Earned Success Payments calculated in excess of such limit will be paid as Success Payments by the County or the Escrow Agent.
- (ii) *Comparative Outcomes in Annual Evaluation Reports and Final Evaluation Reports.* Any Earned Success Payments resulting from achievement of the Comparative Outcomes, as evidenced by the Annual Evaluation Reports and the Final Evaluation Reports, will be paid into the SPV Operating Account, from funds available in the PFS Escrow Fund, in the amount calculated by the Independent Evaluator in accordance with Appendix E, in accordance with the timing set forth in the applicable Funding Plan. Success Payments to be released in any given Quarter in accordance with the Funding Plans are to be released on the first day of such Quarter, provided amounts due in the final Quarter of any Project

will be released no later than 30-days after the Final Evaluation Report is delivered.

(b) *Timeliness of Success Payments.* If the Escrow Agent, as directed by the County, fails to make any Success Payment required by this PFS Contract within 30 days of such payment being due, SPV shall provide written notice (by electronic mail) to the County of such failure. The County's or Escrow Agent's continued failure to make such a Success Payment during the 30-day period after such notice will constitute a Material Breach by the County, and SPV will, in addition to the remedies provided in Section 11.02 if such Material Breach is deemed a termination event hereunder, have the remedies set forth in Section 4.05(c).

(c) *Available Remedies.* If the County breaches its obligations to cause the Escrow Agent to timely make Success Payments hereunder, SPV and its assigns will be entitled to, but is not required to, seek injunctive or other equitable relief without proving actual damages or posting any bond in the event of any violation of the restrictions contained herein; provided, however, that the foregoing will not limit nor be construed to prohibit or limit the right of SPV and its assigns to pursue any other legal and equitable remedies available to it on account of such breach or violation, including without limitation the recovery of reasonable attorney fees, costs, and damages from the County. Collection of damages, including any allowable costs or attorney fees, will be limited to funds appropriated and held in the PFS Escrow Fund.

(d) *Payments of Success Fees upon Early Termination.* Notwithstanding anything in this Section 4.05 to the contrary, in the event of early termination of a Project or this PFS Contract, the procedures in Article 11 will apply.

ARTICLE 5

OPERATING AND EXECUTIVE COMMITTEES; FUNDER CONSENT

Section 5.01 Operating Committee.

(a) *Purpose and Operating Committee Matters.* The Parties shall establish an operating committee comprised of the parties identified under Section 5.01(c), for the purpose of facilitating successful outcomes under this PFS Contract. The Operating Committee will have the right and obligation to consider and vote on matters within its scope of purpose and to such end, shall

- (i) oversee the randomization, referral and enrollment process of the control groups and Clients into the Projects, the resources available to the Service Providers, the identification and monitoring of trends in the Projects, and the progress of the Target Populations in the County as it relates to this PFS Contract;
- (ii) serve as an advisory committee to facilitate programmatic adjustments in the interest of improving the provision of the Services and/or the efficiency of the Projects, but will not have any authority to bind the Parties in any way;

- (iii) review the Pilot Reports to assess performance of initial Project operations, and if necessary, take corrective action to improve operational performance;
- (iv) promptly upon learning of a material variance between the balance in the SPV Operating Account and balance expected as set forth in the Funding Plan, as described in any SPV OC Quarterly Report, recommend to the Executive Committee a plan for addressing such material variance; and
- (v) address any other matters pertaining to the administration or operation of the Projects or this PFS Contract which are not Exclusive EC Matters.

(b) *Meetings.* Commencing on the PFS Effective Date, the Operating Committee shall hold regular Operational Meetings twice per month during any Pilot Period, and after such time, once per month for the remainder of the term of this PFS Contract. Any of the OC Members may call for a special meeting of the Operating Committee to discuss an urgent matter upon two (2) business days' notice, which notice must include an agenda and the reason for the special meeting. All Operational Meetings may be held in person or by phone or similar communication medium. In their capacity as OC Members, OC Members shall not receive, request or retain any personal, private or protected Client information. OC Members shall not discuss specific Client personal information, progress or data, except to the extent such information is de-identified or received by sources outside of the Projects and such discussion is necessary for purposes of Risk Mitigation and occurs in an OC Closed Session.

(c) *Membership and Voting.* The Operating Committee's membership will include representatives from the following entities:

- (i) Road Home;
- (ii) First Step;
- (iii) County;
- (iv) Project Manager;
- (v) SPV; and
- (vi) Independent Evaluator.

Each of the Service Providers will be represented by their Executive Director or Chief Operating Officer. The County will have two representatives, one representative being appointed by the County Council and one being appointed by the County Mayor. The Project Manager will be represented by its Managing Director. SPV will be represented by its Executive Director. The Independent Evaluator will be represented by the Lead Evaluator.

Except for the death, disability or termination of employment of any such representative, no OC Member may replace its representative without 30 days' notice and consent of a majority of the other OC Members, such consent not to be unreasonably withheld; provided, however,

that each OC Member representative may appoint a qualified designee that is authorized to make decisions on such OC Member representative's behalf to represent such representative in his or her stead at an Operational Meeting with 24-hours prior written notice to the Project Manager (by electronic mail).

Road Home will not vote on matters before the Operating Committee related specifically and only to the Criminal Justice Project and First Step will not vote on matters related specifically and only to the Homelessness Project, but both Road Home and First Step may vote on all other matters. A quorum of the Operating Committee for the purpose of voting on any matter will be achieved if four (4) of the OC Members eligible to vote on such matter are present. All final determinations of the Operating Committee must be approved by a majority of the OC Members constituting a quorum eligible to vote.

(d) *Operational Meetings Attendance Policy.* Anyone, including the Funders, may attend Operational Meetings; provided, however, that the OC Members may vote to dismiss the general public and other interested parties, from any Operational Meeting for a time and move to a closed session to be attended only by OC Members and invitees of the Operating Committee when such an OC Closed Session is determined necessary for purposes of risk mitigation, confidentiality or to protect or advance the best interests of the Clients, the Projects, the Service Providers, the Operating Committee or the OC Members. Notwithstanding the foregoing, Funders may only be dismissed if necessary to preserve the attorney-client privilege.

(e) *Agendas.* The Project Manager will work with the OC Members to prepare an agenda and will facilitate discussions at the Operational Meetings. The Project Manager will prepare and circulate the agenda, by electronic mail, to all OC Members and Funders at least three (3) business days in advance of any Operational Meeting, which agenda will serve as notice of the Operational Meeting. In the event of a special meeting called by an OC Member other than the Project Manager, such OC Member shall prepare and circulate the agenda to such parties. The agenda for an Operational Meeting may include any item consistent with the purpose of the Operating Committee as set forth in Section 5.01(a), but should include at a minimum, review and discussion of any reports provided pursuant to Article 6 and not previously included on an agenda, as well as the following:

- (i) Independent Evaluator and/or Project Manager update as to Success Payments earned and paid out, and the determination of such Success Payments.
- (ii) Independent Evaluator update as to its access and ability to gather data from stakeholders in each Project.
- (iii) Project Manager update as to current Budgets and discussion of actual versus projected costs.

(f) *Minutes.* The Project Manager will prepare and circulate, by electronic mail, minutes of all Operational Meetings within five (5) business days after the meeting to all OC Members, Funders and any additional Operational Meeting participants; provided, however, that minutes of an OC Closed Session may not be distributed beyond those who attended the OC

Closed Session, except that any Funder who did not attend the OC Closed Session shall receive copies of such minutes, but subject to redaction of only that information which may be reasonably necessary to protect privilege. Minutes will be approved at the next Operational Meeting if no objections have been submitted to the Project Manager by any of the recipients.

Section 5.02 Executive Committee.

(a) *Purpose.* The Parties shall establish an executive committee comprised of the parties identified under Section 5.02(c). The Executive Committee shall be responsible for overseeing the Projects and the administration of this PFS Contract and shall have the right and obligation to consider and vote on any Exclusive EC Matters.

(b) *Meetings.* Commencing on the PFS Effective Date, the Executive Committee shall hold regular Executive Committee Meetings once per month during any Pilot Period, and after such time, once every two months for the remainder of the term of this PFS Contract. Any of the EC Members may call for a special meeting of the Executive Committee to discuss an urgent matter upon two (2) business days' notice, which notice must include an agenda and the reason for the special meeting. All Executive Committee Meetings may be held in person or by phone or similar communication medium. In their capacity as EC Members, EC Members shall not receive, request or retain any personal, private or protected Client information. EC Members shall not discuss specific Client personal information, progress or data, except to the extent such information is de-identified or received by sources outside of the Projects and such discussion is necessary for purposes of Risk Mitigation and occurs in an EC Closed Session.

(c) *Membership and Voting.* The Executive Committee's membership will include one representative from the following entities or groups:

- (i) Road Home;
- (ii) First Step;
- (iii) County;
- (iv) Project Manager; and
- (v) Funders.

Each of the Service Providers will be represented by their Executive Director or Chief Operating Officer. The County representative will be appointed by the County Mayor. The Project Manager will be represented by its Managing Director. The Funders' representative will be appointed by a majority of Lenders as of the Execution Date, calculated based on the total amount funded or committed to be funded by all Lenders, and the Funders' representative must be affiliated with a Funder that has contributed funds to both Projects. If at any time the Funder with which the appointed Funders' representative is affiliated ceases for any reason to be a Funder of both Projects (except in the case a single Project is terminated) or fails to fund the Projects in accordance with its Loan Agreement, then a majority of the remaining Lenders, calculated based on the total amount then funded or committed to be funded under the remaining Loan Agreements, will appoint a replacement Funders' representative. The Executive

Committee may require the attendance of the Independent Evaluator at any Executive Committee Meeting. Except for the death, disability or termination of employment of any such representative, no EC Member may replace its representative without 30 days' notice and consent of a majority of the other EC Members, such consent not to be unreasonably withheld; provided, however, that each EC Member representative may appoint a qualified designee that is authorized to make decisions on such EC Member representative's behalf to represent such representative in his or her stead at an Executive Committee Meeting with 24-hours prior written notice to the Project Manager (by electronic mail). The County EC Member (or their representative) shall attend at least half of the Executive Committee Meetings in any calendar year.

All Exclusive EC Matters shall be approved by Special Majority Approval of the Executive Committee. Road Home will not vote on matters before the Executive Committee related specifically and only to the Criminal Justice Project and First Step will not vote on matters related specifically and only to the Homelessness Project, but both Road Home and First Step may vote on all other matters. A quorum of the Executive Committee for the purpose of voting on any matter will be achieved if three (3) of the EC Members eligible to vote on such matter are present. The Executive Committee or any EC Member, in considering any matter at issue, may seek input from any member of the Operating Committee or any other person or entity it deems useful.

(d) *Executive Committee Meetings Attendance Policy.* Anyone may attend Executive Committee Meetings; provided, however, that the EC Members may vote to dismiss the general public and other interested parties from any Executive Committee Meeting for a time and move to a closed session to be attended only by EC Members and invitees of the Executive Committee when such an EC Closed Session is determined necessary for purposes of confidentiality or to protect or advance the best interests of the Clients, the Projects, the Service Providers, the Executive Committee or the EC Members.

(e) *Agendas.* The Project Manager shall work with the EC Members to prepare an agenda and circulate the agenda, by electronic mail, to all EC Members and Funders at least ten (10) business days in advance of any Executive Committee Meeting, which agenda will serve as notice of the Executive Committee Meeting. In the event of a special meeting called by an EC Member other than the Project Manager, such EC Member shall prepare and circulate the agenda to such parties. The agenda for an Executive Committee Meeting may include any item consistent with the purpose of the Executive Committee as set forth in Section 5.01(a), but should include at a minimum, review and discussion of any reports provided pursuant to Article 6 and not previously included on an agenda.

(f) *Executive Committee Matters.* The Executive Committee shall have the exclusive right and obligation to consider and vote on the following matters:

- (i) Establishment of the Launch Dates after the Project Manager has determined that the conditions to Launch have been met;
- (ii) Considering disputes among the Parties hereto and the parties to the Service Provider Agreements, the Independent Evaluator Agreement or

the Project Manager Agreement, and making non-binding recommendations in connection therewith;

- (iii) Appointment of an independent third-party with respect to any challenge to an Evaluation Report;
- (iv) Considering disputes of the Operating Committee, and making non-binding recommendations in connection therewith, even if such disputes do not constitute Exclusive EC Matters;
- (v) Determining when to request the Independent Evaluator to consider whether a Significant Policy Change has occurred;
- (vi) Approval of any amendments to this PFS Contract in accordance with Sections 11.01 or 12.01;
- (vii) Approval of any amendments to the Funding Plans, the Evaluation Plans or the Service Provider Agreements, provided, however, that any amendment to the Funding Plan which changes the amount or timing of payments to SPV for its costs requires consent of SPV and any amendment to the Funding Plans which affects the Services to be provided by First Step or Road Home or the amounts to be paid thereto requires consent of such affected Service Provider;
- (viii) Approval of the termination and replacement of the Independent Evaluator or Lead Evaluator or any successor thereto;
- (ix) Approval of the termination of the Project Manager or SPV (unless terminated by County, which termination does not require Executive Committee approval) and approval of any successors thereto;
- (x) Determination that timely Success Payments are likely to be jeopardized as a result of a lack of referrals, unavailability of resources, or any other cause;
- (xi) Determination of whether to terminate or not terminate this PFS Contract or a Project in the event of an Optional Termination Event;
- (xii) Determination of whether an Optional Termination Event has taken place;
- (xiii) Determination of timing to remediate an Optional Termination Event;
- (xiv) Determination of whether a Presumptive Termination Event has taken place;
- (xv) Determination of whether to continue this PFS Contract or a Project upon the occurrence of a Presumptive Termination Event;

- (xvi) Determination of whether a Material Breach exists, provided the County shall not have a vote with respect to any determination of a Material Breach by the County (in which case Special Majority Approval will not require County approval);
- (xvii) Determination of the sufficiency of any cure to a Material Breach;
- (xviii) Approval of any Budget modification(s) requiring Executive Committee approval under a Service Provider Agreement and timely determination of adjustments to Service Provider disbursements as required under the Service Provider Agreements;
- (xix) Approval and revision of Operating Committee plans to address material variances between the SPV Operating Account and the Funding Plans identified in SPV OC Quarterly Report;
- (xx) Determining whether to allow SPV to assign its rights, duties and obligations under this PFS Contract (other than any assignment pursuant to the Loan Agreements);
- (xxi) Determining whether to terminate evaluation, project future outcomes, or continue evaluation in the event a Project or this PFS Contract is terminated early, and determining how Success Payments will be paid on such future outcomes, if at all;
- (xxii) Determining whether, as an alternative to early termination of this PFS Contract upon an event of default by SPV under any Loan Agreement, to repay the applicable Lender any principal amounts drawn on to date and interest accrued on such drawn down amounts (such repayment being excepted from the order of payments from the SPV Operating Account set forth in Sections 4.02);
- (xxiii) Approving any amendment to the Escrow Agreement which would have a material adverse effect on this PFS Contract.
- (xxiv) Approving alternate methods to determine Success Payments if required pursuant to Section 10.01(b)(iv); and
- (xxv) Determining whether to prepay any Lender after Quarter 18 under 4.02(e)(ii)(C) or in the event of a termination of this PFS Contract pursuant to Section 11.01(b)(ix) relating to a County determination to scale the Projects and determining that the conditions to such prepayment are satisfied;
- (xxvi) Approval of the termination of any Service Provider Agreement or the replacement of any Service Provider or any successor thereto;

(xxvii) Any other matters pertaining to the administration or operation of the Projects or this PFS Contract but only to the extent such matters relate to the rights of the Funders hereunder or under the Loan Agreements, or the timing or amount of Success Payments or other payments to be made to or by SPV hereunder or under the Loan Agreements; and

(xxviii) Any matters referred to the Executive Committee by the Operating Committee.

(g) *Minutes.* The Project Manager shall prepare and circulate, by electronic mail, minutes of all Executive Committee Meetings within five (5) business days after the meeting to all EC Members, Funders and any additional Executive Committee Meeting participants; provided, however, that minutes of an EC Closed Session may not be distributed beyond those who attended the EC Closed Session, except that any Funder who did not attend the EC Closed Session shall receive copies of such minutes, but subject to any redaction which may be reasonably necessary to protect privacy or privilege. Minutes will be approved at the next Executive Committee Meeting if no objections have been submitted to the Project Manager by any of the recipients.

(h) *Charitable Purpose.* In no case shall the Executive Committee take any action that would be deemed to cause either Project to be operated in a manner other than exclusively for charitable purposes consistent with Section 501(c)(3) of the Tax Code.

Section 5.03 Funder Consent.

(a) The Project Manager will notify the administrative agent under the Loan Agreements in writing (by electronic mail) regarding any matter for which Funder Consent is required as set forth in Section 5.03(b). Pursuant to the Loan Agreements, the administrative agent will within 5 business days from the date of such notice provide the Funders a description of the matter submitted for Funder Consent. The administrative agent will notify the Project Manager in writing when it sends the notice. The Funders will have ten (10) business days from the date of receipt of notice to notify the administrative agent in writing of their decisions regarding such matter. Any Funder that does not notify the administrative agent within such timeframe will be deemed to have consented to the matter requiring Funder Consent; provided, however, that QBE Insurance (Europe) Limited and General Casualty Company of Wisconsin will be deemed to have objected if they do not notify the administrative agent within such timeframe. If the administrative agent does not timely deliver notice of the matter for which Funder Consent is required, then the Project Manager may send such notice and gather the Funder votes pursuant to this Section 5.03(a). Notwithstanding anything herein to the contrary, when required under Section 5.03(b), Funder Consent must be received in addition to any other requirements hereunder, including the requirements of Special Majority Approval as set forth in Section 5.02.

(b) The Parties agree that the Executive Committee shall seek and receive Funder Consent prior to engaging in any of the following actions, but only to the extent such actions could materially adversely affect the rights of the Funders hereunder or under the Loan

Agreements, or the timing or amount of Success Payments or other payments to be made to or by SPV hereunder or under the Loan Agreements:

- (i) approving amendments to any Funding Plan, Evaluation Plan, Service Provider Agreement or this PFS Contract (other than amendments that are ministerial in nature, including, but not limited to, amendments to the timing of and amount of payments to the Independent Evaluator and Project Manager if such amendments are only to adjust for the exact Launch Date of a Project, or that are necessary to correct obvious mistakes);
- (ii) electing to terminate or not terminate this PFS Contract or a Project in the event of an Optional Termination Event;
- (iii) determining to continue this PFS Contract or a Project upon the occurrence of a Presumptive Termination Event;
- (iv) approving the termination and replacement of SPV, including a County termination of SPV (which does not require Executive Committee approval) and approval of any successors thereto;
- (v) determining whether to terminate evaluation, project future outcomes, or continue evaluation in the event a Project or this PFS Contract is terminated early, and determining how Success Payments will be paid on such future outcomes, if at all;
- (vi) approving alternative methods to determine Success Payments if an alternative method is required to avoid Material Breach by the County under Section 10.01(b)(iv);
- (vii) approving the termination and replacement of the Independent Evaluator or the Project Manager or any successor thereto and approval of any successors thereto;
- (viii) approving any amendment to the Escrow Agreement which would have a material adverse effect on this PFS Contract;
- (ix) approving any material change to any Project, including termination thereof, or amendment to this PFS Contract;
- (x) approving any amendment, variation, waiver, non-exercise of rights, termination, forbearance, release, extension or other action of the Executive Committee under this PFS Contract or any other decision of the Executive Committee with respect to any other agreement relating to the Projects.

ARTICLE 6

REPORTING

Section 6.01 Reporting Timelines. The Reporting Timelines present a summary of all reports expected to be prepared and delivered pursuant to this Article 6 for the duration of the Criminal Justice Project and the Homelessness Project, respectively. To the extent a Reporting Timeline conflicts with the report descriptions herein, the descriptions in this Article 6 will govern.

Section 6.02 Pilot Reports. At the conclusion of each Pilot Period, the Project Manager will collaborate with the Independent Evaluator (who will provide pilot data as described in the Evaluation Plan) to prepare a Pilot Report to evaluate the success of each Project. Each Pilot Report will include an analysis of performance data and Project metrics, as well as an overview of the programmatic trends observed during the applicable Pilot Period. The Pilot Reports will also examine then current program data for each Project as compared against targets for each Project established prior to Launch. Subject to Service Providers and the Independent Evaluator providing Project Manager with all required materials under the Service Provider Agreement or the Independent Evaluator Agreement, respectively, the Project Manager will deliver the Pilot Reports to OC Members and to the Funders no later than 30 days after the conclusion of the applicable Pilot Period.

Section 6.03 Service Provider Monthly Reports and Financials. After Launch of their respective Project, on or before the 10th day of each month, each Service Provider will prepare and deliver to the Project Manager a Service Provider Monthly Report of performance metrics. Promptly upon receipt thereof, the Project Manager will deliver the Service Provider Monthly Reports to the OC Members and to the Funders. The Project Manager will also deliver to the Funders annually, promptly upon receipt thereof, the audited financial statements of the Service Providers.

Section 6.04 Project Manager Monthly Report. Subject to timely receipt of all required Service Provider Monthly Reports, after Launch of any Project, on or before the 15th day of each month, the Project Manager will prepare and deliver to OC Members and Funders a single report for all launched Projects comprised of (a) Budget updates, including draw down of funds by Service Providers; (b) interpretation of and recommendations in light of Service Provider Monthly Reports; (c) an overview of Project trends over time, including trends regarding Client management and interaction; and (d) external requests for information from Project stakeholders.

Section 6.05 SPV Operating Committee Report. After Launch of any Project, no later than fifteen (15) days after the end of each Quarter, SPV shall provide to OC Members and Funders a single written report for all launched Projects reconciling its actual expenditures to the anticipated expenditures set forth in the Funding Plans. If the balances in the SPV Operating Account as of the end of each Quarter vary by more than 20% from the amounts assumed in the Funding Plans, then SPV shall include in such SPV OC Quarterly Report detailed information and an explanation of the reasons for such material variance.

Section 6.06 SPV Executive Committee Report. After Launch of any Project, no later than fifteen (15) days after the end of each Quarter, SPV shall provide to EC Members and

Funders a single written report for all launched Projects setting forth the account balances, expenditures from, deposits to and all other activity with respect to the SPV Operating Account.

Section 6.07 Project Manager Quarterly Audit Reports. After Launch of each Project, no later than fifteen (15) days after the end of each Quarter, the Project Manager will collaborate with the Service Providers and the Independent Evaluator to prepare and deliver to OC Members and Funders a performance and data audit for each launched Project.

Section 6.08 Evaluation Reports.

(a) *Biannual Evaluation Summary*. Twice a year after the completion of each Pilot Period, for as long as required by the applicable Reporting Timeline, the Independent Evaluator will produce and deliver to OC Members and Funders a Biannual Evaluation Summary for each Project for as long as is required in the applicable Reporting Timeline (i) summarizing the results of each Project with respect to the applicable Non-Comparative Outcomes for the time period covered by the Biannual Evaluation Summary and (ii) calculating Earned Success Payments as described in Section 4.04. The Biannual Evaluation Summaries will be delivered no later than the last day of the month in which such report is due as set forth in the applicable Reporting Timeline. The substance of each Biannual Evaluation Summary will be subject to receipt of all information required under the applicable Service Provider Agreement.

(b) *Annual Evaluation Report*. Annually after the Criminal Justice Launch Date and the Homelessness Launch Date, for the duration of the Projects, the Independent Evaluator will produce and deliver to OC Members and Funders an Annual Evaluation Report for each Project (i) summarizing the results of the Projects with respect to each applicable Comparative Outcomes for the time period covered by the Annual Evaluation Report and (ii) calculating Earned Success Payments as described in Section 4.04. The Annual Evaluation Reports will be delivered no later than the first day of the month in which such report is due, as set forth in the applicable Reporting Timeline. The substance of each Annual Evaluation Report will be subject to receipt of all information required under the applicable Service Provider Agreement.

(c) *Final Evaluation Report*. At the close of the 24th Quarter after the Criminal Justice Launch Date and at the close of the 24th Quarter after the Homelessness Launch Date, or following the early termination of either Project, the Independent Evaluator will produce and deliver to OC Members and Funders a Final Evaluation Report for each Project (i) summarizing the results of the Projects with respect to each applicable Performance Measure for the time period covered by the Final Evaluation Report and (ii) calculating Earned Success Payments as described in Section 4.04. The Final Evaluation Report for a Project will be delivered at the close of the 24th Quarter after the Criminal Justice Launch Date and the Homelessness Launch Date, as the case may be, unless a Project is terminated early in which case the Final Evaluation Report would be prepared within 90 days after the occurrence of an Automatic Termination Event or a determination by the Executive Committee and applicable consenting Funders to terminate a Project or the PFS Contract. The substance of each Final Evaluation Report will be subject to receipt of all information required under the applicable Service Provider Agreement. A Final Evaluation Report prepared in the event of an early termination will not include any query of new data (i.e., will be based only on data already received by the Independent Evaluator). If the Executive Committee determines that new data requests are necessary in the event of an early

termination, the Final Evaluation Report may be delayed up to 30 days (being due 120 days after the occurrence of an Automatic Termination Event or a determination by the Executive Committee and applicable consenting Funders to terminate a Project or the PFS Contract).

(d) *Challenging Evaluation Reports.* Within fifteen (15) days of receipt of any Evaluation Report, any Funder, either Service Provider, the County, the Project Manager or SPV may challenge any conclusion of the Independent Evaluator in such Evaluation Report which the challenging party in good faith can demonstrate will reduce or increase Success Payments by more than \$25,000. Challenges may be made in good faith on grounds the Independent Evaluator miscalculated a number or failed to properly use the processes or methods of evaluation or calculation described in this PFS Contract or the Evaluation Plans. In the event of any challenge, the challenging party shall use its reasonable best efforts to work with the Independent Evaluator to promptly resolve any miscalculation or discrepancy in the Evaluation Report and agree upon a Substitute Evaluation Report. If the challenging party and the Independent Evaluator are unable to resolve any challenge within 30 days after receipt of the Evaluation Report, the Executive Committee shall appoint, at the sole expense of the challenging party, an independent third-party with expertise in performing similar evaluations to promptly resolve any miscalculation or discrepancy and upon such resolution the Independent Evaluator will provide a Substitute Evaluation Report. Any third-parties engaged to resolve any challenge hereunder may rely only on data and information which is not limited by data-sharing restrictions under this PFS Contract, agreements between the Independent Evaluator and data providers, or applicable law, provided the Parties hereto agree to use reasonable best efforts to facilitate the sharing of data and information within the limits of any applicable restrictions. The Executive Committee shall inform the challenger and the third-party of such limitations prior to any formal engagement of the third-party reviewer. The decision of any independent third-party engaged by the Executive Committee will be binding and may not be appealed or contested further. For purposes of this PFS Contract, reference to any Evaluation Report which is challenged hereunder refers also to its Substitute Evaluation Report. Success Payments required to be paid during any challenge period will be paid as set forth herein; provided, however, that over- or under-payment resulting from a Substitute Evaluation Report will be an adjustment to the amount of the immediately following Success Payment due.

(e) *Process Evaluations.* The Reporting Timeline for the Criminal Justice Project includes two process evaluation reports to be completed by the Independent Evaluator for the benefit of the Project Manager. Such process evaluations are not Evaluation Reports hereunder and will not result in Earned Success Payments.

ARTICLE 7

REPRESENTATIONS, WARRANTIES AND COVENANTS OF SPV

SPV hereby represents and warrants to the County as of the date hereof and on the date of each disbursement of funds pursuant to this PFS Contract as follows:

Section 7.01 Organization, Good Standing and Qualification. SPV represents and warrants that it is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State and has and shall maintain for the term hereof all requisite corporate power and authority to own, operate and lease its properties and assets, to carry on its business as

currently conducted, and to enter into and perform its obligations under this PFS Contract, the Service Provider Agreements, the Independent Evaluator Agreement, the Project Manager Agreement, the Loan Agreements and the Grant Agreements.

Section 7.02 Authorization; Enforceability. SPV has all requisite corporate power and authority to enter into, execute and deliver this PFS Contract, the Service Provider Agreements, the Independent Evaluator Agreement, the Project Manager Agreement, the Loan Agreements and the Grant Agreements and to perform its obligations hereunder and thereunder. The execution and delivery of this PFS Contract and such ancillary agreements and the performance of SPV hereunder and thereunder have been duly authorized by all necessary corporate action on the part of SPV, and no other corporate proceedings or actions on the part of SPV are necessary to authorize the execution and delivery of this PFS Contract or such ancillary agreement by SPV. This PFS Contract and the ancillary agreements have been duly and validly executed and delivered by SPV and constitute the valid and binding obligations of SPV, enforceable in accordance with their terms, except as enforcement may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights generally, or (b) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

Section 7.03 Non-Contravention. The execution and delivery of this PFS Contract and the Service Provider Agreements by SPV does not, and the performance by SPV of its obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby will not conflict with, result in any violation of, constitute (with or without notice or lapse of time or both) a default under, result in or give to any person or another party a right of termination, cancellation or acceleration of any obligation or result in a loss of a benefit or an increase in a cost or liability under: (a) any provision of the articles of incorporation, bylaws or other applicable organizational documents of SPV; (b) any contract, lease, agreement or instrument by which SPV is bound or to which SPV's assets or properties are subject or (c) any law or governmental order applicable to or binding on SPV or any of SPV's assets and properties (except in each of (a), (b) or (c), where such conflict, violation, default, termination, cancellation, acceleration or loss would not reasonably be expected to have a material adverse effect on SPV or its ability to perform under this PFS Contract or any agreement related hereto).

Section 7.04 Governmental Consents. No consent, approval, authorization, license, governmental order or permit of, or declaration, filing or registration with, or notification to, any governmental authority is required to be made or obtained, and no consent or approval of any other person is required by SPV in connection with the execution, delivery and performance of this PFS Contract or the Service Provider Agreements or the consummation of the transactions contemplated hereby and thereby.

Section 7.05 Compliance with Laws; Litigation.

(a) To the knowledge of SPV, SPV is in material compliance with all applicable laws, including, without limitation, laws that are applicable to its properties and assets, the conduct of its operations and the performance of its services.

(b) There is no action of any nature pending or, to the knowledge of SPV, threatened, relating to or affecting SPV or any of its properties or assets, or that challenges or seeks to prevent, enjoin or delay the transactions contemplated in this PFS Contract or the Service Provider Agreements, nor, to the knowledge of SPV, is there any reasonable basis therefor or any facts, threats, claims or allegations that would reasonably be expected to result in any such action.

(c) To the knowledge of SPV, none of its current officers or directors has been convicted of, or pleaded guilty to or entered a plea of no contest to, any felony.

Section 7.06 Financial Statements.

(a) Prior to accepting any funds, SPV will have in place systems and processes that are customary for a nonprofit corporation formed under the laws of the State, which may include entering into an agreement with a third party to provide such services to SPV, and that are designed to (i) provide reasonable assurances regarding the reliability of its financial statements and (ii) in a timely manner accumulate and communicate to SPV's principal officers the type of information that is required to be disclosed in its financial statements. SPV's accounting practices shall conform to GAAP, consistently applied.

(b) Neither SPV, nor, to the knowledge of SPV, any of its affiliates, employees, if any, auditors, accountants or representatives has received or otherwise obtained knowledge of any complaint, allegation, assertion or claim, whether written or oral, regarding the adequacy of the accounting systems and processes described under subparagraph (a) of this Section 7.06 or the accuracy or integrity of its financial and accounting systems. To the knowledge of SPV, no employee of SPV or any of its affiliates has provided or threatened to provide information to any governmental authority regarding the commission of any crime or the violation of any law applicable to SPV or any part of its operations.

(c) SPV shall provide unaudited quarterly and audited annual financial statements to Funders within 30 days of completion of such financial statements; provided, however, that SPV's audited annual financial statements will in all events be provided no later than 180 days after each fiscal year end.

ARTICLE 8

OBLIGATIONS OF SPV; TERMINATION OF SPV; PAYMENT OF SPV

Section 8.01 Obligations of SPV. In addition to the covenants and obligations of SPV set forth elsewhere in this PFS Contract, SPV hereby covenants and agrees as follows:

(a) *Service Providers, Project Manager and the Independent Evaluator.* SPV shall be responsible for the prompt enforcement of the provisions of the Service Provider Agreements, the Project Manager Agreement and the Independent Evaluator Agreement, based on direction from the Executive Committee; provided, however, that SPV's resources for enforcing such agreements are limited to the assets held within the SPV Operating Account. In order to enforce such agreements, SPV may exercise any right or remedy as may be available under this PFS Contract or applicable law. SPV shall cooperate with the Project Manager to monitor performance of all other agreements related to the Projects.

(b) *Books and Records.* SPV's books and records shall be maintained at its principal place of business. SPV shall, and shall cause its officers, employees, auditors and agents to, afford the officers, employees and authorized agents and representatives of the Funders and the County reasonable access, during normal business hours and upon a minimum of five business days' notice, to its books and records directly related to this PFS Contract, the Service Provider Agreements, the Project Manager Agreement and the Independent Evaluator Agreement. Furthermore, SPV shall make its management, employees, officers, directors, accountants and auditors available to the Funders and County and their respective representatives as the Funders or the County, as applicable, may from time-to-time reasonably request, during normal business hours and upon a minimum of five business days' notice. Notwithstanding the foregoing, if the Executive Committee reasonably asserts that SPV is not performing in accordance with this PFS Contract, then SPV shall provide the access as described in this Section 8.01(b) on one business day's notice.

Section 8.02 SPV Obligations Limited. SPV's obligations under this PFS Contract are limited to the express requirements of this PFS Contract and any exhibits or appendices hereto, and SPV will have no obligation hereunder to perform any services or engage in any activities not described herein.

Section 8.03 Limitation on Liability. All obligations of SPV under this PFS Contract are subject to SPV's obligations under the Loan Agreements and Grant Agreements. SPV is not obligated to take or omit to take any action hereunder which is in breach of or inconsistent with a Loan Agreement or a Grant Agreement, as may be determined by SPV in its sole discretion. SPV will be liable under this PFS Contract solely for SPV's misappropriation of funds under this PFS Contract or commission of fraud with respect to the handling of funds in its custody. SPV may rely on the genuineness of all signatures on all documents delivered to SPV. SPV's obligations under this PFS Contract do not benefit from any recourse whatsoever to any member, director or officer of SPV. Absent a misappropriation of funds or commission of fraud by SPV, the County will have access only to the funds within the SPV Operating Account, subject to the rights and claims of third parties. The County's sole remedy against SPV under this PFS Contract, in the absence of a misappropriation of funds or SPV's commission of fraud in the handling of funds in its custody, is to terminate SPV under this PFS Contract.

Section 8.04 Resignation and Termination of SPV. SPV may resign or be terminated by the County or the Executive Committee.

(a) *Resignation of SPV.* SPV may at any time resign from its obligations hereunder by giving 120 days written notice to the County.

(b) *Termination by County.* If SPV fails to perform its obligations hereunder in any material respect and does not cure such failure within 30 days after having received written notice of such failure from the County or the Executive Committee (provided (i) if such failure of SPV to perform its obligations is the result of fraud or misappropriation of funds by SPV or any member, director, employee or affiliate thereof, then the 30-day cure period shall not apply, and (ii) except in instances of fraud or misappropriation of funds, if such default by nature cannot be reasonably cured with due diligence within thirty days, then SPV shall continue to diligently pursue a cure within 60 days of receiving notice), the County may terminate SPV's

participation under this PFS Contract. The effective date of any termination hereunder shall be determined by the Executive Committee and in no event may such date be more than 120 days after the determination of the Executive Committee and Funders to terminate.

(c) *Termination by Executive Committee.* The Executive Committee may approve the termination of SPV for any reason, upon 60 days' written notice to SPV. The effective date of any termination hereunder shall be determined by the Executive Committee and in no event may such date be more than 120 days after the determination of the Executive Committee and Funders to terminate.

(d) *Appointment of Replacement SPV.* If SPV resigns or is terminated hereunder, the Executive Committee may appoint a Replacement SPV to continue the Projects and replace SPV under this PFS Contract. Any such Replacement SPV must be a nonprofit corporation recognized as a 501(c)(3) organization under the Tax Code, and not an organization described under § 4942(g)(4)(A)(i) of the Tax Code. If the County finds a willing, qualified and able Replacement SPV to accept the obligations of SPV hereunder, the Executive Committee shall promptly act to appoint such Replacement SPV in accordance with this PFS Contract. Subject to the security interests and rights of Lenders and the assumption of the Loans by any Replacement SPV, SPV shall cooperate in executing any instrument necessary to transfer any funds held in the SPV Operating Account, transferring any records or files pertaining to this PFS Contract or the Projects, and assigning and transitioning its responsibilities and its interests any contracts relating to the Projects to any Replacement SPV.

(e) *Effects of SPV Resignation or Termination.* In the event of any resignation or termination of SPV, SPV will have no further obligations under this PFS Contract and SPV shall be released from liability for all obligations owing under this PFS Contract (other than in connection with fraud or misappropriation of funds by SPV).

(f) *Interim SPV.* The County shall engage Third Sector or an entity related thereto to act as Replacement SPV anytime a Replacement SPV is not able to act hereunder.

Section 8.05 Payment of SPV. SPV shall be paid Quarterly in accordance with the Funding Plans and the provisions of Article 4.

ARTICLE 9

REPRESENTATIONS AND WARRANTIES OF THE COUNTY

The County hereby represents, warrants and covenants to SPV as of the date hereof and on the date of each disbursement pursuant to this PFS Contract as follows:

Section 9.01 Entity. The County is a duly formed and validly existing political subdivision of the State, governed by the Constitution and laws of the State.

Section 9.02 Projects Authorized; Power to Contract and Perform. The Projects are fully authorized by the County in accordance with requirements of State and local laws, rules, ordinances and regulations, and the County is duly authorized under the Constitution and the laws of the State to enter into this PFS Contract and the transactions contemplated hereby, and to perform all of its obligations hereunder with respect to the Projects.

Section 9.03 Compliance with Laws. This PFS Contract complies with the laws of the State and in authorizing and executing this PFS Contract, the County has complied with all the laws of the State, including, but not limited to open and public meetings laws and laws relating to the indebtedness of the County. The County shall provide notice to the Executive Committee and Funders within 10 days of learning of a change in law or a proposed change in law which would materially adversely affect the County from performing its obligations hereunder.

ARTICLE 10
COVENANTS OF THE COUNTY AND REMEDIES

Section 10.01 Covenants of the County. In addition to the covenants and obligations of the County set forth elsewhere in this PFS Contract, the County hereby covenants and agrees as follows:

(a) *Referrals*. Participation in the Projects, whether as a non-enrolled member of a control group or as a Client, will be restricted to Eligible Criminal Justice Referrals and Verified Persistently Homeless Individuals, as the case may be.

(i) *Criminal Justice Project*. The County shall, every Quarter for three years, commencing on the Criminal Justice Launch Date, cause to be referred to the Criminal Justice Project Treatment Group no fewer than 38 Eligible Criminal Justice Referrals, unless First Step requests otherwise. The County shall, every Quarter for three years, also cause to be referred at least the same number, and up to twice as many, Eligible Criminal Justice Referrals to the Criminal Justice Project Control Group as to the Criminal Justice Project Treatment Group.

(ii) *Homelessness Project*. The County shall, over a period of five years commencing on the Homelessness Launch Date, on the schedule set forth below, cause to be referred to the Homelessness Project no fewer than 1,484 Verified Persistently Homeless Individuals, unless Road Home requests otherwise.

	Quarter	Referrals
Year 1	Q1	33
	Q2	56
	Q3	56
	Q4	71
Year 2	Q5	85
	Q6	99
	Q7	99

	Q8	99
Year 3	Q9	99
	Q10	99
	Q11	99
	Q12	99
Year 4	Q13	99
	Q14	99
	Q15	99
	Q16	85
Year 5	Q17	75
	Q18	33

As of the Execution Date, the County anticipates the majority of referrals for the Homelessness Project will be generated through a quarterly pull of HMIS data conducted by Road Home. Referrals may also be generated from other sources, such as YWCA Utah & Volunteers of America Utah, provided that the Independent Evaluator can timely verify (A) the prior length of stay in shelter and other characteristics of the referred individuals relevant to the eligibility criteria set forth in the Evaluation Plans, and (B) relevant information on future stays in the referral location of the referred individuals.

- (iii) *Self-Recruitments for the Criminal Justice Project.* If the number of Eligible Criminal Justice Referrals falls 10% below 38 over two consecutive Quarters or 25% below 38 in any given Quarter, First Step may self-recruit sufficient participants to fill all open spots in the Criminal Justice Project. For the purposes of this PFS Contract, self-recruited participants will be counted as First Step REACH Clients and Earned Success Payments for such First Step REACH Clients will be calculated by scaling up the results of those randomized into the Criminal Justice REACH Treatment Group using the formula in Appendix E. For the purposes of Section 2.03(b)(i)(A) and Section 2.07(a)(i) self-recruited First Step REACH Clients will not be considered enrollments to the Criminal Justice Project.
- (iv) *Self-Recruitments for the Homelessness Project:* If the number of Verified Persistently Homeless Individuals referred falls 10% below the levels set forth in Section 10.01(a)(ii) over two consecutive Quarters, or falls 25%

below the levels set forth in Section 10.01(a)(ii) in any one Quarter, Road Home may self-recruit sufficient participants, which participants must come from a source other than the current referral pathway detailed in Evaluation Plan for the Homelessness Project to fill all open spots in the Homelessness Project. For the purposes of this PFS Contract, self-recruited participants will be counted as Road Home HNJ Clients and Earned Success Payments for such Road Home HNJ Clients will be calculated by scaling up the results of those randomized into the Homelessness Project using the formula in Appendix E. For the purposes of Section 2.03(b)(ii)(A) and Section 2.07(b)(i) self-recruited First Step REACH Clients will not be considered enrollments to the Homelessness Project.

(b) *Timeliness and Quality of Data-Sharing.* The County shall be responsible for working with the Independent Evaluator to obtain information necessary to generate the referrals and produce the Evaluation Reports in a timely manner.

(i) *Referrals.* The County shall be responsible for enforcing the provisions of the Criminal Justice Referral Agreement, Homelessness Referral Agreement or any other agreement entered into by the County for purposes of providing referrals. The County may exercise any right or remedy as may be available under this PFS Contract or applicable law.

(ii) *Evaluations.*

A. *Payable Outcomes.* The County shall be responsible for enforcing the provisions of the Evaluation Agreements such that the Independent Evaluator is provided all information reasonably available relating to Performance Measures and the individuals referred to the Projects, whether such individuals are part of control groups or enrolled as Clients, within one month of any request by the Independent Evaluator. In addition to the foregoing, SPV shall be responsible for enforcing the provisions of the Service Provider Agreements as set out in Sections 3.03 and 8.01(a) so to provide the Independent Evaluator all information reasonably available from the Service Providers relating to Performance Measures and the individuals referred to the Projects within one month of any request by the Independent Evaluator.

B. *Non-Payable Outcomes.* Promptly upon wind-down of any Project, whether by early termination or completion of the Project, the County shall be responsible for enforcing the provisions of the Evaluation Agreements so to provide the Independent Evaluator all information reasonably available relating to Performance Measures, other non-payable performance measures described in the Evaluation Plans and the individuals referred to the Projects, whether such individuals are part of control groups or enrolled as Clients. In addition to the foregoing, SPV shall be responsible for enforcing the provisions of the Service Provider

Agreements as set out in Sections 3.03 and 8.01(a) so as to provide the Independent Evaluator all information reasonably available from the Service Providers relating to Performance Measures, other non-payable performance measures described in the Evaluation Plans and the individuals referred to the Projects, whether such individuals are part of control groups or enrolled as Clients.

- (iii) If the County is unable to provide or cause to be provided such information, not including information to be provided by the Service Providers, in a timely manner as required above and the absence of such information could have a material adverse effect on either Project, the Project Manager will, on behalf of the Independent Evaluator, provide written notice to the County citing breach of this Section 10.01(b) and the County will have 30 days from the date of such notice to provide or cause to be provided, the required information. Failure to do so within 30 days after delivery of such written notice will be deemed a Material Breach hereunder unless the County and the Independent Evaluator determine alternate methods to determine Success Payments that are satisfactory to the Executive Committee and the Funders.

(c) *Referral Agreements, Evaluation Agreements and the Escrow Agreement.* The County shall execute and be responsible for enforcing the provisions of the Homelessness Referral Agreement, the Criminal Justice Referral Agreement, the Evaluation Agreements and the Escrow Agreement.

(d) *Written Directions and Amendments to Escrow Agreement.* The County hereby agrees that it will not deliver a Written Direction (as defined in the Escrow Agreement) other than as expressly permitted or required hereunder without the prior written consent of all Lenders and that it will not approve or execute any amendment to the Escrow Agreement which would have a material adverse effect on this PFS Contract without prior approval of the Executive Committee as provided herein.

ARTICLE 11

TERMINATION OF PFS CONTRACT OR SINGLE PROJECT

Section 11.01 Termination Events.

(a) *Automatic Termination Events.* This PFS Contract will be terminated automatically upon the occurrence of any one of the following events:

- (i) *Failure to Launch both Projects.* Failure of both Projects to Launch by the Drop Date.
- (ii) *Non-appropriation or Change in Law.* Non-appropriation of funds to the PFS Escrow Fund as set forth in Section 4.03 or a change in law which materially adversely effects the ability of the County to perform its obligations hereunder, such a change in law being evidenced by an opinion of counsel to the County that the County is no longer legally able

to perform one or more of its obligations hereunder, provided that prior to delivery of such opinion of counsel, the Parties shall first undertake reasonable best efforts to amend this PFS Contract to accommodate the change in law.

(b) *Presumptive Termination Events.* Upon the occurrence of any one of the following events, this PFS Contract, or the applicable Project, shall be terminated absent Special Majority Approval of the Executive Committee electing, with Funder Consent, to continue this PFS Contract or the applicable Project:

- (i) *Failure to Launch One Project.* Failure of one Project to Launch by the Drop Date. Notwithstanding anything herein to the contrary, such failure will only be a Presumptive Termination Event for the Project that failed to Launch.
- (ii) *Pilot Failure of One or Both Projects.* Pilot Failure of one or both Projects during the applicable Pilot Period. Notwithstanding anything herein to the contrary, Pilot Failure of a single Project will only be a Presumptive Termination Event for such Project.
- (iii) *Failure of One or Both Projects to Meet Minimum Performance Thresholds.* Failure of one or both Projects to meet Minimum Performance Thresholds at any time after the applicable Pilot Period. Notwithstanding anything herein to the contrary, failure of only a single Project to meet Minimum Performance Thresholds will only be a Presumptive Termination Event for such Project.
- (iv) *Termination or Resignation of SPV.* The resignation or termination of SPV and failure to appoint a Replacement SPV within 120 days thereafter.
- (v) *Termination or Resignation of Service Providers.* The termination or resignation of one or both Service Providers under the applicable Service Provider Agreements and failure to appoint a replacement service provider within 60 days. Notwithstanding anything herein to the contrary, termination of a single Service Provider and failure to appoint a replacement therefor will only be a Presumptive Termination Event for the applicable Project. Furthermore, notwithstanding anything herein to the contrary, the Homelessness Project and the Road Home HNJ Services are not contingent upon the continued operation of any of Road Home's shelters, including but not limited to the Salt Lake Community Shelter located at 2010 South Rio Grande Street, Salt Lake City, Utah. The Homelessness Project and the Road Home HNJ Services will continue in the event of changes in the handling of centralized intake services for the homeless populations in the County, subject at all times to the presumptive termination provision relating to Minimum Performance Thresholds in Section 11.01(b)(iii).

- (vi) *Termination or Resignation of Independent Evaluator.* Termination or resignation of Independent Evaluator and failure to appoint a replacement evaluator within 45 days.
- (vii) *Termination or Resignation of Project Manager.* Termination or resignation of the Project Manager and failure to appoint a replacement project manager within 60 days.
- (viii) *Bankruptcy.* The filing by any Party of a petition in bankruptcy or insolvency against any Party, unless such filing or insolvency is of SPV and a Replacement SPV is appointed.
- (ix) *County Determination to Scale Services.* A determination by the County, as evidenced by a written request to the Executive Committee, to terminate this PFS Contract in order to deliver Services to a more significant portion of the Target Populations, provided that the County shall, prior to termination, negotiate a prepayment or other buyout provisions acceptable to all the Lenders with respect to all Loans.
- (x) *Material Breach.* The occurrence of a Material Breach under this PFS Contract, which is not remedied within 60 days after written notice of breach (or such longer timeframe as the Executive Committee deems reasonable and necessary given the nature of the Material Breach as curable and the diligent efforts made to correct the same).
- (xi) *Failure to Fund or Event of Default under Loan Agreement or Grant Agreement.*

A. A failure by any Funder to fund, as determined reasonably by the Parties, unless:

(1) the other Funders of the same class as the Defaulting Funder (i.e., where the Defaulting Funder is a Senior Lender, the other Senior Lenders, and where the Defaulting Funder is an Impact Lender, the other Impact Lenders,) have, within ten (10) business days after the Failed Funding Date agreed to provide the funding not received by the Defaulting Funder within fifteen (15) days of the Failed Funding Date, all on a pro rata basis, in accordance with such class of Funders' original commitment (calculated excluding the commitment of the Defaulting Funder), or on such other basis as the remaining Funders of the class may agree; or

(2) if other Funders of the same class as the Defaulting Funder have not provided funding as provided for in Section 11.01(b)(xi)(A)(1), the County and SPV are able to secure an alternate source of funding with twenty (20) business days after the Failed Funding Date.

B. The occurrence of an event of default by SPV under terms of any Loan Agreement or Grant Agreement, after the expiration of any applicable notice and cure periods under the applicable agreement, as determined reasonably by the applicable Funder(s) pursuant to the terms of such Loan Agreement or Grant Agreement, unless the Executive Committee elects to cause SPV to repay the applicable Lender any principal amounts drawn on to date and interest accrued on such drawn down amounts, together with other amounts owing under the applicable Loan Agreement, all pursuant to Section 5.02(f)(xxii), provided that as a condition to such repayment alternate funding must have been secured as provided in this Section 11.01(b)(xi)(A)(1) or (2) or there must be sufficient funds in the applicable general ledger of the SPV Operating Account to make such repayment without jeopardizing either Project or SPV's ability to meet its obligations under the Loan Agreements (as determined by the Executive Committee with Funder Consent).

- (xii) *SPV Spending and Funding Plan Reconciliation.* Special Majority Approval of the Executive Committee is not given to a plan to reconcile material variances between the SPV Operating Account and the Funding Plans, as identified in SPV OC Quarterly Report, within 60 days (or such longer timeframe as the Executive Committee deems necessary) after written notice of disagreement is provided to the Funders referencing this termination provision.

Any OC Member may request a determination from the Executive Committee regarding whether an event listed in this Section 11.01(b) has taken place.

(c) *Optional Termination Events.* Upon the occurrence of any one of the following events, this PFS Contract, or the applicable Project, may be terminated by the Executive Committee with Funder Consent:

- (i) *Force Majeure.* Upon the occurrence of any event which is outside the reasonable control of the Party concerned and is not attributable to any act or failure to take preventative action by that Party, including acts of God or any other disaster natural or man-made, acts of terrorism or similar cause beyond the reasonable control of the Party affected thereby, fluctuations in market forces (including labor markets) and union strikes, and political developments which prevent access to data, or any event outside the control of a Party which prevents such Party from performing its material obligations under this PFS Contract for a period in excess of three months.
- (ii) *Success Payments in Jeopardy.* A determination of the Executive Committee that the calculation of Earned Success Payments or payment of Success Payments will be jeopardized as a result of a lack of referrals, unavailability of resources, or any other cause and the passage of 45 days without remedy (or such longer timeframe as the Executive Committee

deems necessary). Notwithstanding anything herein to the contrary, a lack of referrals will only be an Optional Termination Event for the applicable Project.

- (iii) *Mutual Consent.* Mutual consent of the Parties to terminate this PFS Contract.

Any OC Member may request a determination from the Executive Committee regarding whether an event listed in this Section 11.01(c) has taken place.

(d) The Executive Committee will give prompt notice to the Project Manager, Service Providers, Independent Evaluator, SPV and the Funders of the occurrence of an Automatic Termination Event and any election to not continue or terminate this PFS Contract as a result of a Presumptive Termination Event or an Optional Termination Event, as the case may be.

Section 11.02 Effect of Early Termination.

(a) Upon an Automatic Termination Event, the determination of the Executive Committee and consenting Funders not to continue a Project or the PFS Contract in the event of a Presumptive Termination Event or the determination of the Executive Committee and consenting Funders to terminate a Project or the PFS Contract in the event of an Optional Termination Event, the following will occur:

- (i) *Calculation of Earned Success Payments.* The Project Manager will immediately notify (by electronic mail) the Independent Evaluator and the Independent Evaluator will thereafter proceed to prepare a Final Evaluation Report (due within 90 days or 120 days (pursuant to Section 6.08(c)) after the occurrence of an Automatic Termination Event or a determination of the Executive Committee and applicable consenting Funders to terminate a Project or the PFS Contract) in order to determine Earned Success Payments accrued to date for all Performance Measures based on prior and the most recent Evaluation Report and other available, reliable data, for all Clients, including those still being observed at the time of termination. For purposes of clarification only, this means that if a Client has only been observed for one year of a four-year observation period, the Independent Evaluator will calculate the success of the Client for the one year of observation.
- (ii) *Future Evaluation; Future Outcomes and Success Payments.* The Executive Committee shall consult with the Independent Evaluator to determine whether the future achievement of Performance Measures by Clients being observed at the time of termination should (A) not be determined; (B) be calculated by projection; or (C) be calculated by continuing the evaluation of such Clients.

A. *Termination of Evaluation.* If the Executive Committee determines to terminate the evaluation and not consider future achievement of Performance Measures, the Earned Success Payments

calculated in Section 11.02(a)(i) will be used for purposes of payment from the PFS Escrow Fund pursuant to Section 11.02(a)(iii).

B. *Calculation by Projection.* If the Executive Committee determines to terminate the evaluation and project the future achievement of Performance Measures, the calculation of Earned Success Payments in Section 11.02(a)(i) will be revised to include such future results and such revised amount will be used for purposes of payment from the PFS Escrow Fund pursuant to Section 11.02(a)(iii).

C. *Continuation of Evaluation.* If the Executive Committee determines to continue the evaluation, Earned Success Payments will continue to be calculated as described herein and Success Payments may continue to be paid in accordance herewith, at the direction of the Executive Committee. For purposes of the termination provisions of this Section 11.02(a), however, the Earned Success Payments calculated in Section 11.02(a)(i) will be used for purposes of payment from the PFS Escrow Fund pursuant to Section 11.02(a)(iii), and the termination process will continue through Section 11.02(a)(iv)(A). In the event this PFS Contract is terminated and the Executive Committee determines to continue the evaluation, amounts to be paid to the Independent Evaluator, Project Manager, SPV, other third parties and Funders must be renegotiated, but will continue to be made as if early termination had not occurred. The Executive Committee may approve one or more amendments to this PFS Contract in order to clarify the rights and obligations of the Parties in the event of early termination and a determination to continue with Project evaluation.

(iii) *County Payment to SPV.*

A. *County Termination.* If the termination is due to non-appropriation of funds by the County or failure of the County to deposit such appropriated funds into the PFS Escrow Fund, or County Pilot Failure, or County Minimum Performance Threshold Failure, or failure of the County to meet its referral obligations in Section 10.01(a), the County shall cause the Escrow Agent to transfer from the PFS Escrow Fund to the SPV Operating Account both

(1) an amount equal to the total of all Project Costs for the next immediate Quarter, in accordance with the Funding Plans; and

(2) Success Payments equal to the amount of all Earned Success Payments calculated pursuant to Section 11.02(a)(i) and other Earned Success Payments (subject to the cap for Non-Comparative Outcomes) which have not been previously paid pursuant to the provisions of Article 4.05.

B. *Other Termination.* If the termination is due to any reason not described in Section 11.02(a)(iii)(A), the County shall cause the Escrow Agent to transfer from the PFS Escrow Fund to the SPV Operating Account all Earned Success Payments calculated pursuant to Section 11.02(a) and other Earned Success Payments which have not been previously paid pursuant to the provisions of Article 4.05.

C. *County Obligations Limited.* Notwithstanding anything herein to the contrary, all Success Payments hereunder are subject to the overall cap of \$5,950,000 for the Criminal Justice Project and \$5,550,000 for the Homelessness Project and the prior appropriation and deposit of funds sufficient to make such Success Payments pursuant to Section 4.03(c).

(iv) *Payments from SPV Operating Account.* SPV shall distribute assets from the SPV Operating Account, to the extent available, in the following order of priority:

A. First, to the Service Provider(s), Project Costs for the next immediate Quarter as set forth in the applicable Budget.

B. Second, to the Independent Evaluator, Project Manager, SPV and other third parties, Project Costs for the next immediate Quarter as set forth in the Funding Plans (in the event there are insufficient funds in the SPV Operating Account to pay all Project Costs at any time, SPV shall disburse funds available within the SPV Operating Account for such Project Costs on a pro rata basis to the parties entitled to such payments);

C. Third, to Lenders, the following amounts in the following order, all pursuant to the terms of the Loan Agreements:

(1) Interest accrued to date on Senior Loan amounts disbursed to date, if any;

(2) Interest accrued to date on Impact Loan amounts disbursed to date, if any;

(3) Principal amounts disbursed pursuant to Senior Loans to date, if any; and

(4) Principal amounts disbursed pursuant to Impact Loans to date, if any.

Notwithstanding anything herein to the contrary, in the event of a termination of this PFS Contract pursuant to Section 11.01(b)(ix) relating to a County determination to scale the Projects, the County shall negotiate prepayment or other buyout provisions acceptable to all the Lenders with respect to all Loans.

D. Fourth, to the County, any remaining funds on hand in the SPV Operating Account.

- (v) *Wind Down.* The Parties shall cooperate in winding down the activities contemplated under this PFS Contract. The County hereby agrees in good faith to assist Clients in the transition from the Services to other available alternate services reasonably equivalent to the Services, if any, provided that the County shall have no legal or moral obligation whatsoever under this PFS Contract or otherwise, to do so, or to take any specific action under this provision or to pay any costs of such transition.
- (vi) *Termination of PFS Contract.* Except as set forth otherwise in this PFS Contract (including to the extent this PFS Contract must continue in place in the event the Executive Committee determines to continue Project evaluation and make related Success Payments), after such time as SPV disburses all funds from the SPV Operating Account and the Service Providers have completed a wind-down of their Services under this PFS Contract, this PFS Contract will have no further force or effect and neither the County nor SPV, nor any of their respective affiliates, officials, members, managers, employees, officers or directors will have any liability of any nature whatsoever under this PFS Contract.
- (vii) *Return of Information.* As soon as reasonably practicable after termination of this PFS Contract, each Party shall return any and all confidential information in its possession to the proper party or parties, subject at all times to the terms of data sharing agreements to which any Party is bound.

(b) *Single Project Termination.* In the event a single Project is terminated pursuant to the terms hereof, the provisions of Section 11.02(a) will apply; provided, however, that only amounts in the general ledger of the SPV Operating Account for the terminated Project shall be disbursed as described in Section 11.02(a) and this PFS Contract will not terminate. Amounts to be paid to the Independent Evaluator, Project Manager, SPV, other third parties and Funders must also be renegotiated. The Executive Committee may approve an amendment to this PFS Contract in order to clarify the rights and obligations of the Parties in the event a single Project is terminated.

ARTICLE 12

AMENDMENT; MISCELLANEOUS

Section 12.01 Amendment. Except as otherwise specifically set forth herein, this PFS Contract may be amended by and only with consent of the Parties for any reason in writing, including, but, not limited to substitution of one or more of the exhibits or appendices hereto, subject to Section 5.02(f) and Section 5.03, which, among other things, protect the rights of SPV, the Service Providers and Funders.

Section 12.02 Successors and Assigns. SPV shall not assign its rights, duties and obligations under this PFS Contract without the consent of the County and the Executive Committee as provided herein. The rights and obligations of SPV shall inure to and be binding upon their respective successors and assigns.

Section 12.03 Notices. Any request, authorization, direction, notice, consent, waiver or other document provided by this PFS Contract shall be in writing and shall be deemed sufficiently given when mailed by registered or certified mail, postage prepaid, or, *except for notices to the County which must be delivered by mail (with a copy delivered electronically)*, sent by electronic mail delivered during business hours as follows:

To the County at:

Contracts and Procurement
2001 S State St. N4-600
Salt Lake City, UT 84190

With a copy to:

Fraser Nelson
Director Data and Innovation
2001 S State St, N2-100
Salt Lake City, UT 84190
Phone: 385.468.7026
Email: FNelson@slco.org

To SPV at:

SLCo PFS 1, Inc.
c/o: The Community Foundation of Utah
2257 South 1100 East, Suite 205
Salt Lake City, UT 84106
Attn: Tony Mastracci, Chief Operating Officer
Phone: 801-559-3005 ext 5
Email: payforsuccess@utahcf.org

With a copy to:

Dorsey & Whitney, LLP
136 South Main Street, Suite 1000
Salt Lake City, UT 84101-1685
Attn: Layne Smith & Wells Parker
Phone: 801-933-7360
Fax: 801.933.7373
Email: smith.layne@dorsey.com & parker.wells@dorsey.com

As to all of the foregoing, to such other address as the addressee shall have given in writing to the one giving notice. Notice hereunder may be waived prospectively or retroactively by the person entitled to the notice, but no waiver shall affect any notice requirement as to other persons.

Section 12.04 Agreement Not for the Benefit of Other Parties; Collateral Assignments.

(a) Except as set forth in subparagraph (b) of this Section 12.04, this PFS Contract is not intended for the benefit of and shall not be construed to create rights in parties other than the County and SPV.

(b) The County acknowledges that SPV may collaterally assign the right to payment or any other rights under in this PFS Contract and other documents to which it is a party to Assignees in accordance with a collateral assignment that may be executed on or subsequent to the Execution Date as collateral for the obligations of SPV to the Assignees, and the County hereby consents to such collateral assignment, subject to approval of the Proposed Funding Agreement under Section 4.01. In addition, the Funders are intended third-party beneficiaries with respect to Section 4.02(e), Section 5.01 (relating to Funders' rights to appoint a representative to the Executive Committee, attend meetings, and receive copies of minutes), Section 5.02 (relating to Funders' rights to attend meetings and receive copies of minutes), Section 5.03, Article 6, Section 7.06(c), Section 8.01(b), Section 8.04(d) and Section 10.01(d), and shall have the right to specifically enforce the provisions of this PFS Contract that inure to the benefit of Funders.

Section 12.05 Severability. In case any provision of this PFS Contract shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, provided that the allocation of benefits and burdens under this PFS Contract shall not thereby be materially altered.

Section 12.06 Counterparts. This Contract may be executed and delivered in any number of counterparts, each of which shall be deemed to be an original, but such counterparts together shall constitute one and the same instrument.

Section 12.07 Captions. The captions and table of contents of this PFS Contract are for convenience only and shall not affect the construction hereof.

Section 12.08 Governing Law. All issues concerning this PFS Contract shall be governed by and construed in accordance with the laws of the State of Utah and the ordinances of the County without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the State of Utah. All actions, including but not limited to court proceedings, administrative proceedings, and mediation proceedings, shall be commenced, maintained, adjudicated and resolved within the jurisdiction of the State of Utah and held within the County.

Section 12.09 Waiver of Jury Trial. EACH PARTY TO THIS PFS CONTRACT HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION

(A) ARISING UNDER THIS PFS CONTRACT OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS PFS CONTRACT OR ANY OF THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE. EACH PARTY TO THIS PFS CONTRACT HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES TO THIS PFS CONTRACT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS PFS CONTRACT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 12.10 Dispute Resolution. If a dispute arises under this PFS Contract, the Party raising the dispute shall provide written notice to the other Party of such dispute. The Parties shall use good faith efforts to resolve such dispute. If the Parties are unable to resolve the dispute within twenty-one (21) days of receipt of the written statement of dispute, the Parties shall submit the dispute to non-binding mediation. Mediation must occur within 30 days after the parties agree to submit the dispute to mediation, and the duration of the mediation shall be limited to one business day. The parties mutually shall select an independent mediator experienced in commercial contract disputes, and each shall designate a representative with authority to settle the dispute to meet with the mediator in good faith in an effort to resolve the dispute. The specific format for the mediation shall be left to the discretion of the mediator and the designated party representatives and may include the preparation of agreed-upon statements of fact or written statements of position furnished to the other party. If the Parties are unable to resolve the dispute through mediation, as provided herein, then the Parties may pursue whatever remedies they may have at law or equity, except as otherwise set forth under this PFS Contract.

Section 12.11 Indemnification.

(a) SPV shall indemnify, defend, and hold harmless the County and its respective officers, directors, agents, and employees from and against SPV Claims. This indemnification provision shall survive the termination of this PFS Contract. SPV's liability for misappropriation of funds or fraud is limited to the amount of any funds misappropriated.

(b) The County is a body corporate and politic of the State, subject to the Immunity Act. The Parties agree the County shall only be liable, if ever, only within the parameters of the Immunity Act. Nothing in this PFS Contract shall be construed in any way to modify the limits of liability set forth in the Immunity Act or the bases for liability, if any, as established in the Immunity Act. The County's contractual liability is limited to the amounts appropriated and deposited in the PFS Escrow Fund.

Section 12.12 Insurance.

(a) SPV, or CFU on behalf of SPV, shall procure, maintain, and pay premiums for the following forms of insurance in the following minimum amounts:

- (i) *Commercial General Liability.* Commercial general liability insurance with coverage limits of liability not less than:
 - \$1,000,000 each occurrence;
 - \$1,000,000 damage to rented premises each occurrence;
 - \$10,000 medical expenses (any one person);
 - \$1,000,000 personal injury and advertising injury;
 - \$2,000,000 general aggregate; and
 - \$2,000,000 products/completed operations aggregate.
- (ii) *Automobile Liability.* Automobile liability insurance for all hired and non-owned autos with a coverage limit of liability not less than \$1,000,000 combined single limit each accident; and
- (iii) *Commercial Crime.* Commercial crime fidelity policy with a limit of insurance of \$500,000 and \$5,000 single loss retention. The County shall be listed as loss payee on the crime policy.

(b) Any insurance provided to satisfy the provisions of this Section 12.12 must be provided by insurance carriers with a minimum A.M. Best's financial strength rating of "A-" or better, licensed to transact business and write insurance in the State.

(c) No insurance provisions will affect or limit the liability of SPV elsewhere stated in this PFS Contract, except that the Parties shall first seek recourse for any claim or liability through insurance proceeds.

Section 12.13 Merger; Entire Agreement. The Parties understand and agree that their entire agreement is contained herein and in the documents, exhibits, schedules and plans referenced herein, attached hereto or entered into pursuant hereto. It is further understood and agreed that all prior understandings and agreements heretofore had between the parties are merged in this PFS Contract which alone fully and completely expresses their agreement and that the same is entered into after full investigation, neither party relying on any statement or representation not explicitly set forth in this PFS Contract.

Section 12.14 Electronic Signature. **THE PARTIES AGREE ON BEHALF OF THEMSELVES AND THEIR RESPECTIVE OFFICERS, EMPLOYEES, SUBCONTRACTORS, SUBGRANTEES, AGENTS OR ASSIGNS, THAT ALL CONTRACT DOCUMENTS REQUIRING SIGNATURES MAY BE EXECUTED BY ELECTRONIC MEANS, AND THAT THE ELECTRONIC SIGNATURES AFFIXED TO SAID DOCUMENTS SHALL HAVE THE SAME LEGAL EFFECT AS IF THAT SIGNATURE WAS MANUALLY AFFIXED TO A PAPER VERSION OF THE DOCUMENT.**

Section 12.15 Non-Discrimination. No party to this PFS Contract shall discriminate because of race, color, religion, sex, sexual orientation or gender change, age, national origin, known handicap or status as a Vietnam era veteran or disabled veteran, and as further defined

and prohibited by applicable Federal and State government laws, in any facet of the operation of this PFS Contract. The parties further agree to comply with the provisions of the Americans with Disabilities Act.

Section 12.16 Conflicts with Loan Agreements and Grant Agreements. In the event of a conflict between the terms of this PFS Contract and the Loan Agreements and Grant Agreements, the terms of the Loan Agreements and Grant Agreements will govern.

Section 12.17 Independent Contractor and Taxes. The relationship of County and SPV under this PFS Contract shall be that of an independent contractor status. Each party shall have the entire responsibility to discharge all of the obligations of an independent contractor under federal, state and local law, including but not limited to, those obligations relating to employee supervision, benefits and wages; taxes; unemployment compensation and insurance; social security; worker's compensation; disability pensions and tax withholdings, including the filing of all returns and reports and the payment of all taxes, assessments and contributions and other sums required of an independent contractor. Nothing contained in this PFS Contract shall be construed to create the relationship between County and SPV of employer and employee, partners or joint ventures.

Section 12.18 Agency. No agent, employee or servant of SPV or County is or shall be deemed to be an employee, agent or servant of the other party. None of the benefits provided by each party to its employees including, but not limited to, workers' compensation insurance, health insurance and unemployment insurance, are available to the employees, agents, or servants of the other party. SPV and County shall each be solely and entirely responsible for its acts and for the acts of its agents, employees, and servants during the performance of this PFS Contract. SPV and County shall each make all commercially reasonable efforts to inform all persons with whom they are involved in connection with this PFS Contract to be aware that SPV is an independent contractor.

Section 12.19 No Officer or Employee Interest. It is understood and agreed that no officer or employee of the County has or shall have any pecuniary interest, direct or indirect, in this PFS Contract or the proceeds resulting from the performance of this PFS Contract. No officer or employee of SPV or any member of their families shall serve on any County board or committee or hold any such position which either by rule, practice, or action nominates, recommends, or supervises SPV's operations, or authorizes funding or payments to SPV.

Section 12.20 Ethical Standards. SPV represents that it has not: (a) provided an illegal gift to any County officer or employee, or former County officer or employee, or to any relative or business entity of a County officer or employee, or relative or business entity of a former County officer or employee; (b) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees of bona fide commercial agencies established for the purpose of securing business; (c) breached any of the ethical standards set forth in State statute or Salt Lake County Code of Ordinances § 2.07 (2011); or (d) knowingly influenced, and hereby promises that it will not knowingly influence, any County officer or employee or former County officer or employee to breach any of the ethical standards set forth in State statute or Salt Lake County ordinances.

Section 12.21 Campaign Contributions. The Salt Lake County campaign finance disclosure ordinance (Salt Lake County Code of Ordinances § 2.72A (2011)) limits campaign contributions by contractors to County candidates. SPV acknowledges and understands such limitations on campaign contributions mean that any person, business, corporation or other entity that enters into a contract or is engaged in a contract with the County is prohibited from making campaign contributions in excess of \$100 to County candidates during the term of the contract and during a single election cycle as defined in the ordinance. SPV further acknowledges that violation of those provisions governing campaign contributions may result in criminal sanctions as well as termination of this PFS Contract by means of Material Breach.

Section 12.22 Public Funds and Public Monies.

(a) *Definitions*. “Public funds” and “public monies” mean monies, funds, and accounts, regardless of the source from which they are derived, that are owned, held, or administered by the state or any of its boards, commissions, institutions, departments, divisions, agencies, bureaus, laboratories, or other similar instrumentalities, or any county, city, school district, political subdivision, or other public body. The terms also include monies, funds or accounts that have been transferred by any of the aforementioned public entities to a private contract provider for public programs or services. Said funds shall maintain the nature of “public funds” while in SPV’s possession.

(b) *SPV’s Obligation*. SPV, as recipient of “public funds” and “public monies” pursuant to this and other contracts related hereto, expressly understands that it, its officers, and employees are obligated to receive, keep safe, transfer, disburse and use these “public funds” and “public monies” as authorized by law and this PFS Contract for the provision of services to Salt Lake County. SPV understands that it, its officers, and employees may be criminally liable under Utah Code Ann. § 76-8-402 (2011), for misuse of public funds or monies. SPV expressly understands that County may monitor the expenditure of public funds by SPV. SPV expressly understands that County may withhold funds or require repayment of funds from SPV for contract noncompliance, failure to comply with directives regarding the use of public funds, or for misuse of public funds or monies.

Section 12.23 Affidavits. Upon the execution of this PFS Contract and if requested by the County, SPV shall submit a sworn affidavit from each officer, employee, or agent of SPV who has been in contact or communicated with any officer, agent or employee of County during the past calendar year concerning the provision of these goods and services. The affidavit shall contain the following statement:

“I do solemnly swear that neither I, nor to the best of my knowledge, any member of my firm or company, have either directly or indirectly restrained free and competitive bidding by entering into any Agreement, participated in any collusion, or otherwise taken any action unauthorized by the governing body of the County, or in violation of applicable law.”

Section 12.24 Compliance with Laws. The Parties agree to comply with all federal, state and local laws, rules and regulations in the performance of their duties and obligations under this

PFS Contract. SPV is responsible, at its expense, to acquire, maintain and renew during the term of this PFS Contract, all necessary permits and licenses required for its lawful performance of its duties and obligations under this PFS Contract.

Section 12.25 Notice to Retirees of URS. County is a URS “participating employer.” Entering into an agreement with County may affect a URS retiree’s retirement benefits including, but not limited to, cancellation of the retiree’s “retirement allowance” due to “reemployment” with a “participating employer” pursuant to Utah Code Ann. § 49-11-504 to -505 (2011). In addition, SPV is required to immediately notify County if a retiree of URS is the contractor; or an owner, operator, or principal of the contractor. SPV shall refer the URS retiree to the URS Retirement Department at 801-366-7770 or 800-695-4877 for all questions about post-retirement employment regulations.

Section 12.26 Labor Regulations and Requirements. SPV agrees to comply with all applicable provisions of Title 34 of the Utah Code, and with all applicable federal, state and local labor laws. SPV shall indemnify and hold County harmless from and against any and all claims for liability arising out of any violation of this paragraph or the laws referenced by SPV, its agents or employees.

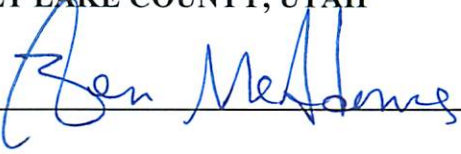
Section 12.27 Employee Status Verification System. If this PFS Contract was the result of a Request for Proposals by County, SPV shall register and participate in the Status Verification System before entering into a contract with the county as required by Utah Code Ann. § 63G-11-103(3). The Status Verification System is an electronic system operated by the federal government, through which an authorized official of a state agency or a political subdivision of the state may inquire by exercise of authority delegated pursuant to 8 U.S.C. § 1373 to verify the citizenship or immigration status of an individual within the jurisdiction of the agency or political subdivision. SPV is individually responsible for verifying the employment status of only new employees who work under SPV’s supervision or direction and not those who work for another contractor or subcontractor, except each contractor or subcontractor who works under or for another contractor shall certify to the main contractor by affidavit that the contractor or subcontractor has verified, through the Status Verification System, the employment status of each new employee of the respective contractor or subcontractor. SPV shall comply in all respects with the provisions of Utah Code Ann. § 63G-11-103(3). SPV’s failure to so comply may result in the immediate termination of its contract with the County.

Section 12.28 Confidentiality and Publicity. The County is subject to GRAMA and as a result is required to disclose certain information and materials to the public, upon request. Generally, any document submitted to or created by County is considered a public record unless classified as private, protected or controlled under GRAMA. The Parties hereby agree to be bound by any applicable confidentiality and non-disclosure terms and conditions of either Party, subject to the requirements of GRAMA. In accordance therewith, the Parties shall adhere to the requirements and protocols relating to the protection, use and disclosure of data and information related to the County and the Target Populations, although the Parties do not anticipate that SPV will receive personally identifiable information under this PFS Contract. Each of the Parties hereby further agrees to be bound by the publicity provisions included in the agreement attached hereto as Appendix F.

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IN WITNESS WHEREOF, the Parties have caused this PFS Contract to be duly executed as an instrument under seal, all as of the date first above written.

SALT LAKE COUNTY, UTAH

By: 

Name: Ben McAdams or Designee
Title: County Mayor or Designee

SLCO PFS 1, INC.

By: _____
Name:
Title:

APPROVED AS TO FORM AND LEGALITY
District Attorney's Office

By: 
Melanie F. Mitchell, Unit Chief

Date: 9 December 2016

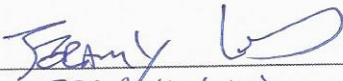
IN WITNESS WHEREOF, the Parties have caused this PFS Contract to be duly executed as an instrument under seal, all as of the date first above written.

SALT LAKE COUNTY, UTAH

By: _____

Name: Ben McAdams or Designee
Title: County Mayor or Designee

SLCO PFS 1, INC.

By: 
Name: JEREMY LUND
Title: PRESIDENT

APPROVED AS TO FORM AND LEGALITY
District Attorney's Office

By: _____
Melanie F. Mitchell, Unit Chief

Date: _____

APPENDIX A-2 HOMELESSNESS PROJECT FUNDING PLAN

Year Quarter	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6			Windup	
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23		
Starting Cash Balance	\$ -	\$ 51,865	\$ 609,515	\$ 451,131	\$ 239,444	\$ 113,777	\$ 135,710	\$ 100,497	\$ 233,451	\$ 252,106	\$ 276,553	\$ 253,474	\$ 287,732	\$ 254,050	\$ 294,261	\$ 342,706	\$ 375,075	\$ 336,616	\$ 383,658	\$ 400,000	\$ 582,365	\$ 521,411	\$ 533,555	\$ 472,583	
Senior Loan Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 360,000	\$ 180,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 360,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ -	\$ -	\$ -	\$ -	
Impact Loan Financing	\$ -	\$ -	\$ -	\$ -	\$ 240,000	\$ 280,000	\$ 240,000	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Recoverable Grant Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Grant Financing	\$ 437,500	\$ 687,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Released Success Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,880	\$ -	\$ 44,160	\$ -	\$ 60,720	\$ -	\$ 77,280	\$ -	\$ 77,280	\$ -	\$ 77,280	\$ 2,632,416	\$ 77,280	\$ -	\$ 73,120	\$ -	\$ 2,417,584	
Interest Earnings	\$ -	\$ 19	\$ 229	\$ 169	\$ 90	\$ 43	\$ 51	\$ 38	\$ 88	\$ 95	\$ 104	\$ 95	\$ 108	\$ 95	\$ 110	\$ 129	\$ 141	\$ 126	\$ 144	\$ 150	\$ 218	\$ 196	\$ 200	\$ 177	
Program Payment	\$ (149,135)	\$ (105,870)	\$ (134,612)	\$ (187,857)	\$ (228,357)	\$ (244,310)	\$ (260,264)	\$ (260,264)	\$ (264,483)	\$ (264,483)	\$ (264,483)	\$ (264,483)	\$ (268,340)	\$ (268,340)	\$ (268,340)	\$ (268,340)	\$ (258,525)	\$ (246,914)	\$ (194,666)	\$ (137,800)	\$ (33,906)	\$ (33,906)	\$ (33,906)	\$ (33,906)	
Development Loan Repayment (Sorenson, Living Cities)	\$ (62,500)	\$ -	\$ -	\$ -	\$ (125,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Financial Advisory (Third Sector)	\$ (150,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Financial/Legal Intermediary (SLCO PFS 1, Inc.)	\$ (8,000)	\$ (8,000)	\$ (8,000)	\$ (8,000)	\$ (6,400)	\$ (6,400)	\$ (6,400)	\$ (6,400)	\$ (6,400)	\$ (6,400)	\$ (6,400)	\$ (6,400)	\$ (6,400)	\$ (6,400)	\$ (6,400)	\$ (6,400)	\$ (6,400)	\$ (6,400)	\$ (6,400)	\$ (6,400)	\$ (6,400)	\$ (6,400)	\$ (6,400)	\$ (6,400)	
Project Management (Sorenson Impact Center)	\$ (16,000)	\$ (16,000)	\$ (16,000)	\$ (16,000)	\$ (4,800)	\$ (4,800)	\$ (4,800)	\$ (4,800)	\$ (4,800)	\$ (4,800)	\$ (4,800)	\$ (4,800)	\$ (4,800)	\$ (4,800)	\$ (4,800)	\$ (4,800)	\$ (4,800)	\$ (4,800)	\$ (4,800)	\$ (4,800)	\$ (4,800)	\$ (4,800)	\$ (4,800)	\$ (4,800)	
End of Quarter Payments																									
Interest Payments on Senior Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,500)	\$ (6,750)	\$ (10,125)	\$ (13,500)	\$ (16,875)	\$ (20,250)	\$ (23,625)	\$ (28,125)	\$ (31,500)	\$ (34,875)	\$ (38,250)	\$ (41,625)	\$ (12,066)	\$ (12,066)	\$ (12,066)	\$ (12,066)	\$ (12,066)	
Principal Payments on Senior Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (965,273)	
Interest Payments on Impact Loan	\$ -	\$ -	\$ -	\$ -	\$ (1,200)	\$ (2,600)	\$ (3,800)	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ (4,000)	
Principal Payments on Impact Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (800,000)	
Recoverable Grant Replenishment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Success Fees																									
Success Fees: Impact Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (343,500)	
Success Fees: Service Provider	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (190,000)	
Additional Success Fees: Service Provider	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (176,800)	
Additional Success Fees: Project Manager	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (18,564)	
Additional Success Fees: Senior Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (171,496)	
Additional Success Fees: Impact Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (163,540)	
End of Period Cash Balance	\$ 51,865	\$ 609,515	\$ 451,131	\$ 239,444	\$ 113,777	\$ 135,710	\$ 100,497	\$ 233,451	\$ 252,106	\$ 276,553	\$ 253,474	\$ 287,732	\$ 254,050	\$ 294,261	\$ 342,706	\$ 375,075	\$ 336,616	\$ 383,658	\$ 400,000	\$ 582,365	\$ 521,411	\$ 533,555	\$ 472,583	\$ -	
EARNED SUCCESS PAYMENT TRACKER																									
Increased Months without Jail or Shelter	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 728,445	\$ -	\$ -	\$ -	\$ 1,762,366	\$ -	\$ -	\$ -	\$ 1,453,286	\$ 1,314,828
Increased Graduation to Permanent Locations (capped)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,880	\$ -	\$ 44,160	\$ -	\$ 60,720	\$ -	\$ 77,280	\$ -	\$ 77,280	\$ -	\$ 77,280	\$ -	\$ 77,280	\$ -	\$ 73,120	\$ -	\$ -	
Increased BH Enrollment (Substance Abuse)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,230	\$ -	\$ -	\$ -	\$ 40,905	\$ -	\$ -	\$ -	\$ -	\$ 42,420	\$ 52,520
Increased BH Enrollment (Mental Health)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,060	\$ -	\$ -	\$ -	\$ 49,410	\$ -	\$ -	\$ -	\$ -	\$ 51,240	\$ 63,440
Earned Success Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,880	\$ -	\$ 44,160	\$ -	\$ 60,720	\$ -	\$ 77,280	\$ 77,735	\$ 77,280	\$ -	\$ 77,280	\$ 1,852,681	\$ 77,280	\$ -	\$ 73,120	\$ 1,546,946	\$ 1,430,788	
GRADUATION PAYMENT CAP TRACKER																									
Earned Graduation Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,880	\$ -	\$ 44,160	\$ -	\$ 60,720	\$ -	\$ 77,280	\$ -	\$ 77,280	\$ -	\$ 77,280	\$ -	\$ 77,280	\$ -	\$ 77,280	\$ -	\$ 75,440	
Cumulative Earned Graduation Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,880	\$ 12,880	\$ 57,040	\$ 57,040	\$ 117,760	\$ 117,760	\$ 195,040	\$ 195,040	\$ 272,320	\$ 272,320	\$ 349,600	\$ 349,600	\$ 426,880	\$ 426,880	\$ 504,160	\$ 504,160	\$ 579,600	
PAYMENT HOLDBACK TRACKER																									
Holdback %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%	100%	100%	100%	0%	
Holdback Amount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 779,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,546,946	
Cumulative Holdback Amount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 779,735	\$ 779,735	\$ 779,735	\$ 779,735	\$ 779,735	\$ -	\$ -	\$ -	\$ 1,546,946	
Earned Success Payment less Holdback Amount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,880	\$ -	\$ 44,160	\$ -	\$ 60,720	\$ -	\$ 77,280	\$ -	\$ 77,280	\$ -	\$ 77,280	\$ 2,632,416	\$ 77,280	\$ -	\$ 73,120	\$ -	\$ 1,430,788	
Released Success Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,880	\$ -	\$ 44,160	\$ -	\$ 60,720	\$ -	\$ 77,280	\$ -	\$ 77,280	\$ -	\$ 77,280	\$ 2,632,416	\$ 77,280	\$ -	\$ 73,120	\$ -	\$ 2,417,584	
Cumulative Released Success Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,880	\$ 12,880	\$ 57,040	\$ 57,040	\$ 117,760	\$ 117,760	\$ 195,040	\$ 195,040	\$ 272,320	\$ 272,320	\$ 349,600	\$ 2,982,016	\$ 3,059,296	\$ 3,059,296	\$ 3,132,416	\$ 3,132,416	\$ 5,550,000	

APPENDIX B-1
FIRST STEP EVALUATION PLAN

Salt Lake County Criminal Recidivism: Evaluation Plan for the REACH Program Intervention

Proposed Intervention

The First Step House (FSH) Pay for Success program model addresses five major domains defined by the acronym REACH: Recovery, Engagement, Assessment, Career Development, and Housing. The REACH program model was built on the framework of risk-need-responsivity (RNR) principles, and is designed for adult males assessed as high-risk, high-need who are diagnosed with moderate to severe substance use disorders. The program aims to address the major criminogenic needs that have the greatest impact on reducing recidivism, including antisocial behaviors, antisocial personality/negative emotionality, antisocial attitudes and cognitions, antisocial associates, problems with school and work, lack of prosocial activities, family and marital problems, and substance abuse.

To facilitate program goals, the REACH program has adopted several evidence-based interventions. These include: Moral Reconciliation Therapy (MRT), the CENAPS Model of Relapse Prevention, and other Cognitive Behavioral Therapy (CBT) approaches to recidivism prevention. The REACH program will also employ Motivation Interviewing (MI) to improve motivation and attenuate treatment resistance, facilitate mental health treatment through interagency partnerships, provide housing, and career development services.

Study Population

The REACH program will provide services to a random sample of offenders meeting the following inclusion and exclusion criteria:

Inclusion:

- Offenders court ordered to Adult Probation & Parole (AP&P)¹ probation
- Salt Lake County residents only
- Males only
- 18 years old or older
- Offenders assessed as high risk as indicated by a Level of Service Inventory Risk Needs Responsivity (LS/RNR) score of 20 or higher or a Level of Service Inventory-Revised (LSI-R) score of 24 or higher²
- Offenders with a substance abuse disorder as indicated by a score of 4 or higher on LS/RNR section 1.6.
- Any individual meeting the above criteria who also has a court order for assessment or treatment for mental health and/or substance use treatment *except* for those court-ordered to a specific, named treatment program other than First Step House.

¹ Throughout this document, AP&P and Utah Department of Corrections (UDC) are used interchangeably.

² Adult Probation and Parole (AP&P) switched to the LS/RNR from the LSI-R during the first quarter of 2016. For those offenders for whom an LSI-R is the only available assessment, the score of 24 from that assessment will be used as an inclusion cutpoint; per Multi-Health Systems (MHS) criteria, that score approximates a score of 20 from the LS/RNR.

Exclusion:

- Offenders who are sentenced to AP&P parole, or who have been previously randomized to participate in the state recidivism program due to a parolee status
- Offenders previously randomized for participation as control or treatment participants in the Pay For Success Homelessness project
- Offenders previously randomized for participation as control or treatment participants in the REACH program who are re-referred due to recidivism (these offenders are not eligible for re-randomization and will remain as participants in their original randomly assigned group)
- Offenders who are active on the state's sex offender registry
- Offenders who have been assigned to an AP&P Mentally Ill Offender (MIO) agent/unit at sentencing; this program serves as a proxy for mental illness that extends beyond the severity intended to be served by the FSH model

Referral, Randomization, and Intent-to-Treat Methodology

All data necessary to determining eligibility for randomization are currently being collected by AP&P using a REACH screening form. AP&P has been implementing the REACH screening form as part of a dry-run phase since April 2016.

The independent evaluator (Utah Criminal Justice Center (UCJC)) will coordinate with both FSH and AP&P to complete the sampling and randomization process. Primary determination of eligibility will be made by FSH based on the REACH eligibility spreadsheet (maintained by AP&P) to which FSH will have access. Using the aforementioned screening form's eligibility and exclusion criteria, REACH eligible cases will be flagged by FSH. FSH will then provide UCJC with a list of program eligible participants on a bi-monthly basis (the 1st and 15th of each month).³ Using data provided with the list of eligible participants (i.e., data related to the inclusion and exclusion criteria), UCJC will confirm eligibility, complete sampling and randomization procedures (both topics discussed below), and will then return a list of treatment assigned individuals to both AP&P and FSH. The treatment group list will help FSH facilitate coordination with AP&P and will provide offenders with a smooth transition to the REACH program. UCJC will provide assignment related information within five working days after receiving it (i.e., no later than the 6th and 21st of each month).

Preliminary examination of historic data (discussed in more detail below) suggests more offenders may be eligible for participation than can be accommodated by the REACH program. Though policy changes within the state of Utah are occurring that could affect the number of eligible participants (either higher or lower), estimates based on historic data suggest over 600 cases (663 cases in 2011) per year could be eligible for the REACH program. Though this reflects a single year's estimate, conversations with AP&P (based on historic experience) suggest the population that could be served by REACH in any one year will greatly outnumber the volume of cases that

³ The frequency of this reporting was adopted to minimize the time between assignment to condition and subsequent contact by First Step House.

will be randomly assigned to study conditions. While it was not possible within a single cohort (2011) to adjust estimates of yearly potential participant stock for the same individuals receiving new probation sentences, the length of probation sentences makes it unlikely that the year-to-year population reflects a large percentage of repeat offenders. Those who were not randomized in a prior year, who appear again due to a new sentence, would be subsequently eligible for a new randomization.

Over the course of three years, FSH has estimated that it can serve approximately 228 clients, a rate of 76 per year. Using a conservative yearly population estimate of 600 population cases per year, and an assignment ratio of 2:1 in favor of the control group,^{4,5} 228 offenders would be assigned to the control and treatment groups each year. Accordingly, as much as 62% of eligible participants would not be assigned to either the treatment or control groups. While policy changes being considered in the state of Utah could impact these numbers, perhaps reducing the year-to-year population of eligible participants, it seems unlikely that these changes would remove greater than 62% of the historic population.

REACH program capacity is fixed but anticipating program availability is somewhat indeterminate because the extent and duration of programming are dependent on the needs of REACH clients; clients with greater need necessitate longer stays in housing and longer program duration, for example. To deal with the indeterminacy as it relates to random selection and assignment, UCJC will select cases and assign participants to study conditions based on available space. FSH will report the number of eligible spaces available (accounting for the fact that only some clients will likely need housing) to UCJC on the 1st and 15th of each month. UCJC will then randomly select eligible participants one by one, and will randomly assign clients to either the treatment or control condition. Both selection and assignment to condition will stop at the point where the number of treatment group assignments matches the number of available placements. This methodology prevents over assigning participants beyond available spaces in the program; notably, it also dictates that the exact assignment ratio (e.g., 2:1) cannot be known in advance. Potential participants who are not selected will be discarded from the selection pool such that each new list of potentially eligible clients represents an entirely new group of participants. This no waitlist methodology prevents a growing delay in services that would occur if new participants were merely added to a pool of potential participants.

Both selection and randomization will take place post-sentencing to AP&P probation for those offenders released from jail or not in jail at the time of the sentence, and will take place at the point where the jail indicates less than four weeks remain until release from jail for those who have a remaining jail sentence or for those sentenced to jail as a condition of probation. Random sampling will be performed using the R statistics package, and random assignment will occur using the R package “blockTools”. Randomization will occur according to the methodology known as

⁴ Though the primary analysis will include the full control group, the over-assignment to the control condition will allow an exploratory analysis that removes participants who receive treatment at First Step House but who are not part of the REACH program. Because exposure to elements of the REACH program is likely within this group (i.e., carryover effects), it may be advantageous to compare the treatment and control groups to one another in an exploratory fashion with these non-REACH FSH participants removed.

⁵ The over-assignment to the control condition will be addressed using probability-based weighting of cases in order to obtain an accurate estimate of the treatment effect.

covariate adaptive sequential block random assignment.⁶ This methodology is specifically designed for experiments with “trickle in” designs. As in the case of the REACH project, sometimes the full list of potential participants is not known in advance, precluding a one-time randomization process; instead, participants “trickle in” over time. The R package “blockTools” was specifically designed for this type of methodology. The package allows for differential assignment probabilities and automatically adapts subsequent assignments as a function of the groups’ imbalance on important covariates, including the interactions of those covariates. Both simulation and real-world experiments have shown this method to produce superior balance relative to complete randomization. Notably, this methodology eliminates the need to balance the groups on covariates in the final analyses. Most importantly, however, it creates transparency in a potentially arbitrary process of including or excluding covariates purely post hoc.

Related to this last point, this evaluation plan draws on Senn’s⁷ advice that covariates be decided a priori (and, therefore, be included regardless of their statistical significance in predicting the outcome) based on careful consideration of their importance to the model and the relevant outcome. For the present study, three covariates will be used in the covariate adaptive sequential block random assignment given their importance in predicting recidivism outcomes: LS/RNR score, the Alcohol/Drug Problem (ADP) subscale score from the LS/RNR, and offender age. Use of covariate adaptive sequential block random assignment maximizes power in this design because it balances groups on known covariates and does so without the need for their inclusion in the final model (because they were balanced in a continual fashion). It also achieves these aims while maintaining methodological transparency (i.e., avoiding post hoc selection of covariates in an outcome-driven fashion).

A master list of clients who were eligible but not assigned as study participants, who were assigned to the control group, and who were assigned to the treatment group will be maintained by UCJC. If clients who were eligible but were not previously selected for assignment as study participants (treatment or comparison) reappear due to a new probation assignment, these clients will be eligible for resampling and potential assignment to the study’s conditions. Only those eligible referrals who were previously randomly selected and assigned will not be eligible for re-randomization. UCJC will also be responsible for ensuring that referred clients are not already control or treatment participants in either the state’s PFS project or the county’s PFS homelessness project.

The evaluation plan will follow an intent-to-treat approach. The issue of whether to adopt an intent-to-treat methodology centers around whether the research question involves program completion (i.e., what is the success of those who fully adhere to the program?) or merely program assignment. The analyze-as-assigned approach inherent in an intent-to-treat approach argues that failures occurring post-randomization are attributable to failures in treatment protocol (e.g., a person not showing up for services post-referral is attributable to a failure in the relevant treatment system). Accordingly, an intent-to-treat methodology was adopted because compliance with the post-assignment process (i.e., being contacted and enrolled by FSH after assignment, following treatment plans, and successfully completing treatment) is relevant to determining the overall

⁶ Moore, R. T., & Moore, S. A. (2013). Blocking for sequential political experiments. *Political Analysis*, 21, 507-523.

⁷ Senn, S. (1994). Testing for baseline balance in clinical trials. *Statistics in Medicine*, 13, 1715-1726.

success of the program and the expected population-level of adherence given that the program is proven effective.

It is important to note that an intent-to-treat method is not the same as an intent-to-treat analysis; these are distinct issues and the former addresses determination of the true program effect while the latter addresses missing data. In the present case, missing data are not of particular concern because these metrics (statewide arrests, days incarcerated, and verifiable employment) do not depend on continued client participation to be recorded; that is, these outcomes are tracked by partnering agencies regardless of whether a client completes or participates in treatment programming. Non-compliance with treatment components will, however, likely attenuate the effect size associated with treatment. The anticipated extent of this non-compliance is addressed in the operations plan.

Inherent in the intent-to-treat analysis is a potential reputational risk to FSH should no difference be found between the treatment and control groups where that lack of a difference might reasonably be attributable to a large percentage of individuals assigned to treatment who fail to actually enroll in REACH. Therefore, unrelated to payment, and in an exploratory fashion, UCJC will perform a modified per protocol analysis, which aims to analyze the impact of the program only on those who were enrolled in the treatment group. While this analysis will be undertaken for reputational purposes, it should be noted that it cannot supplant the intent-to-treat analysis and will not be a basis for payment. Given that the evaluation cannot track treatment engagement/enrollment in the control group, the control group cannot be examined on a per protocol basis. A per protocol analysis, then, can only compare those who met protocol in the treatment group with a blend of adherent and non-adherent members of the control group. To the extent that treatment adherence leads to favorable results, this approach will artificially increase the effect size in favor of the REACH program. The real per protocol effect size associated with REACH enrollment will likely lie between the intent-to-treat analysis and the available (modified) per protocol analysis.

Operational Definitions of Performance Metrics

Performance outcomes related to the REACH program are defined as relative or absolute and as payable or non-payable. Absolute metrics are not made relative to the control group, and represent the extent to which the REACH program met certain absolute standards of improvement over the offender's own baseline status. Accordingly, data for any outcome labeled as absolute will be collected only for the treatment group (owing to difficulties obtaining the same data, with the same standard of data collection rigor, for the control group). Relative metrics compare the treatment group to the control group either for purposes of payments or purely for determination of treatment success.

For each outcome that follows, the narrative below provides operational definitions, rationale for their inclusion in the study, the planned analytic approach, the type of metric (payable or non-payable, absolute or relative), the relevant data source(s), and the reporting frequency. Table 1 provides a succinct summary of this information. Note that additional details on reporting frequencies and observation windows are discussed later in this document.

Outcome metric, payment, type, measurement start, data source, and reporting frequency

Statewide Arrests

Definition: the outcome is a combination of Salt Lake County Jail and Bureau of Criminal Identification (BCI) records. BCI records reflect statewide arrests, but are not recorded in real-time (and can, therefore, underreport arrests). Salt Lake County Jail records are recorded in real-time. Because the offenders are selected for inclusion based on being Salt Lake residents, it is reasonable to assume most arrests would occur in the county of residence. BCI data serves to supplement the county data by recording arrests from other agencies outside of Salt Lake County. For each individual, when BCI arrests are greater than county arrests, BCI arrests are used. When county arrests are greater than BCI arrests, county arrests are used. This creates a more accurate estimate of total arrests, but likely misses some arrests from jails outside the county or state (for which comparison data were not available to replace underreported BCI values). Statewide arrests are measured from the point of randomization.

Rationale: Primary indicator of recidivism and a source of county incurred criminal justice expenses.

Analytic approach: Examination of the distributional properties of statewide arrests gathered from the historic sample indicated the data were not normally distributed, owing to both a large number of zeros and a positive skew following the zeros. Evaluation of the Bayesian Information Criteria (BIC; an indicator of model fit) indicated the distribution was described well by a Tweedie distribution, a zero-inflated negative binomial distribution (ZINB), and, somewhat less accurately, by a negative binomial (NB) distribution. The shape of the distribution will again be examined at the time of project analyses, and the best fitting model will be adopted to generate a comparison of the treatment and control groups.

Type: This will serve as a relative, payable metric.

Data sources: Salt Lake County Jail data from the Offender Management System (OMS), Bureau of Criminal Identification data.

Reporting frequency: Annually

Incarceration Days

- Definition: this outcome combines days in prison (reported by the Utah Department of Corrections) and days in jail (reported by the Salt Lake County Jail). Jail days as a condition of probation do not count toward baserates because the initiator of a new jail or prison stay was a new arrest or prison start post probation start. The outcome does not include time in jails outside of Salt Lake County, but includes prison stays statewide.⁸

Incarceration days are measured from the point of randomization with the aforementioned exception: days in jail as a condition of probation for the qualifying event do not count (only a new arrest or violation can trigger the start of the accumulation of incarceration days).

⁸ Jail data has to be collected on an agency-by-agency basis, and it is not feasible to obtain data sharing agreements with every jail in the state (some of which lack reliable reporting systems). As with arrests, however, because offenders were selected for inclusion based on being Salt Lake residents, it is reasonable to assume most jail stays would occur in the county of residence.

Rationale: Primary indicator of recidivism and a principle source of county incurred criminal justice expenses.

Analytic approach: Examination of the distributional properties of the incarceration days outcome gathered from the historic sample indicated a distribution similar to statewide arrests; accordingly, a similar approach will be used for the analysis.

Type: This will serve as a relative, payable metric.

Data sources: Salt Lake County Jail data from the Offender Management System (OMS), Utah Department of Corrections O-Track data.

Reporting frequency: Annually

Employment

Definition: Clients are defined as employed, on a quarter by quarter basis, if they received \$850 or more in a given quarter. Wages are obtained from Unemployment Insurance (UI) data collected by the Utah Department of Workforce Services (DWS).⁹ Wages in the system are reported on a quarterly basis.¹⁰ The final outcome will be the total number of quarters for which each individual earned at least \$850 over a two-year period beginning with the quarter following randomization.¹¹ The wage definition was derived from the definition of employment required to obtain unemployment benefits (the annual requirement of \$3400 was divided by the number of quarters to arrive at the value of \$850 per quarter). A quarter-by-quarter definition was adopted as the outcome metric to account for the fact that part of defining successful employment is maintaining stable employment. If a person meets the definition of employment consistently, that is objectively more valuable than a person earning high wages in only one quarter. Accordingly, the analysis of this outcome will compare the average number of employed quarters (per the aforementioned definition) in the control group to that of the treatment group.¹²

⁹ Notably, lack of wage data in the UI database does not necessarily reflect a lack of employment, as not all wages are reported reliably, but DWS estimates the percentage of non-reporting employers is minimal. Additionally, error in over-estimation of unemployment as a consequence of not finding reported wage data in the DWS system should be equivalent across the treatment and control group such that the 'noise' created by inaccuracy in tracking unemployment is approximately equivalent. In the analysis of the 2011 cohort, just over 90% of offenders were found in DWS records.

¹⁰ Unfortunately, it is not possible to discern in the database when wages were earned within a quarter or whether the individual was employed for the entire quarter, and it may be the case that employment reflects only an ephemeral period of employment. The minimum wage definition of \$850 was adopted to partially offset the risk of defining unstable employment (e.g., lasting only a few days) as a metric of having obtained gainful employment. Given the minimum wage definition, it is appropriate to conceptualize this metric as a measure of at least moderate part-time employment during a quarter.

¹¹ The average expected lag time between randomization date and the first quarter assessed is the middle of any quarter's window, or 45 days. Though this lag is made necessary by the aforementioned inability to tell when specifically a person's wages were earned within a quarter (i.e., before or after randomization), it is also methodologically beneficial because, on average, it provides a lag before the employment metric's measurement begins. When a person first begins treatment (whether the treatment as usual of the control group or the REACH program), the number of hours devoted to treatment programming can preclude employment, especially among those receiving intensive services. The natural lag provided by the average expected value of time between randomization and the following quarter facilitates a better estimate of the average impact of treatment on eventual, stable employment.

¹² In contrast to other databases, restrictions exist that necessitate that these data be deidentified when returned from DWS for analyses. Accordingly, UCJC will send identified data to DWS for matching. That data will then be

Rationale: Unemployment is a predictor of recidivism identified by the county as an important outcome.

Analytic approach: An examination of the data from the historic cohort indicated the distribution was approximately Poisson distributed (as would be expected with count data). While little evidence of overdispersion was observed in the historic cohort, model fit criteria (BIC) will again be considered to determine whether negative binomial (NB) or Poisson regression are appropriate, depending on the need to model overdispersion. The best fitting model will be adopted to generate a comparison of the treatment and control groups.

Type: This will serve as a relative, payable metric.

Data source: DWS Unemployment Insurance (UI) data

Reporting frequency: Annually

Treatment Engagement

Definition: Number of hours of engagement in treatment services directly related to criminogenic needs during the first six months post-program enrollment.

Rationale: An important goal with a high risk offender population, and one compatible with the Risk/Need/Responsivity model, is to ensure participants receive a minimum of 200 hours of services directly related to treating criminogenic needs.¹³ As an early indicator of treatment success, the project will measure participant engagement in treatment as a payable performance metric using the number of treatment hours received as the indicator.

Analytic approach: Payment will be made on a per person basis (i.e., a payment for each individual completing 200 hours of treatment within six months of program start). No inferential analysis will be performed on this metric, but the number of clients meeting the requirement will be reported.

Type: Because the number of hours in the REACH program is specific to program participants, this payable metric is an absolute indicator.

Data source: FSH will record, and provide to UCJC, the number of hours each participant has received in therapeutic services (defined in the operations plan) six months post-program start.

Reporting frequency: Every six months.

Education Gains

Definition: Attainment of a new degree or certificate (i.e., receiving a trade school certificate, high school diploma or equivalent, or higher-education degree) or enrolling in a higher-education program on a semester-by-semester basis (associates, bachelor's, or higher degree seeking) with evidence of passing grades post-program enrollment.

Rationale: Improving education is related to reduced recidivism indirectly through better employment opportunities.

Analytic approach: Attainment of any additional educational accreditation as outlined in the definitions above will qualify as an educational gain. Because the baseline status does not represent the absence of education and change can only be in the positive direction, no

stripped of the identifier (SSN) and returned at the individual-level with an uninformative identifier that still maintains group assignment (treatment or comparison).

¹³ Andrews, D. A., & Bonta, J. (2006). *The psychology of criminal conduct* (5th ed.). New York: Routledge.

statistical test will be performed on this outcome. Instead, the percentage of REACH clients documenting an improvement in education will be reported.

Type: Absolute and non-payable.

Data source: First Step House will be asked to track and verify this outcome in the form of visual inspection of a diploma, certificate, or grades obtained post-program start. This will serve as an absolute, non-payable metric and will be assessed at enrollment and at two additional time points: the end of the transition phase (approximately one-year post-enrollment) and at the end of the sustained recovery phase (approximately two years post enrollment; see operations plan for definitions of phases).

Reporting frequency: Annually.

Mental Health

Definition: Mental health functioning will be defined and measured using the Outcome Questionnaire-45.2 (OQ-45.2; this assessment is already required for programs receiving county funding). The OQ-45.2 measures mental health and overall functioning using three subscales: symptom distress (depression and anxiety); interpersonal relations (loneliness, conflict with others, and marriage and family difficulties); and social roles (difficulties in the workplace, school or home duties).

Rationale: Exposure to the REACH program is expected to improve overall mental health functioning through exposure to its multiple treatment modalities.

Analytic approach: Because the OQ-45.2 partially reflects an individual's immediate experience of his or her mental health, it can be relatively unstable when examining any single assessment. Thus, rather than looking at snapshots of mental health, it is advisable to examine the overall trend in OQ-45.2 change over time. While any one time point might be relatively stochastic in its presentation, an overall trend toward improved mental health should be observed when considering multiple assessments given over the course of treatment. Accordingly, the outcomes on the OQ45.2 will be modeled using a longitudinal growth model, and a significant improvement (indicated by the significance of the growth parameter) in mental health is expected as a function of increasing time.

Type: This will serve as an absolute, non-payable metric.

Data source: FSH will administer the instrument at enrollment and at various points during the treatment process (per the nature of longitudinal multilevel models,^{14,15} neither the number of assessments nor the intervals between assessments need to be the same across people). It is recommended that assessment occur at least on a quarterly basis from enrollment to the end of the sustained recovery phase (approximately two years post enrollment).

Reporting frequency: Annually

Criminal Thinking

Definition: Criminal thinking will be defined as operationalized by Texas Christian University's Criminal Thinking Scales (TCU-CTS). The TCU-CTS is a two page, 37-item instrument consisting of several scales: entitlement (sense of privilege), justification

¹⁴ Raudenbush, S. W., & Bryk, A. S. (2002). *Hierarchical Linear Models: Applications and Data Analysis Methods (second edition)*. New York, NY: Sage Publications.

¹⁵ Singer, J. D., & Willet, J. B. (2003). *Applied Longitudinal Data Analysis: Modeling Change and Event Occurrence*. New York: Oxford University Press.

(minimizing criminal acts), personal irresponsibility (lack of ownership of actions), power orientation (need for control), cold heartedness (callousness toward others), and criminal rationalization (negative attitude toward law and authority). The TCU-CTS was designed to be amenable to measurement of change owing to treatment and cognitive interventions; as such, none of the items specify periods of time that would limit the observation of change until a fixed duration occurs (e.g., 'in the last 12-months...'). These scales are analyzed independently (rather than using a total score).

Rationale: Exposure to the REACH program is expected to reduce criminal thinking through exposure to its multiple treatment modalities.

Analytic approach: The TCU-CTS' items are measured using a 5-point Likert-type scale (1 = disagree strongly, 2 = disagree, 3 = uncertain, 4 = agree, 5 = agree strongly). Scores are averaged and then multiplied by 10 to rescale final scores to range from 10 to 50. An examination of the original validation article for the scales suggests that some of them are positively skewed (e.g., entitlement, justification) while others are more normally distributed (e.g., power orientation, criminal rationalization). The TCU-CTS will be assessed at enrollment, the end of the transition phase, and at the end of the sustained recovery phase. To address dependencies in the data (i.e., measurements nested within people), and a likely violation of the assumption of sphericity, a longitudinal linear mixed model (i.e., growth model) with robust standard errors is recommended.

Type: This will serve as an absolute, non-payable metric.

Data source: FSH will facilitate administration of the assessments.

Reporting frequency: Annually

Drug Screen

Definition: Texas Christian University's Drug Screen (TCUDS-V) is an updated version of the original TCUDS, revised in 2014. The interview (or self-administered) assessment consists of 11 core items (though items 10 and 11 contain 'a' and 'b' components) ostensibly representing one domain, and 6 additional, non-core items (item 13 assesses frequency of use of substances labeled 'a' to 's'). Only the core items are used in creating a total score, while the final 6 items provide information useful for guiding treatment (these include most problematic drug, frequency of use of substance, number of prior substance abuse treatment episodes, rating of severity of the drug problem, frequency of injection with needles, and a rating of the perceived importance for getting drug treatment now). The core items assess areas such as: inability to control drug use; effects on work, school, and personal life; and need to increase dosages to create the same effect. A total score on the 11 core items of 2-3 indicates a mild disorder, 4-5 a moderate disorder, and 6 or more a severe disorder.

Rationale: Exposure to the REACH program is expected to reduce substance use and dependency.

Analytic approach: The original validation study was conducted on a general population of offenders; results from that study suggest the TCUDS-V is somewhat positively skewed. The TCUDS-V will be assessed at enrollment, the end of the transition phase, and at the end of the sustained recovery phase. To address dependencies in the data (i.e., measurements nested within people), and a likely violation of the assumption of sphericity, a longitudinal linear mixed model (i.e., growth model) with robust standard errors is recommended.

Type: This will serve as an absolute, non-payable metric.

Data source: The TCUDS-V will be assessed by FSH at enrollment, the end of the transition phase, and the end of the sustained recovery phase.

Reporting frequency: Annually

Stable Housing

Definition: FSH has adapted the Housing Status Assessment Tool¹⁶ in order to assess housing stability among its clients. The tool was originally created to assess need for homelessness related services but is being used in the REACH program to help determine the need for residential services and as a metric to determine programmatic related changes.

Rationale: Exposure to the REACH program’s housing assistance services and case management are expected to improve housing stability for clients who are determined to be unstably housed while in the program.

Analytic approach: The type of analysis depends on how FSH ultimately decides to score the modified instrument. If items are summed or averaged, methods of analysis for continuous outcomes could reasonably be employed. However, specifics of the analysis are deferred until FSH adopts scoring criteria. It is tentatively recommended that assessment occur at enrollment, the end of the transition phase, and at the end of the sustained recovery phase.

Type: This will serve an absolute, non-payable metric.

Data source: FSH

Reporting frequency: Annually

Table 1: Outcome metric, payment, type, measurement start, data source, and reporting frequency

Outcome	Payable	Type	Measurement Start	Data Source	Analytic Approach	Reporting Frequency
Statewide arrests	Yes	Relative	Randomization	OMS, BCI	Tweedie or ZINB regression	Annually
Incarceration days	Yes	Relative	Randomization ^a	OMS, UDC	Tweedie or ZINB regression	Annually
Employment	Yes	Relative	Randomization ^b	DWS	Poisson regression	Annually
Treatment engagement	Yes	Absolute	Enrollment	FSH	Descriptive: count of clients	Every six months
Education gains	No	Absolute	Enrollment	FSH	Descriptive: percent of clients	Annually
Mental health	No	Absolute	Enrollment	FSH	Growth model	Annually
Criminal thinking	No	Absolute	Enrollment	FSH	Growth model	Annually
Drug screen	No	Absolute	Screening	AP&P, FSH	Growth model	Annually
Stable housing	No	Absolute	Enrollment	FSH	TBD: growth model	Annually

^a Does not include days in jail as a condition of probation.

^b Refers to the quarter following randomization.

Minimum Detectable Effect (MDE) Analyses for Payable Metrics

¹⁶ <https://aspe.hhs.gov/sites/default/files/pdf/75736/report.pdf>.

The primary outcome metrics for success payments are statewide arrests, number of incarceration days, employment, and treatment engagement. Of these, only treatment engagement is an absolute metric (discussed more below) and a minimum detectable effect (MDE) analysis does not apply. In preparation for implementation of the REACH program, a historic comparison group was identified in order to examine whether a sufficiently large sample existed given the number of clients the REACH program can serve and to identify estimated baserates for the two recidivism outcomes and employment within a population similar to the one to be served by REACH. The starting point for determining the size of the intended treatment group was all AP&P probation starts in 2011. Cases were further winnowed by inclusion criteria and exclusion criteria; proxies were used for criteria that were not available in historic data (discussed below).

Cases were selected that were sentenced to AP&P probation, male, Salt Lake County residents, were non-DORA clients¹⁷, and non-sex offenders. Only those with an LSI-R score of 24 (this value corresponds to a score of 20 on the LS/RNR) or higher (indicating a high risk group) were included. Because the ADP score had not been established as an inclusion criterion at the time, but it was known that REACH wanted to serve a substance abusing population, a temporary proxy was used to indicate substance abuse concerns. Items 39 and 40 from the Risk, Need, Responsivity instrument known as the Level of Service Inventory – Revised (LSI-R) assess current alcohol problems and current substance abuse problems. Indication of a problem on either of these LSI-R items served as a proxy for substance abuse concerns.¹⁸ Similarly, an item from the LSI-R was used as a proxy for excluding those with active psychosis at last LSI-R assessment.^{19,20}

By these criteria, 663 eligible cases were identified in 2011. The 2011 cohort was selected because it provided a follow-up time similar to that of the study period – four years (the project timeline is discussed in detail, and presented graphically, below). No comparison effect size data were available to permit a full power analysis for any of the payable metrics; accordingly, power analyses for all outcomes took the form of minimum detectable effect (MDE) analyses.

¹⁷ Originally DORA clients were not eligible for REACH; however, after MDE analyses were performed, DORA eligibility criteria was expanded and PFS parties elected to no longer exclude DORA eligible clients from the REACH program. Whenever an individual eligible for DORA and REACH is randomly assigned to a REACH condition, he will be excluded from DORA. Those who are eligible but not assigned to REACH will remain DORA eligible participants.

¹⁸ When the historic data were queried, these items were tentatively planned to be used as inclusion criteria. Later, the TCU Drug Screen was adopted by PFS parties, but then was subsequently replaced with the ADP score once the TCU assessment proved problematic. Thus, the historic sample was pulled based on items that comprise the ADP score from the LSI-R and LS/RNR, but, because only two items were used, the proxy criteria were more inclusionary than the ADP score will be (i.e., a person needed only to have a problem on one of the two items rather than a total score of four or more from the entire scale).

¹⁹ After the historic baserate analysis was performed, exclusion criteria related to mental health were also changed. The previously mentioned MIO agent/unit assignment was adopted as a proxy for substantial mental illness and replaced the use of a single question on the LSI-R for this purpose. This change was necessary when it was learned that AP&P was adopting the LS/RNR, a tool that does not include the relevant item assessing active psychosis. The overlap of the LSI-R item and assignment to an MIO agent is unknown; the sample could be either reduced or extended by using a different tool for assessing mental illness.

²⁰ Considered in concert, several notable changes to inclusion and exclusion criteria (noted in footnotes 17, 18, and 19) have been adopted by PFS parties since data were originally queried and analyzed to determine baserates and MDEs. The extent to which these changes alter the representativeness of the historic cohort, its similarity to the final population to be served by the PFS project, and the accuracy of the baserates derived from historic data, is not known.

Statewide Arrests

MDE analyses were conducted in the R package using Markov Chain Monte Carlo simulation to create 2,000 simulated datasets with distributional properties similar to the 2011 cohort. Baserates were calculated with consideration of an offset variable to account for the varying exposure times (post probation periods) in the cohort; for statewide arrests the exposure variable was years in the community. The average exposure time in the 2011 historical group (measured as probation start date to 9/30/2015) was 1,560 days, or approximately 4.3 years. The use of the exposure offset re-expresses the outcome as a function of time, which addresses the variability of exposure across participants. The baserate value for statewide arrests was 1.05 statewide arrests per year. This value was entered into the power analysis as the untreated baserate.

Table 2 shows a range of effect sizes and their corresponding relationship to percentage-based reductions in the number of arrests per year as a function of statistical power. Statistical power represents the ability of a design to reject a null hypothesis given that it is false; that is, it represents the ability to detect a significant treatment effect when one, in fact, exists. Ideally, power should not fall below .8 (or 80%), and .95 (or 95%) is preferred. In the case where treatment is expected to reduce the prevalence of an outcome (here the number of arrests or incarceration days), the exponentiated value of β_1 can range from 0 to 1, and values closer to 0 represent larger effect sizes and are associated with greater power.

The table indicates the study as designed would have 80% power to detect a significant result with an exponentiated β_1 value of .785. This value corresponds to a 27.4% ($1/.785$) reduction in the number of arrests per year from the population baserate of 1.05. This represents the minimal detectable effect size given the assumptions of the historically-based model. On the ideal side, 95% power would require an effect size of .758, corresponding to a reduction of 32.0% in the number of arrests per year. Importantly, the FSH suggested reduction in arrests (30%) lies above the minimal detectable effect (unadjusted for attrition).²¹

Table 2 also provides additional information regarding how much of a reduction in arrests would need to be observed in the treatment group in order to find a significant result. The table shows that, at 80% power, arrests would need to decline from 1.05/year/person to 0.76/year/person in the treatment group; at 95% power, arrests would need to decline to .71/year/person.

Table 2: Percentage and numeric reductions in statewide arrests as a function of power and effect size ($\text{Exp}(\beta_1)$)

Power	$\text{Exp}(\beta_1)$	% Reduction	Treatment Arrests/Year ^a
0.800	0.785	27.4%	0.76
0.825	0.781	28.0%	0.76
0.850	0.778	28.6%	0.75
0.875	0.773	29.3%	0.74
0.900	0.769	30.1%	0.73

²¹ FSH estimates a 35% reduction in recidivism outcomes on enrolled participants. FSH forecasts an 85% enrollment rate. Therefore, FSH estimates a 29.75% impact compared to the control.

0.925	0.764	31.0%	0.72
0.950	0.758	32.0%	0.71

^a Values represent required new value for arrests/year/person for the treatment group relative to the baserate of 1.05

Incarceration Days

Table 3 provides the same information for the incarceration days outcome. The same procedure used for analyzing the MDE with statewide arrests was implemented for incarceration days. The exposure variable was months since probation start date or initial post-sentence jail release, whichever was later. The incarceration days baserate was 8.01 incarceration days per month. The table illustrates the study as designed would have 80% power to detect a significant result with a β_1 value of .804. This value corresponds to a 24.4% (1/.804) reduction in the number of incarceration days per month. On the ideal side, 95% power would require an effect size of .752, corresponding to a reduction of 33.1% in the number of incarceration days per month. Importantly, the FSH suggested reduction in incarceration days (30%) lies above the minimal detectable effect (unadjusted for attrition).

Table 3 also provides additional information regarding how much of a reduction in incarceration days would need to be observed in the treatment group in order to find a significant result. The table shows that, at 80% power, incarceration days would need to decline from 8.01/month/person to 6.05/month/person in the treatment group; at 95% power, incarceration days would need to decline to 5.36/month/person.

Table 3: Percentage and numeric reductions in incarceration days as a function of power and effect size (Exp(β_1))

Power	Exp(β_1)	% Reduction	Treatment Incarceration Days/Month ^a
0.800	0.804	24.4%	6.05
0.825	0.798	25.4%	5.98
0.850	0.791	26.4%	5.89
0.875	0.783	27.7%	5.79
0.900	0.774	29.2%	5.67
0.925	0.763	31.1%	5.52
0.950	0.752	33.1%	5.36

^a Values represent required new value for incarceration days/month/person for the treatment group relative to the baserate of 8.01

Employment

For employment, the outcome will be based on a shorter-term outcome than for the recidivism outcomes. Employment as an outcome metric will be defined as two-year employment beginning with the quarter following randomization. Comparison cohort data for this outcome were examined for the eight quarters following probation start. Because this outcome had a fixed interval of two years (a shorter one than for recidivism outcomes and one for which all clients had follow up data), an offset variable was not needed. Preliminary examination indicated the outcome was Poisson distributed without overdispersion. The outcome was, therefore, amenable to power analysis

without the need for simulation using available power analysis software. Power analysis for this outcome was performed in G*Power 3.1.9.2.

In the case where treatment is expected to increase the prevalence of an outcome (here the number of employed quarters), the exponentiated value of β_1 can range from 1 to ∞ , and higher values represent larger effect sizes and are associated with greater power. Table 4 indicates the study as designed would have 80% power to detect a significant result with a β_1 value of 1.18, or a 17.9% increase in the number of employed quarters over a two-year period. On the ideal side, 95% power would require an effect size of 1.24, corresponding to an increase of 23.9% in the number employed quarters over a two-year period.

Table 4 also provides additional information regarding how much of an increase in employed quarters would need to be observed in the treatment group in order to find a significant result. The table shows that, at 80% power, the number of employed quarters would need to increase from 1.88 over two years to 2.22 over two years in the treatment group; at 95% power, the number of employed quarters would need to increase from 1.88 over two years to 2.33 over two years. Importantly, the FSH suggested increase in employed months (25%) lies above the minimal detectable effect (unadjusted for attrition).

Table 4: Percentage and numeric increases in employed quarters as a function of power and effect size ($\text{Exp}(\beta_1)$)

Power	$\text{Exp}(\beta_1)$	% Increase	Treatment Employment Quarters ^a
0.800	1.18	17.9%	2.22
0.825	1.19	18.6%	2.23
0.850	1.19	19.3%	2.24
0.875	1.20	20.2%	2.26
0.900	1.21	21.2%	2.28
0.925	1.22	22.4%	2.30
0.950	1.24	23.9%	2.33

^a Values represent required new value for employment quarters/person over two-years for the treatment group relative to the baserate of 1.88

Forecasting Unobserved Outcomes

As explained in more detail in the timeline section below, three cohorts will participate in the REACH program. Observation of outcomes occurs for four years after the last member of a cohort has enrolled in the program; however, for cohorts two and three, outcomes will be only partially observed. Because the project needs to be completed in six years, for those entering the cohorts at the latest possible date, five months of cohort two (10.5%), and 17 months of cohort three (35.4%), would be predicted or forecasted from existing data (see timeline for more information). For those entering the cohort at the earliest possible time, the number of forecasted months is reduced to none for cohort two (0.0%), and only five months for cohort three (10.4%). Of course the expected value for the number of missing months is the middle of these two extremes.

To arrive at the anticipated program effect for all cohorts and participants, outcome data will be imputed using fully observed data from cohort one, as well as partial data from cohorts two and

three. Notably, only the outcome variables need to be imputed, as all covariates used to impute the missing outcomes are static variables (i.e., not time-varying covariates) available at the point of randomization or, in the case of other predictors to consider (described more below), from partner-agency data.

While the outcome data for cohorts two and three are not missing in a denotative sense, for modeling purposes they can be treated as missing and modeled using multiple imputation (MI). Data that are missing because of failure to observe the outcome meet the definition of item non-response (specifically outcome non-response), a situation MI is suited to address. MI has been shown to produce both asymptotically unbiased and precise estimates when the missing data mechanism is a function of the outcome, and it can achieve these properties even when greater than 30% of data is missing (far more than the number of missing outcome observations in the PFS project).²² Even with recent improvements in estimating missing values, MI is still regarded as one of the best methods,²³ and it has been shown to be robust against violations of multivariate non-normality.²⁴

While MI has its detractors,²⁵ it offers an ideal option in the case of this PFS project because of its ability to maintain the stochastic component of prediction. Multiple imputation does not attempt to replace a missing value with a single estimate (which would produce inefficient estimates); instead, it replaces missing values by simulating multiple datasets, estimating a random sample of plausible values (which models the uncertainty in prediction) using the posterior predictive distribution of the missing data.

MI requires data to be ‘missing at random’ (MAR). The only requirement necessary to meet the MAR assumption is that the reason data are missing on a variable is not related to the variable itself.²⁶ Here, if our outcome Y is arrests and our predictor X is time, the assumption of MAR is met if the probability that arrests is missing depends on time, but within each level of discrete time, the probability of arrests being missing does not depend on arrests itself. In contrast, a hypothetical example needs to be adopted to explain how these data might not be MAR. If, for example, our outcomes were self-report rather than archival, and frequently arrested offenders were less likely to report arrests, the data would not be MAR.

Thus, if we begin with the tenable assumptions that all participants (regardless of year of enrollment) are a random sample from a single population of offenders and that the data are missing on the outcome only as a function of date of enrollment, we can treat the data on the outcome as missing and use available data to generate a series of datasets to represent the missing or unobserved values.

²² Rubin, D.B. (1987). *Multiple imputation for non-response in surveys*. New York: Wiley & Sons.

²³ van Buuren, S. (2012). *Flexible imputation of missing data*. Boca Raton, FL: Chapman & Hall.

²⁴ Garson, G.D. (2015). *Missing values analysis and data imputation* (Statistical Associates Blue Book Series 36). Statistical Associates Publishers. Kindle Edition.

²⁵ Allison, P. (2012, July 9). Why maximum likelihood is better than multiple imputation | Statistical Horizons. Retrieved May 06, 2016, from <http://statisticalhorizons.com/ml-better-than-mi>

²⁶ Rubin, D.B. (1976). Inference with missing data. *Biometrika*, 63, 581-592.

Multiple imputation involves three steps: 1) create X number of imputed datasets to replace missing values with a distribution of plausible values, 2) let the software pool the estimates from the imputed datasets, and 3) run analyses using the pooled data. Step one deserves special consideration. Originally it was proposed that three to five imputations were necessary to arrive at efficient estimates; that number has since been increased and it is recommended that the number of simulations be based on the percentage of data that is missing. Allison (2012)²⁷ nicely summarized the results of several simulation studies and concluded that an analyst wants to create as many simulations as the percentage of data that is missing. Therefore, if the outcome is missing for 15% of the PFS sample, 15 simulations or more should be employed. Notably, increasing the number of imputations merely increases computer processing time. With modern computers, creating a large number of datasets is not particularly time-intensive. Thus, for PFS analysis purposes, it is recommended that the number of imputations be set to 20 or match the percentage of missing data, whichever is greater.

A somewhat hidden feature of step one involves the choice of the model used to create the imputed values. Similar to use of the covariates, the modeled variables should be carefully considered. It is tentatively proposed that the model be built using the covariates from the aforementioned covariate adaptive random assignment, but that variables found to be predictive in the moderator analysis (which will be performed at the same time as the imputed projections) be considered as well depending on both their theoretical and statistical importance in predicting outcomes for the fully observed cohorts.

Because the outcomes are four year outcomes for this project, but some REACH clients will have contributed only a few months (or quarters) to the prediction, it is advisable that the model be built using the available information from each participant. This will necessitate creating discrete time blocks (e.g., months or quarters) so that available person-specific data from individuals not fully observed can still be used in the statistical model. The model used to derive imputations would thus be conceived as a longitudinal growth model of the general form:

Level 1:

$$Y_{ti} = \pi_{0i} + \pi_{1i} \text{Time}_{ti} + e_{ti}$$

Level 2:

$$\pi_{0i} = \beta_{01} \text{Treatment}_i + \beta_{02} Z_i + \mu_{0i}$$

$$\pi_{1i} = \beta_{10}$$

Composite:

$$Y_{ti} = \beta_{00} + \beta_{10} \text{Time}_{ti} + \beta_{01} \text{Treatment}_i + \beta_{02} Z_i + \mu_{0i} + e_{ti}$$

In this equation, Y_{ti} represents a payable outcome (a non-linear link function is not represented here for sake of parsimony, as it differs by payable outcome). t indexes time and i indexes individuals. β_{00} represents the fixed intercept; β_{10} represents the fixed slope coefficient associated with time t for person i ; though presented as a linear function, other conceptualizations of time will

²⁷ Allison, P. (2012, November 9). *Why you probably need more imputations than you think* | Statistical Horizons. Retrieved May 13, 2016, from <http://statisticalhorizons.com/more-imputations>.

be examined (e.g., quadratic change). β_{01} represents the fixed effect associated with the treatment condition of person i ; β_{02} represents the fixed effects for a set of covariates (previously discussed) represented by a single value, Z_i , only for parsimony. μ_{0i} represents a random intercept associated with person i (level-2 residual) and e_{ti} represents level-1 residual error. Notably, the hierarchical nature of this model (time nested within people) necessitates either separate class multiple imputation or multilevel multiple imputation, which recognizes the dependencies created by the hierarchical structure.²⁸

Once the imputed datasets are created and saved, they are pooled and used in statistical procedures largely performed just as one would with analysis of a single dataset. Through this method, UCJC will derive the projected long-term effect for each of the payable metrics. UCJC will report the outcomes in the same way as for fully observed outcomes, and payments will be based on these projections created by multiple imputation.

It should be noted that this method of estimation offers a viable option; however, statistical software and methods improve at remarkable rates owing to the ever-improving capabilities of modern computer processing. For that reason, and because these analyses will not be performed for six years, the proposed method should be regarded as tentative, and likely to be replaced if superior methods are developed in the interim. For that reason, and because these analyses will not be performed for six years, the methodology of this particular analysis should be regarded as malleable, pending new and improved methods that may be developed over the subsequent years.

Discontinuity from Historic Baserates

A number of criminal justice reform policies are currently or will shortly be implemented within Salt Lake County, the State of Utah, and even nationally. These policies impact the types of crimes for which offenders will be jailed, the responses to violations of probation, and classification of the severity of certain crimes. It is possible that these policies will significantly alter the expected, untreated group values for the payment metrics relative to historic values reported above. In other words, during the course of the REACH project, the evaluation might observe reductions in, for example, jail days that are related to policy rather than treatment. To the extent that the shift created by policy is large, observation of percentage-based differences between the control and treatment group outlined in the MDE analysis may become more difficult to observe, especially with respect to significance. Notably, such an outcome would not necessarily indicate that REACH was not successful; rather, it would mean the effect size required to detect a significant difference changed as a function of new policies.

A discontinuous growth model offers a method by which the evaluation can model a notable shift (i.e., a discontinuity) in historic trends as a function of the adoption of policy changes and reform. To detect such a discontinuity, UCJC needs to know when and why a shift is expected, and needs to posit the form the discontinuity might take.²⁹ Conversations with stakeholders and the steering committee will serve to inform these models, but visual inspection of the trajectories can help

²⁸ van Buuren, S. (2011). Multiple imputation of multilevel data. In J. K. Roberts & J. J. Hox (Eds.), *The Handbook of Advanced Multilevel Analysis* (pp. 173-196). New York: Routledge.

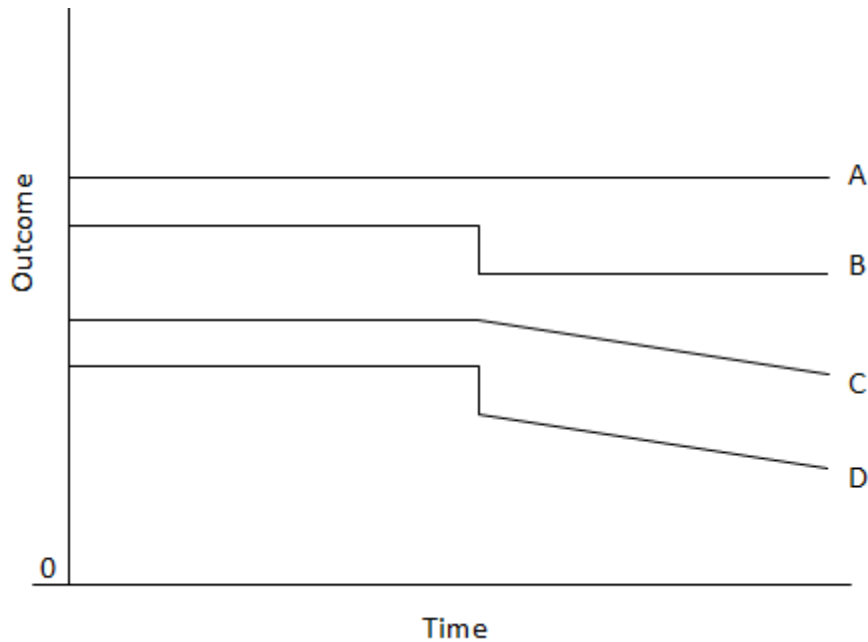
²⁹ Singer, J. D., & Willet, J. B. (2003). *Applied longitudinal data analysis: Modeling change and event occurrence*. Oxford: Oxford University Press.

guide those conversations. In the data for the payable metrics, outcomes would be tracked both pre- and post- the hypothesized shift for the control group. At the temporal points where policy changes are adopted, the discontinuity will be modeled. The form of the discontinuity created by the policy change should be guided by logic; accordingly, several models could be examined as plausible for the REACH project, all of which make theoretical sense for the current reforms.

Figure 1 provides a graphic illustration of the proposed analysis with three theoretically valid discontinuities drawn. The intercept-position of the lines on the y-axis is arbitrary. The line labeled “A” represents the ideal situation in which a theoretical outcome (y-axis) does not change over time (x-axis) relative to historic baserates. In the REACH case, this model would indicate that trends established pre-policy change were a good representation of the untreated (or treatment-as-usual) outcome after policy change as well. The line labeled “B” illustrates a situation where a policy change produces a sudden shift in the untreated outcome’s value. Model “C”, in contrast, posits that no sudden shift occurs; instead, the policy produces a slow decline (change in slope) in the outcome’s value over time (the declining slope could level off at a later point as well and modeling that is a simple process). Finally, model “D” combines models “B” and “C”. This model posits a sudden shift followed by a period of decline in the slope of the outcome’s trajectory.

These are merely examples, and other outcomes are possible. For example, the reforms could shift the baserates in the opposite direction (i.e., up rather than down), or reforms could produce shifts and changes in slopes, but then return to prior baserates over time. The primary purpose of these models is to account for changes in baserates that impact the ability to detect a meaningful change at the levels established under the MDE analyses. Potential discontinuities will be determined by obtaining data two years pre-REACH implementation for all relative, payable metrics; while payments are based on whether discontinuities occur post-launch only, the longer historic period is necessary to establish a pre-existing trend. Further details of use of these models, and when they apply, are available in the PFS contract.

Figure 1. Hypothetical discontinuous growth models



Moderator Analyses

The primary goal of the REACH intervention and PFS initiative, addressed through evaluation components discussed above, is whether the REACH program creates sustained and measurable change in the group they serve (both relative to a control group (for certain metrics described above) and in an absolute sense, relative to a client's own baseline status when entering the program (for other metrics outlined above)). A second important goal involves analyzing potential moderators of treatment group success on the relative outcome measures described above. This secondary goal subsumes a range of analytic tasks all aimed at assessing the factors that predict or moderate program success above the main effect of treatment. Examination of potential moderators is an important secondary goal when considering adopting the REACH program for broader use with the relevant population because it helps inform policy and target treatment toward those for whom the program is most effective.

To these ends, exploratory analyses will examine the following characteristics of both the client and treatment as potential moderators of the effect of treatment on incarceration days, new statewide arrests, employment, and treatment engagement post-randomization:³⁰

Client:

³⁰ As applicable, brief definitions and sources are provided for variables that have not previously been described, and reason for inclusion is provided for all variables

- Age at baseline – to address whether the program’s impact differs as a function of age at randomization (source: AP&P/UDC).
- Baseline TCU drug score or ADP score – to address whether the program’s impact differs as a function of the severity of participants’ existing drug problem (source: AP&P/UDC).
- Baseline risk score (LS/RNR, LSI-R) – to address whether the program’s impact differs as a function of participants’ risk and need score (source: AP&P/UDC).
- Two-year prior drug-related jail booking history – to address whether the program’s impact differs as a function of drug-related criminal history (source: Salt Lake County Jail OMS records).
- Two-year prior property-related jail booking history – to address whether the program’s impact differs as a function of property-related criminal history (source: Salt Lake County Jail OMS records).
- Two-year prior violence-related jail booking history – to address whether the program’s impact differs as a function of violence-related criminal history; this type of offender often requires specialized services (source: Salt Lake County Jail OMS records).
- Baseline mental health score (OQ-45.2) – applicable only to treatment group participants, this variable would help address whether the program’s impact differs as a function of initial mental health (source: FSH).

Treatment:

- Successful treatment completion – relevant only to REACH program participants, a dichotomized yes or no variable will be used to indicate whether participants completed all requirements necessary for graduation from the REACH program. This variable will help determine the extent to which successful completion of the program drives favorable outcomes that may be observed (source: FSH).
- Moral Reconciliation Therapy – relevant only to REACH program participants, a dichotomous yes or no variable will be used to indicate completion of the core programming, Moral Reconciliation Therapy (MRT). This variable will help determine the extent to which successful completion of MRT drives favorable outcomes that may be observed. This variable is not independent of successful treatment; the two will be considered separately (source: FSH).
- Hours of treatment exposure – though introduced as a payable metric representing treatment engagement, this variable (relevant only to REACH program participants) will be examined as a moderator to help determine whether program exposure drives favorable outcomes that may be observed on the other performance metrics (source: FSH).

Several analytic options exist for these exploratory models. Each of these predictors can be examined as moderators in a series of regression models. However, these models do not provide a straightforward method of determining which interactions should be considered. Classification and regression tree (CART) models offer another viable analytic approach. When the relationship is not theory-driven, a CART approach provides an excellent method to automatically model interactions between variables, helping to identify the most important moderators of the relationship between treatment and the outcomes without the need for prior theory. Moderators are identified by the algorithm and are entered in order of importance based on which provide the most

accurate classification of the respective outcome variable. A bootstrapped random forest approach is recommended.

Process Evaluation

Paramount to REACH program success, and being able to attribute reductions in recidivism to the REACH program, is the issue of fidelity to the RNR model on which the REACH program was based. To examine fidelity to the RNR model, part of the evaluation will include conducting Correctional Program Checklist (CPC) evaluations on the REACH program.

The CPC is a tool developed to assess offender intervention programs and is used to ascertain how closely those programs meet known principles of effective intervention. Several studies of both adult and juvenile programs-were used to develop and validate the indicators on the CPC.

The CPC is divided into two basic areas: Capacity and Content. The Capacity area is designed to measure whether a program has the capability to deliver evidence-based interventions and services for offenders. There are three domains in the Capacity area including: (1) Leadership and Development; (2) Staff; and (3) Quality Assurance. The Content area focuses on the substantive domains of: (1) Offender Assessment; and (2) Treatment Characteristics. This area evaluates the extent to which the program meets the principles of RNR and treatment. There are a total of 77 indicators, worth up to 83 total points. Each area and all domains are scored and rated as either "highly effective" (65% to 100%); "effective" (55% to 64%); "needs improvement" (46% to 54%); or "ineffective" (45% or lower).

The CPC evaluation consists of a series of structured interviews with administration, treatment and supervision staff, and program participants. Additional data are gathered via the examination of client case files (open and closed), and the review of relevant program materials (e.g., client orientation packet, ethical guidelines, and staff surveys). Data from the various sources are used to determine a CPC score and to provide the recommendations that follow.

There are a number of advantages to the CPC evaluation process:

- The criteria are based on empirically derived principles of effective programs.
- All of the indicators included in the CPC are correlated with reductions in recidivism.
- The process provides a measure of program integrity and quality; it provides insight into the "black box" of a program, something that an outcome study alone does not provide.
- The results can be obtained relatively quickly.
- It identifies both the strengths and weaknesses of a program; it provides program staff with an idea of which program activities are consistent with the research on effective interventions and which areas need improvement.
- It provides useful recommendations for program improvement.
- It allows for comparisons with other programs that have been assessed using the same criteria.
- Because program integrity and quality can change over time, it allows a program to reassess its progress.

It should be noted that the CPC process is detailed and invasive, revealing a great deal about how a program functions. Generally, individual program results from the CPC are not made public. Though using the CPC as part of the REACH process evaluation necessitates at least some level of disclosure, UCJC will limit the amount of information that is released. Individual domain and total scores will not be released, but UCJC will report on program strengths and weakness within each CPC domain.

In addition to the CPC, FSH and UCJC will assess performance metrics related to program components to document whether the program is being implemented as intended. These will include:

- Number of referrals, enrollments, dropouts (attrition cases), and randomized participants who complete the REACH program
- Hours of treatment exposure as a function of risk scores
- Number of participants entering at each service level (see Operations Plan)
- Number of urinary analyses given/failed as well as self-reported drug use.

Attrition

In the present study, attrition (or dropout) can occur at several places post-randomization. A REACH assigned client may not be located, may fail to enroll, or may drop out of the program after some period of time. However, none of the payable metrics are impacted by missing data with respect to attrition. Arrests and incarceration days (as discussed above) are gathered from retrospective criminal justice databases, and employment is gathered from DWS records. Because individual's records are present in these databases irrespective of their continued study participation, attrition does not impact the measurement of these outcomes. While attrition does impact the treatment engagement outcome (an absolute metric), that attrition is directly relevant to success on the metric. If a person drops out of the REACH program before he receives 200 hours of service, he will not count toward the payable outcome. However, if he drops out after 200 hours, he has received the minimum amount of services deemed necessary to alter criminogenic risk, and will count as a success on the engagement outcome.

The measurement of other, non-payable metrics are impacted by attrition. For example, improvement in education, mental health status, housing stability, criminal thinking, and drug screen scores cannot be obtained for all participants who drop out of the REACH program. While FSH will attempt to collect this information when clients exit the program, it is reasonable to assume that a person who drops out will do so without notice, making a final assessment unlikely. However, the ultimate goal of these metrics is to determine the extent to which full participation in the REACH program alters the outcomes. The assessment of these outcomes is, therefore, limited in interpretation to the impact the REACH program has among those who complete the program or, for those who do not complete the program, the impact the program has on those who are cooperative at exit. The two groups (successful completers and cooperative dropouts) can be analyzed separately to determine whether and how the impact of REACH differs across them. Baseline data (i.e., at randomization or enrollment) will be available for dropouts, and will allow for an analysis of how these participants differed from program completers at baseline. This will help inform for whom the program is most likely to be effective.

Data Sharing Map, Participant Tracking, and Assessment Timeline

The data map in Figure 2 provides the flow of information across the various partner agencies for the PFS criminal justice project's evaluation related tasks; tasks unrelated to the evaluation are not covered. Figure 3 provides a timeline associated with the processes outlined in Figure 2. All referrals to the REACH program will be made by the Utah Department of Corrections (UDC) Adult Probation and Parole (AP&P). This agency will serve as the entry point (referral source) as the program tracks offenders sentenced to AP&P probation.

Names, state identifiers (SIDs), dates of birth and social security numbers (SSNs) from UDC will serve as the identifiers used to match offenders across other systems. Data from UDC will also be used by AP&P to identify eligible participants, aid the Utah Criminal Justice Center (UCJC) in random selection and assignment of cases to the program's treatment and control groups, help First Step House (FSH) track jail release dates for eligible participants, and provide contact information to FSH for those assigned to the REACH program.

As seen in the data map, certain information from UDC will flow through UCJC to other agencies for matching to these other systems and then back to UCJC for data aggregation; other information from UDC will be provided directly to UCJC for evaluation purposes only, and will not flow through to other agencies. Information will also be provided to UCJC from FSH and the Salt Lake County Jail (see Figure 2).

- FSH will work with the Salt Lake County Jail to determine release dates, and FSH will only send cases with no jail or less than four weeks of jail remaining to UCJC for selection and randomization.
- AP&P will provide FSH access to a continually updated REACH eligibility spreadsheet by which FSH can determine eligible cases; in turn, FSH will send UCJC a list of eligible participants (matching jail release criteria in bullet one). UCJC will use this information for randomization and will return a list of treatment assigned cases to FSH. Accordingly, the data map portion reflecting eligibility and randomization shows information flowing from UDC to FSH, from FSH to UCJC, and from UCJC back to FSH (i.e., randomized cases). The LS/RNR and ADP scores as well as age (determined from DOB) will be used as covariates for covariate adaptive random assignment.
- First Step House will provide treatment and other client data to UCJC for evaluation purposes. This will include treatment hours, scores on the Outcome Questionnaire-45.2 (OQ-45.2) mental health assessment, education gains, scores on their housing stability metric, and scores on the TCU Drug Screen and Criminal Thinking Scales.
- The direct path from UDC to UCJC indicates UDC will provide UCJC names, SID, SSN, DOB, criminal history, and incarceration history (i.e., days in prison). Incarceration days will be used as part of the payable metric that combines prison and jail days into incarceration days. Name, SID, SSN, and DOB will be used for matching to other systems.
- UDC supplied SIDs, names, and DOBs will be provided by UCJC to the Bureau of Criminal Identification (BCI) in order to obtain statewide criminal history for arrests. The BCI will return criminal histories to UCJC with identifiers intact.

- UDC provided SSNs, names, and DOBs will be provided by UCJC to the Department of Workforce Services (DWS) to facilitate matching of employment data (using wages as a proxy for employment). Due to privacy issues, DWS will return individual employment data to UCJC without the identifiers intact, instead using a random identifier, but maintaining a label for group membership (i.e., treatment or control) for analysis purposes.
- The Salt Lake County Jail provides UCJC with jail data from its Offender Management System (OMS) on a quarterly basis. UCJC currently receives all jail related data from OMS, including bookings for new criminal charges, warrants, holds, and commitments, and days in jail. Because these data are provided to UCJC quarterly for all bookings (i.e., irrespective of the REACH project), no arrow flows from UCJC to the Salt Lake County Jail in the data map. UCJC will use the identifiers in this dataset to match to other agencies' provided data.

The timelines for data collected through the processes of Figure 2 fall into the following schedules:

- Bimonthly – LS/RNR scores, ADP scores, and date of birth are provided by UDC (through AP&P) to FSH and then to UCJC twice each month and are used for covariate adaptive randomization. Names and DOBs will be used to ensure participants are not participants in the other PFS projects, and that they have not already been randomly assigned.
- Biannually – Data related to the treatment engagement outcome will be reported by FSH every six months.
- Annually – all BCI, OMS, DWS, all other (non-treatment engagement related) FSH data, and all other UDC data (other than those under bimonthly), will be requested on an annual basis beginning in the 13th month post-PFS start.
- Twice – the CPC evaluation will be performed by UCJC at approximately six months and at two years post-PFS start. Because the CPC is performed by UCJC, it is not noted in Figure 2 (as it does not involve the transfer of data).
- Once – The moderator analyses will occur only once, at the end of the study (year 6) because 1) they are not payable metrics requiring interim payments, and 2) these analyses will require the study's full duration and sample in order to provide useful information. They will, therefore, be documented only in the final report.

Figure 2. Data map

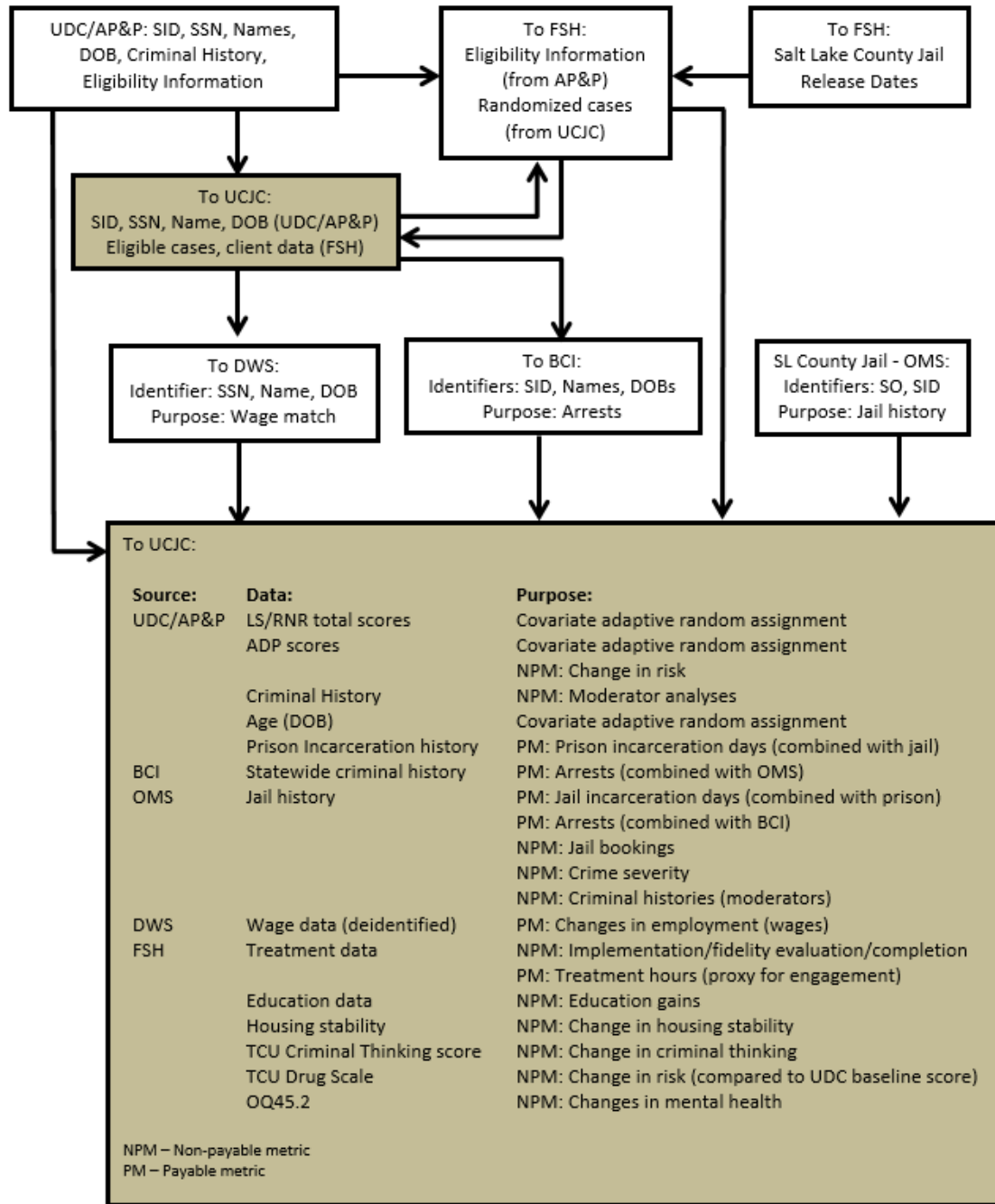


Figure 3 summarizes the project’s timeline, showing major milestones for the six year study. The figure does not represent intermediate tasks, such as those related to randomization, data cleaning, analyses, and report writing. The features of the timeline are as follows:

- Numbers on the timeline represent months of the study.
- The study begins with a pilot period (running from months 1-6) designed to assess a limited number of process measures that will indicate whether the project is on target. Tasks related to this period are noted in grey in the figure. These will include: number of referrals made relative to the targeted goal; number of enrollments relative to the targeted goal, program

attrition relative to the estimated value; incurred staffing, programming, and housing costs relative to those estimated. In addition to these metrics, the pilot period will be used to ensure that FSH is collecting necessary data in a way that matches the needs of the evaluation. During the pilot period, project parties will work together to ensure the proper data are being recorded and reported in a reliable and useable manner. Data collection procedures to be evaluated during the pilot include those related to treatment hours, education gains, housing stability, criminal thinking and drug scale assessments, and OQ45.2 scores. A brief pilot report will be provided one month after the pilot period has ended.

- The figure visually displays three cohorts. However, because clients are enrolled on a continual basis, the use of cohorts in the figure is arbitrary and cohorts are presented as discrete cohorts for simplicity of presentation. Cohort starts are shown in green in the figure. Cohort observation windows are denoted by green to red transitioning arrows originating from each cohort start. Cohort enrollment closures are represented by a solid vertical line along the observation window arrow. The first cohort is enrolled in months 1-12. The last people in the cohort (e.g., those enrolled in month 12) are followed for four years (the study observation period for all outcomes except employment and treatment engagement); hence, the cohort observation window closes at month 60 (or 48 months past the end of the cohort enrollment period). The study period ends before a four-year observation window can occur for cohorts two and three.
- The grey arrows exiting cohorts two and three represent unobserved periods for which outcomes will be forecasted using existing data from cohorts two and three, as well as the fully observed data from cohort one. Accordingly, a maximum of five months of cohort two (10.5%), and 17 months of cohort three (35.4%), will be forecasted from existing data. Importantly, this amount of time will be forecasted only for the last person entering the cohort. For those entering the cohort at the earliest possible time, the number of forecasted months can be reduced to none for cohort two, and only five months for cohort three. The forecasting methodology was discussed in the relevant section above.
- Employment (as discussed above) is a two-year outcome; hence, employment observations are fully observed for all cohorts. Closures of observation periods for this metric are denoted by a dashed, rectangular box along each cohort's observation window arrow. The box represents uncertainty regarding when the observation window will close as a function of when the REACH program starts. For example, if the program starts mid-quarter, the observation closure window for employment for the first cohort would close at 39 months. If it started on the first day of a quarter, the window would close at 36 months. With respect to reports summarizing the employment outcome, it is important to note that employment outcomes provided by DWS lag one quarter behind the current quarter (i.e., it takes one quarter for the system to reflect the newest wage data). Data are then available approximately 45 days later. Accordingly, full employment data for a cohort will not be available until approximately 4.5 months after the employment observation window closes. Even with this limitation, however, the study period allows for all cohorts' employment windows to be fully observed.³¹

³¹ The last cohort has a maximum closure window at 63 months. Adding to that the one-quarter lag, and the 45-day period to finalize the data in the DWS system, data should be available for the last request by month 68, exactly the month when the final data requests are sent.

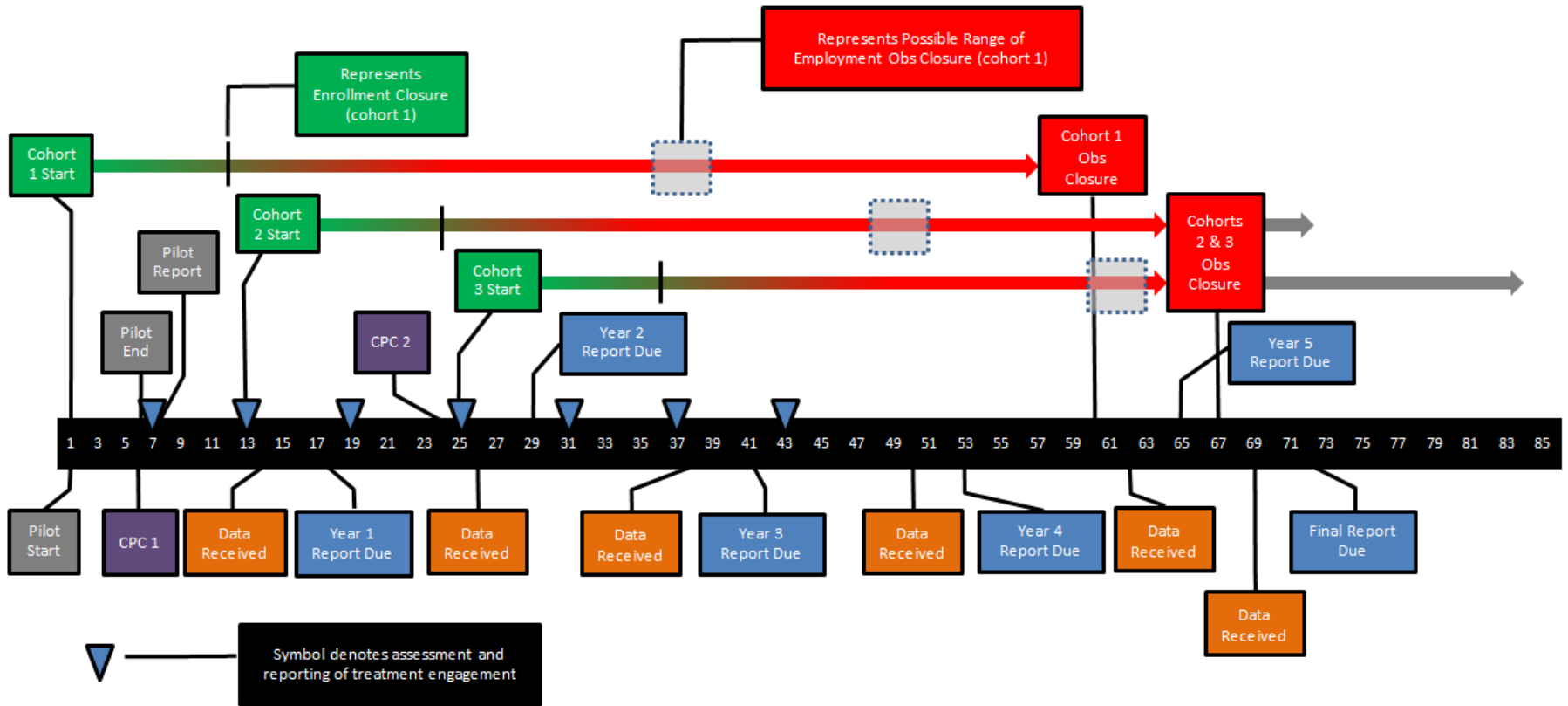
- The process evaluation includes two CPCs performed on the REACH program; CPCs are shown in purple in the figure. The first CPC is performed at the culmination of the pilot period, allowing FSH a period of time to further refine the REACH program before the second CPC occurs. A second CPC will be conducted at 24 months post-program start. CPC reports (due dates not shown) will be provided two months post-evaluation.
- With two exceptions (discussed below), all data will be requested on an annual basis, beginning in month 13 of the project. Data are anticipated to be received one month after requests; data delivery intervals are indicated in orange in the figure. In order to complete the final report by the study's end date (month 72), delivery of final data will not occur at the fixed annual interval. Instead, the final receipt of data will occur in month 69. Data delivery for variables related to randomization occurs on a bi-monthly basis; because of their frequency, these are not represented in the figure.
- Assessments of the treatment engagement payable metric are denoted by blue triangles in the timeline. Data related to this metric are reported by FSH every six months beginning at month seven of the project and terminating at month 43 (the point at which the last person from the last cohort would have reached six months of program exposure). The outcome will be reported on the same month as the data are received from FSH. Once an individual has reached six months of program exposure, he will be permanently recorded as having met 200 hours of treatment or not; participants cannot qualify at a later time (i.e., after greater than six months of exposure) and the reported count will represent non-duplicated individuals.
- All summary reports are denoted in blue in the figure. Reports will be provided on an annual basis with the exception of the final report, due seven months after the year five report. All reports are due three months after receiving data. For example, data requested on the first day of the 13th month post-PFS start will likely be received by the first day of the 14th month post-PFS start. If this goal is met, the year one annual report (including results from bimonthly randomization outcomes) would be due on the first day of the 17th month post-PFS start. UCJC will work with program parties to ensure that all necessary data are obtained in a timely manner. Note that, once the first cohort's observation window closes, reports will summarize information for open cohorts separately from closed cohorts. The first such report will occur in year five. The final report (end of year 6) will provide only the final outcomes including the two projected cohort's outcomes and the moderator analyses. It will not re-summarize all prior cohorts' outcomes.

Project success payments will be based on outcomes presented in the annual and final reports. The PFS Contract will detail the success payment calculation methodology and reporting procedures.

Institutional Review Board (IRB) Approval and Data Sharing

UCJC has obtained Institutional Review Board (IRB) approval for the PFS project from the University of Utah's IRB. Data sharing agreements are currently in process.

Figure 3. Project timeline



APPENDIX B-2
ROAD HOME EVALUATION PLAN

Salt Lake County Homelessness: Evaluation Plan for the HNJ Program Intervention

Proposed Intervention

The Road Home (TRH) Pay for Success program model addresses persistent homelessness¹ and associated criminal justice contact through an enhanced rapid rehousing intervention. The Housing Not Jail (HNJ) program model was built on the framework of the housing first (HF) model, and is designed to move persistently homeless individuals out of emergency shelter and into a stable housing placement. Because this group is characterized by relatively high criminal justice contact, the intervention also intends to interrupt the frequency with which individuals cycle in and out of jail and emergency shelter. The program aims to address clients' barriers moving out of shelter to a permanent housing placement, including: poor credit history, lack of resources for rental and utility deposits, behavioral health needs, and lack of income, either from employment or enrollment in public benefits programs.

To facilitate program goals, the HNJ program has adopted several evidence-based interventions. These include: Housing First (HF), Harm Reduction (HR), Motivational Interviewing (MI), and Trauma-informed Care (TIC). Housing assistance, using the rapid rehousing (RRH) model, will be comprised of assistance identifying housing and the provision of rental and move-in resources. Additionally, the HNJ program will provide wraparound services to stabilize clients' housing placement, including employment services, assistance with food security, and facilitating access to behavioral health services through interagency partnerships.

Study Population

The HNJ program will provide services to a random sample of clients who meet the following inclusion and exclusion criteria:

Inclusion:

- Individuals who have resided in an emergency shelter in Salt Lake County for 90 to 364 days in the year preceding HNJ eligibility assessment. Before an individual is considered eligible, the number of days must be verified in the Utah Homeless Management Information System (UHMIS²).
- Individuals who have resided in the YWCA domestic violence shelter for 90 to 364 days in the year preceding HNJ eligibility assessment. Before an individual is considered eligible, the number of days must be verified in YWCA records.
- Must be 30 years old or older
- Must be single

¹ Persistently homeless refers to those individuals who have lived in emergency shelter for 90-364 days of the past 365 days.

² In order to avoid interference with the HNJ project, any new homeless shelters funded by SLCO will be required, as part of funding, to enter data into UHMIS.

- Must score 8 or less on the Drug Abuse Screening Test (DAST-10),³ which is a 10-item tool that assesses drug use, not including alcohol or tobacco, in the past 12 months. The DAST-10 is scored on a scale of 0-10, with higher scores indicating relatively higher risk of having a drug problem.
- Must score 8 or less on the Alcohol Use Disorders Identification Test (AUDIT-C), which is a 3-item alcohol screen that can identify persons who are hazardous drinkers or have active alcohol use disorders. The AUDIT-C is scored on a scale of 0-12, with higher scores indicating relatively higher risk for at-risk drinking or active alcohol abuse.
- Must score 19 or less on the Kessler Psychological Distress Scale (K6), which is a 6-item tool that measures psychological distress in the most recent 4-week period. The K6 is scored on a scale from 6 (indicating no distress) to 30 (indicating severe distress).

Exclusion:

- Homeless families
- Individuals with fewer than 90 days in emergency shelter in Salt Lake County in the year preceding HNJ eligibility assessment
- Individuals with more than 364 days in emergency shelter in Salt Lake County in the year preceding HNJ eligibility assessment
- Individuals 29 years old or younger
- Individuals with more intensive behavioral health needs, as identified on the DAST-10, AUDIT-C, or K6
- Individuals who are classified as chronically homeless, per the HUD definition
- Individuals who were previously randomized for participation as control or treatment participants in either the Pay for Success (PFS) recidivism project or the state PFS project.

Some of the data necessary to determine eligibility for randomization are currently built into the statewide Utah Homeless Management Information System (UHMIS). Client scores on the behavioral health screens (AUDIT-C, DAST-10, and K6) will be recorded by The Road Home (TRH) in a project-specific database. These screens represent the only eligibility components not currently available within existing data systems.

Referral and Randomization Protocol, ITT Methodology

UCJC will coordinate with TRH and DWS/UHMIS⁴ to complete the sampling and randomization process. The process described below accounts for changes that may occur within Salt Lake County’s homelessness services programs as the result of ongoing initiatives.

³ Case Managers at The Road Home will conduct all pre-screening assessments.

⁴ The Utah Homeless Management Information System is administered by the Department of Workforce Services.

Primary Referral Source: Generation of Outreach List

Two of the eligibility criteria (cumulative days in shelter in the past year and age) will be applied to UHMIS data by staff from TRH, using a query developed and verified by the State of Utah Community Services Office UHMIS team. This list will be generated quarterly and sent first to the UHMIS team, to verify its accuracy, and then returned to TRH who will forward it to UCJC (referred to throughout as the TRH/UHMIS List). UCJC will eliminate individuals who have already been randomized in the treatment or control groups for HNJ, the State's Pay for Success project, and the county's recidivism Pay for Success project. UCJC will then sort the list into a random order and send it to the HNJ project staff (referred to throughout as the Outreach List).

This Outreach List will be used by HNJ project staff to determine the order in which to recruit individuals for screening; of note, TRH will only recruit individuals from the list for the study if and when they present in a qualifying shelter in Salt Lake County⁵. This will ensure that only individuals who are currently homeless will be targeted. As identified individuals present for services⁶ in Salt Lake County homeless shelters, project staff will conduct eligibility screening using the DAST-10, AUDIT-C, and K6. During this initial contact, HNJ staff will also have clients sign a release of information (ROI) and complete a Housing Barriers (HB) assessment (results of the HB will not be used to screen individuals out of the HNJ program; it will be used to facilitate development of a program plan to reduce these barriers).

Secondary Referral Source

In addition to recruiting clients through shelter programs, project staff will coordinate recruitment efforts with other agencies that provide services to the target population, including any new homeless shelters that are opened in Salt Lake County. HNJ eligibility criteria will be provided to those agencies (e.g., street outreach teams and domestic violence shelters) and they will be encouraged to refer potentially-eligible clients directly to HNJ program staff. As HNJ staff makes contact with those clients, they will first confirm that the individual is on the current Outreach List. Clients who are referred from the YWCA domestic violence shelter may also qualify for the program, based on days in shelter. Because the YWCA does not enter information into UHMIS, the YWCA has agreed to provide information regarding a referred client's nights in shelter (including enter and exit dates) to HNJ staff. Because of the impossibility of tracking homeless nights that are not recorded in UHMIS or by the YWCA, clients whose shelter nights were accumulated elsewhere (such as a non-qualifying shelter or living outdoors) will not be eligible for the program. Clients referred by other agencies will undergo the same eligibility screening as those recruited at the TRH shelter.

Generation of Eligible Individuals List

⁵ See footnote 2; qualifying shelter means the organization enters data into the UHMIS system.

⁶ Present for services is operationalized as staying at a qualifying emergency shelter in Salt Lake County. This could be as part of a night-by-night enrollment, wherein clients check in and out every day, or a case managed enrollment, wherein clients are not required to check in and out every day.

Primary determination of eligibility will be made by TRH. TRH will conduct outreach to individuals in the order provided by the Outreach List. Using a screening form maintained internally by TRH (HNJ Screening Form), eligible participants will be flagged using the eligibility and exclusion criteria outlined above. Participants who have been outreached will be categorized as (1) ineligible (with reason), (2) declined prescreens (with reason), (3) unable to locate, and (4) eligible. If an individual declines to participate in the eligibility screen, the reason for that will be documented on the HNJ Screening Form. For participants who agree to the prescreen, TRH will provide UCJC with an Eligible Individuals List that will include the following information: date the eligibility assessment was conducted; scores on the AUDIT-C, DAST-10, and K6; first date of the current shelter stay; and whether the person is in a case managed or night-by-night enrollment during the current stay. This Eligible Individuals List will be updated every two weeks, by TRH, in order to flag those individuals who have presented in a qualifying shelter in the preceding 14 days. Using data provided on the Eligible Individuals List (i.e., data related to the inclusion and exclusion criteria), UCJC will confirm eligibility and, after randomization (discussed below), will return the condition assignment to TRH. UCJC will provide assignment related information within five working days after receiving it (the 6th and 20th of each month).

Randomization

Preliminary examination of historic data suggests more individuals may be eligible for enrollment than can be accommodated by the HNJ program. Estimates based on historic data suggest more than 600 individuals per year⁷ could be eligible. Over the course of five years, TRH has estimated that it can serve approximately 315 clients⁸, with 31 served in year one, 71 in year two, 84 in years three and four, and 41 in year five. Using a yearly population estimate of 600 cases per year, and an assignment ratio of 2:1 in favor of the control group,^{9,10} these values correspond to 93, 213, 252, 252, and 123 randomized individuals in each respective year. Accordingly, depending on the service year, the available population dictates that between 16% and 42% of eligible participants could be served by the HNJ program.

HNJ program capacity is fixed but anticipating program availability is somewhat indeterminate because of the fluctuating availability of suitable housing placements. To deal with the indeterminacy as it relates to random selection and assignment, UCJC will select

⁷ Actual number is expected to be lower due to the fact that analysis is based on clients who met the eligibility criteria in terms of shelter days; other pre-screen data were not available nor is there proxy data to provide an estimate of how many individuals will be eliminated by the prescreen.

⁸ This number conflicts with the number utilized in the power analysis later in this document because the power analysis is based on an intent-to-treat approach. TRH estimates that 25% of the clients who are randomized will not participate; however, the approach dictates that they will count as members of the treatment group. The number 840 is used in the power analysis to reflect 420/group, and $420 * .75 = 315$ (show here).

⁹ Though the primary analysis will include the full control group, the over-assignment to the control condition will allow an exploratory analysis that removes participants who receive treatment through TRH's ESG program. Because the nature of this program is similar to HNJ (though less intensive), it may be advantageous to compare the HNJ treatment group to the control group without ESG clients in an exploratory fashion.

¹⁰ The over-assignment to the control condition will be addressed using probability-based weighting of cases in order to obtain an accurate estimate of the treatment effect.

cases and assign participants to condition based on available housing placements. TRH will report the number of housing units available to UCJC on the 1st and 15th of each month. UCJC will then randomly select eligible participants one by one, and will randomly assign clients to either the treatment or control condition. Both selection and assignment to condition will stop at the point where the number of treatment group assignments matches the number of available housing placements. This methodology prevents over assigning treatment participants beyond available spaces in the program; notably, it also dictates that the exact assignment ratio (e.g., 2:1) cannot be known in advance. Eligible participants who are not selected are eligible for future selection and randomization¹¹; however, if they are no longer eligible at the next quarterly TRH/UHMIS pull, per number of shelter days accumulated, they will be dropped from the eligible list.

The number of clients referred to the program, after random assignment, will vary somewhat from month to month (see Appendix A, for a month-by-month estimate of the number of clients who will be assigned to treatment). Of note, HNJ is a short-term intervention; clients will exit the program (but not the study) approximately 4.6 months after enrollment. As such, monthly caseloads will range between 23-25 clients (see Appendix A for a month-by-month estimate of expected monthly caseloads after accounting for the number of clients who are expected to exit the program each month). It is also likely that some individuals who are randomized into treatment will never enroll in the program; based on an examination of other TRH housing programs, staff estimates that 25% of referred individuals will never be enrolled in the program. Because the evaluation will use an intent-to-treat approach (see below), individuals assigned to treatment will be analyzed as part of the treatment group whether or not they are ever enrolled or housed. In a given month, if more clients than anticipated do not enroll, HNJ staff can request a new referral to replace a referred individual who never enrolled. If an individual who was assigned to treatment and not enrolled later appears in the shelter, HNJ staff will attempt to re-engage that individual in the program. Requests for a varying number of referrals will be included as part of the bi-monthly submission of eligible participants (e.g., TRH will indicate the need for 8 rather than 6 individuals assigned to treatment).

Random sampling will be performed using the R statistics package, and random assignment will occur using the R package “blockTools.” Randomization will occur according to methodology known as covariate adaptive sequential block random assignment¹² (Moore & Moore, 2013). This methodology is specifically designed for experiments with “trickle in” designs. As in the case of this PFS project, sometimes the full list of potential participants is not known in advance, precluding a one-time randomization process; instead, participants “trickle in” over time. The R package “blockTools” was specifically designed for this type of methodology. The package allows for differential assignment probabilities and automatically adapts subsequent assignments as a function of the groups’ imbalance on important

¹¹ In order to be eligible for randomization, an individual must meet all screening criteria and be identified as residing in a qualifying shelter in the preceding 14 days. This creates the likelihood that individuals will go on and off the list, after screening, if they come in and out of shelter. This minimizes a delay between screening and randomization, which would likely improve the probability of successful placement.

¹² Moore, R. T., & Moore, S. A. (2013). Blocking for sequential political experiments. *Political Analysis*, 21, 507-523.

covariates, including the interactions of those covariates. Both simulation and real-world experiments have shown this method to produce superior balance relative to complete randomization (Moore & Moore, 2013). Notably, this methodology eliminates the need to balance the groups on covariates in the final analyses. Most importantly, however, it creates transparency in a potentially arbitrary process of including or excluding covariates purely post hoc.

Related to this last point, this evaluation plan draws on Senn's¹³ (1994) advice that covariates be decided a priori (and, therefore, be included regardless of their statistical significance in predicting the outcome) based on careful consideration of their importance to the model and the relevant outcome. For the present study, four covariates will be used in the covariate adaptive sequential block random assignment. The first three, age, gender, and number of shelter nights in the qualifying year, are important predictors of homelessness and recidivism outcomes. One other covariate will be included to achieve a sample balance more similar to the population. Client's assignment to a case managed versus a night-by-night shelter enrollment at the point of identification will be used as a weighted covariate; use of this covariate reduces the probability that case managed cases, who (because they are not on a night-by-night enrollment) are more accessible to TRH staff, would be selected at a population disproportionate rate. The assignment probability for this covariate will dictate that case managed and non-case managed clients are assigned with a probability equal to their population-level distribution rather than ease of contact.

Use of this covariate adaptive sequential block random assignment method maximizes power in this design because it balances groups on known covariates and does so without the need for their inclusion in the final model (because they were balanced in a continual fashion). It also achieves these aims while maintaining methodological transparency (i.e., avoiding post hoc selection of covariates in an outcome-driven fashion).

A master list of clients who were/are eligible but who have not yet been assigned as study participants, who were assigned to the control group, and who were assigned to the treatment group will be maintained by UCJC. UCJC will also be responsible for ensuring that referred clients are not already control or treatment participants in either the state's Pay for Success project or the county's recidivism project. These individuals will be eliminated from both selection and randomization procedures before the process begins.

Post-Randomization

Once program participants have been identified, they will be assigned to a HNJ case manager. The case manager will be the primary person responsible for enrolling clients into the program and connecting them to the Housing Locator, who will initiate the search for a suitable housing placement. In order to maintain client engagement in the program while they are waiting for housing, the case manager will coordinate other needed services—such as employment or behavioral health assessments—immediately after enrollment. If

¹³ Senn, S. (1994). Testing for baseline balance in clinical trials. *Statistics in Medicine*, 13, 1715-1726.

available, HNJ clients will also be assigned to one of the shelter beds designated specifically to the HNJ project.

After randomization, all study participants will be tracked in UHMIS, even those whose qualifying nights were accumulated in the YWCA shelter. In addition, post-HNJ shelter nights for clients referred from YWCA will be queried from the YWCA and included in the outcome analyses. For the purposes of the evaluation, clients will be categorized into the following groups:

- **Identified.** A client on the Outreach List has been identified as staying in a qualifying shelter OR a client on the Outreach List has been referred, by a non-TRH program, to the program for eligibility screening OR the YWCA has referred a client who has the eligible number of accumulated shelter days (90-364 in one year) in the domestic violence shelter.
- **Eligible.** Staff has met with the client and determined him/her to be eligible per the results of the pre-screen; client is on the Eligible Individuals List¹⁴.
- **Assigned.** The client has been included in the pool of eligible and was randomized to the treatment or control groups.
- **Referred.** The client was randomized into the treatment group and sent to TRH.
- **Enrolled.** TRH has made positive contact and the client is in treatment.
- **Housed.** The client has moved into a housing placement with program assistance.
- **Exited.** The client has completed the program or been unenrolled.

Enrolled clients who disappear before being housed will be re-engaged if and when they reappear in the shelter. Housed clients who abandon the placement (defined as having no contact with the program for two months) will be exited from the program.

The evaluation plan will follow an intent-to-treat approach. The issue of whether to adopt an intent-to-treat methodology centers around whether the research question involves program completion (i.e., what is the success of those who fully adhere to the program?) or assignment. The analyze-as-assigned approach argues that failures occurring post-randomization are attributable to failures in treatment protocol (e.g., a person not showing up for services post-referral is attributable to a failure in the relevant treatment system). Accordingly, an intent-to-treat methodology was adopted because compliance with the post-assignment process (i.e., being contacted and enrolled by HNJ staff after assignment, being placed in appropriate housing, and maintaining that placement) is relevant to determining the overall success of the program and the expected population-level of adherence given that the program is proven effective.

It is important to note that an intent-to-treat method is not the same as an intent-to-treat analysis; these are distinct issues and the former addresses determination of the true program effect while the latter addresses missing data. In the present case, missing data are not of particular concern because these metrics (statewide shelter use, days incarcerated,

¹⁴ As noted earlier, this document will be updated every two weeks; in order to be eligible for randomization a client must be on the Eligible Individuals List and have checked into a qualifying shelter in the preceding 14 days.

housing stability, behavioral health assessments and behavioral health enrollment) do not depend on continued client participation to be recorded; that is, these outcomes are tracked by partnering state agencies regardless of whether a client completes or participates in treatment programming. Non-participation in treatment components will, however, likely attenuate the effect size associated with treatment. The extent of this non-participation is addressed in the operations plan.

Inherent in the intent-to-treat analysis is a potential reputational risk to TRH should no difference be found between the treatment and control groups where that lack of a difference might reasonably be attributable to a large percentage of individuals assigned to treatment who fail to actually enroll. Therefore, unrelated to payment, and in an exploratory fashion, UCJC will perform a modified per protocol analysis, which aims to analyze the impact of the program only on those who adhered to the protocol of the treatment group. While this analysis will be undertaken for reputational purposes, it should be noted that it cannot supplant the larger resource and continued-engagement issues addressed in the intent-to-treat analysis and will not be a basis for payment.

Operational Definitions of Performance Metrics

The primary outcome metrics for success payments are: the percent of enrolled clients placed into permanent housing, the number of months without shelter or jail (proxy for housing stability), the number of post-referral enrollments into mental health services, and the number of post-referral enrollments into substance abuse services. In addition, the study will evaluate several outcome metrics as performance indicators, but success on those metrics will not result in payment (referred to throughout as non-payable outcomes). Outcomes are also classified as absolute or relative. Absolute metrics are not made relative to the control group, and represent the extent to which the program met certain absolute standards of improvement over the client's own baseline status. Accordingly, data for any outcome labeled as absolute will be collected only for the treatment group (owing to difficulties obtaining the same data, with the same standard of data collection rigor, for the control group). Relative metrics compare the treatment group to the control group either for purposes of payments or purely for determination of treatment success. All analyses (except for the months without shelter or jail – explained below) use the point of randomization as the baseline for determining subsequent change or group differences. All analyses except the graduation to permanent housing (explained below) will have a two-year observation window.

In addition to these classifications, some metrics below allow for a 'grace period' prior to the start of formal measurement of success on the outcome. The applicability of the grace period is noted in the analytic approach of each metric discussed below. The reasoning for the grace period is as follows: clients will likely incur a delay between randomization and their eventual housing placement. To the extent that the evaluation intends to measure the success of having a residence on certain metrics (e.g., number of months without shelter or jail), allowing a grace period for that placement to occur provides a more accurate measure of the effect housing has on the outcome. For example, for months without shelter or jail (see definition below), a person cannot be defined as stable if he or she is in shelter, but the delay

in placement guarantees this instability (or failure on the metric); moreover, measurement from randomization fails to assess the true impact of housing on the metric. The extent of the delay is not known at present; however, once the program starts, the analysis of measures subject to a grace period will use the average amount of time prior to placement in the treatment group to define the grace period for both groups.

For each outcome that follows, the narrative below provides operational definitions, rationale for their inclusion in the study, the planned analytic approach, the type of metric (payable or non-payable, absolute or relative), the relevant data source(s), and the reporting frequency. Table 1 provides a succinct summary of this information. Note that additional details on reporting frequencies and observation windows are discussed later in this document.

Payable metrics are defined as follows:

Months without shelter or jail

Definition: The number of months in which an individual does not reside (for one or more days) in an emergency shelter or jail post-randomization grace period.

Rationale: Nights spent in shelter and jail are a primary source of county-incurred expenses.

Analytic approach: A historical cohort described below was used to determine the distribution of this outcome. Examination of that data revealed negatively skewed data when conceptualized as *stable* months; accordingly, the outcome will be reconceptualized as a count of *unstable* months and analyzed using either negative binomial (NB) or Poisson regression, depending on whether model fit (assessed using Bayesian information criteria – BIC) indicates the need to model overdispersion. The outcome is subject to the aforementioned grace period for both groups.

Type: This will serve as a relative, payable metric.

Data source: UHMIS, YWCA, OMS¹⁵

Reporting frequency: Annually

Mental health services

Definition: Percent of clients with post-randomization mental health services. The outcome only includes planned services provided by a licensed clinician and excludes other types of services (such as crisis line contact or peer support groups).

Rationale: Primary indicator of residential stability for those who are assessed as having mental health needs.

Analytic approach: Because of the binary nature of the variable, logistic regression will be used to compare the percentage enrolled in both groups during the 24-month follow up period. The aforementioned grace period will not be applied to either group for this analysis.

Type: This will serve as a relative, payable metric.

Data source: SLCoBH

Reporting frequency: Annually

¹⁵ Offender Management System, which is used to track individuals who are booked into the Salt Lake County Jail.

Substance abuse service enrollments

Definition: Percent of clients with a post-randomization enrollment into a specific level of care for substance abuse treatment services (as determined by the American Society of Addiction Medicine criteria). This outcome excludes enrollments into free-standing detox services as well as participation in non-clinical group services (such as peer support groups¹⁶).

Rationale: Primary indicator of residential stability for those who are assessed as having substance abuse needs.

Analytic approach: Because of the binary nature of the variable, logistic regression will be used to compare the percentage enrolled in both groups during the 24-month follow up period. The aforementioned grace period will not be applied to either group for this analysis.

Type: This will serve as a relative, payable metric.

Data source: SLCoBH

Reporting frequency: Annually

Graduation to permanent housing

Definition: Number of clients who are living in a permanent housing placement at discharge from HNJ. A permanent housing placement is defined by HUD guidelines as one of the following: 1) owned by client, no ongoing subsidy; 2) rental by client, no ongoing subsidy; 3) rental by client, VASH subsidy; 4) rental by client, other ongoing subsidy; 5) permanent supportive housing for homeless persons; 6) living with family, permanent tenure; 7) living with friends, permanent tenure.

Rationale: Primary indicator of residential stability.

Analytic approach: Because the outcome is absolute, gains are relative to the treatment baseline of zero clients with permanent housing. No inferential analysis will be conducted. The outcome is not subject to the aforementioned grace period for both groups.

Type: This will serve as an absolute, payable metric.

Data source: UHMIS

Reporting frequency: Every six months starting in month 18. Each reporting period will look at graduation to permanent housing outcomes for clients whose enrollment date is 12 months prior to the reporting date.

Non-Payable metrics are defined as follows:

Shelter days

Definition: Number of days residing in emergency shelter post-randomization grace period.

Rationale: Primary indicator of residential stability.

¹⁶ Detoxification services were not included as treatment enrollments because detox is considered a necessary precursor to treatment but not treatment in and of itself. Non-clinical group services are available for individuals on a wait-list for treatment but are not considered treatment.

Analytic approach: An examination of the data from the same cohort used to create the stability metric indicated that the data were not normally distributed, owing to both a large number of zeros and a positive skew following the zeros. Evaluation of BIC indicated the distribution was described well by a Tweedie distribution, a zero-inflated negative binomial distribution (ZINB), and, somewhat less accurately, by a negative binomial (NB) distribution. The shape of the distribution will again be examined at the time of project analyses, and the best fitting model will be adopted to generate a comparison of the treatment and control groups. The outcome is subject to the aforementioned grace period for both groups.

Type: This will serve as a relative, non-payable metric.

Data source: UHMIS (YWCA for clients referred to the program from YWCA)

Reporting frequency: Annually

Chronic homelessness

Definition: The percent of individuals classified as chronically homeless (per current HUD definition) post-randomization grace period.

Rationale: Chronic homelessness is a principle source of county-incurred expenses.

Analytic approach: This is binary in nature and will be defined based on the first appearance of a chronic flag after the post-randomization grace period. Because of the binary nature of the variable, logistic regression will be used to compare the percentage enrolled in both groups during the 24-month follow up period. The outcome is subject to the aforementioned grace period for both groups.

Type: This will serve as a relative, non-payable metric.

Data source: UHMIS

Reporting frequency: Annually

Jail days

Definition: Number of days spent in jail post-randomization grace period.

Rationale: Jail days is a principle source of county-incurred expenses and is also a threat to residential stability.

Analytic approach: Similar to the shelter days metric, an examination of the data from the same cohort used to create the stability metric indicated that the distribution was not normally distributed, owing to both a large number of zeros and a positive skew following the zeros. Evaluation of BIC indicated the distribution was described well by a Tweedie distribution and a zero-inflated negative binomial distribution (ZINB) distribution. The shape of the distribution will again be examined at the time of project analyses, and the best fitting model will be adopted to generate a comparison of the treatment and control groups. The outcome is subject to the aforementioned grace period for both groups.

Type: This will serve as a relative, non-payable metric.

Data source: OMS

Reporting frequency: Annually

New charge bookings

Definition: The number of jail bookings for a new charge post-randomization grace period.

Rationale: Jail days is a principle source of county-incurred expenses and is also a threat to residential stability.

Analytic approach: An examination of the data from the same cohort used to create the stability metric indicated that the distribution was approximately Poisson distributed (as would be expected with count data). While little evidence of overdispersion was observed in the baseline cohort, model fit criteria (BIC) will again be considered to determine whether negative binomial (NB) or Poisson regression are appropriate, depending on the need to model overdispersion. The outcome is subject to the aforementioned grace period for both groups.

Type: This will serve as a relative, non-payable metric.

Data source: OMS

Reporting frequency: Annually

Employment

Definition: Clients will be defined as employed, on a quarter by quarter basis, if they have received \$850 or more in a given quarter. The wage definition was derived from the definition of employment required to obtain Utah unemployment benefits (the annual requirement of \$3400 was divided by the number of quarters to arrive at the value of \$850 per quarter). The final outcome will be the total number of quarters for which each individual earned at least \$850 over a 21-month period beginning with the quarter following randomization¹⁷. A quarter-by-quarter definition was adopted as the outcome metric to account for the fact that part of defining successful employment is maintaining stable employment. If a person meets the definition of employment consistently, that is objectively more valuable than a person earning high wages in only one quarter. Accordingly, the analysis of this outcome will compare the average number of employed quarters in the control group to that of the treatment group¹⁸.

Rationale: Unemployment is a principle source of county-incurred expenses and is also a predictor of homelessness.

Analytic approach: An examination of the data from the same cohort used to create the stability metric indicated that the distribution was approximately Poisson distributed (as would be expected with count data). While little evidence of overdispersion was observed in the baseline cohort, model fit criteria (BIC) will again be considered to determine whether negative binomial (NB) or Poisson regression

¹⁷ The average expected lag time between randomization date and the first quarter assessed is the middle of any quarter's window, or 45 days. Though this lag is made necessary by the aforementioned inability to tell when specifically a person's wages were earned within a quarter (i.e., before or after randomization), it is also methodologically beneficial because, on average, it provides a lag before the employment metric's measurement begins which will partially offset the delay between randomization and eventual housing placement (the primary factor anticipated to drive favorable outcomes).

¹⁸ In contrast to other databases, restrictions exist that necessitate that these data be deidentified when returned from DWS for analyses. Accordingly, UCJC will send identified data to DWS for matching. That data will then be stripped of the identifier (SSN) and returned at the individual-level with an uninformative identifier that still maintains group assignment (treatment or comparison).

are appropriate, depending on the need to model overdispersion. This outcome will not include the post-randomization grace period because the DWS reporting system already dictates a 90-day lag in addition to a 45-day lag for data to become available. For this reason, the outcome is also measured as a 21-month outcome rather than a two-year outcome.

Type: This will serve as a relative, non-payable metric.

Data source: Wages will be obtained from Unemployment Insurance (UI) data collected by the Utah Department of Workforce Services (DWS)¹⁹. Wages in the system are reported on a quarterly basis²⁰

Reporting frequency: Annually

Benefits enrollment

Definition: Enrollment into both cash and non-cash public benefits post-randomization. Cash benefits include Social Security Disability (SSI/SSDI), Social Security Retirement (SSR), Food Stamps (SNAP), General Assistance (GA), Temporary Assistance to Needy Families (TANF), Child Support, Unemployment Insurance (UI), Worker's Compensation, VA-Service Disability Pension, VA-Non-Service Disability Pension, Private Disability Insurance, Pension from a former job, and Alimony/Spousal Support. Non-cash benefits include Medicaid, Medicare, and Primary Care Network.

Rationale: Enrollment into public benefit programs, which increases household resources, will increase residential stability.

Analytic approach: Cash benefits will be summed across the different benefits listed above. Because monetary outcomes often reveal distributional violations, it is tentatively planned to analyze cash benefits using standard regression with bootstrapped standard errors; however, transformations or alternative distributions will be considered depending on the observed distributional properties. Non-cash benefits will be analyzed as a count variable (i.e., count of the three services above) suitable for Poisson or zero-inflated Poisson regression. Both cash and non-cash benefits will compare the treatment and control group after the 24-month follow up period. The aforementioned grace period will not be applied to either group for these analyses.

Type: This will serve as a relative, non-payable metric

Data source: UHMIS

Reporting frequency: Annually

¹⁹ Notably, lack of wage data in the UI database does not necessarily reflect a lack of employment, as not all wages are reported reliably, but DWS estimates the percentage of non-reporting employers is minimal. Additionally, error in over-estimation of unemployment as a consequence of not finding reported wage data in the DWS system should be equivalent across the treatment and control group such that the 'noise' created by inaccuracy in tracking unemployment is approximately equivalent.

²⁰ Unfortunately, it is not possible to discern in the database when wages were earned within a quarter or whether the individual was employed for the entire quarter, and it may be the case that employment reflects only an ephemeral period of employment. The minimum wage definition of \$850 was adopted to partially offset the risk of defining unstable employment (e.g., lasting only a few days) as a metric of having obtained gainful employment. Given the minimum wage definition, it is appropriate to conceptualize this metric as a measure of at least moderate part-time employment during a quarter.

Table 1: Outcome metric, payment, type, measurement start, data source, and reporting frequency

Outcome	Payable	Type	Measurement Start	Data Source	Analytic Approach	Reporting Frequency
Housing stability	Yes	Relative	Post Grace Period	UHMIS, YWCA, OMS	NB or Poisson regression	Annually
Mental health services	Yes	Relative	Randomization	SLCoBH	Logistic regression	Annually
Substance abuse services	Yes	Relative	Randomization	SLCoBH	Logistic regression	Annually
Graduation to permanent housing	Yes	Absolute	Randomization	UHMIS	Descriptive: number of clients	Every six month
Shelter Days	No	Relative	Post Grace Period	UHMIS, YWCA	Tweedie or ZINB regression	Annually
Chronic	No	Relative	Post Grace Period	UHMIS	Logistic regression	Annually
Jail days	No	Relative	Post Grace Period	OMS	Tweedie or ZINB regression	Annually
New charge bookings	No	Relative	Post Grace Period	OMS	NB or Poisson regression	Annually
Employment	No	Relative	Randomization ^a	DWS	Poisson regression	Annually
Benefits	No	Relative	Randomization	UHMIS	Regression/ Poisson Regression	Annually

^a Refers to the quarter following randomization.

Power and Minimum Detectable Effect (MDE) Analyses for Payable Metrics

The primary outcome metrics for success payments are graduation to permanent housing, months without shelter or jail, enrollments into mental health services, and enrollments into substance abuse services. Of these, only graduation to permanent housing is an absolute metric and a minimum detectable effect (MDE) analysis does not apply. In preparation for implementation of the HNJ program, a historic comparison group was identified to examine whether a sufficiently large sample existed, given the number of clients the HNJ program can serve, and to identify estimated baserates for relative outcomes within a population similar to the one to be served by HNJ. The starting point for this analysis was all individuals who had accumulated 90 to 364 days in TRH emergency shelter in 2012. Individuals who had accrued the requisite number of shelter days as part of a longer stay (365+ days) that started before 2012 were excluded from the sample. Individuals who had accrued the requisite number of days as part of a stay that started in 2011, and continued in 2012, were included in the sample. Individuals who accrued the number of shelter days in 2012 were included even if those days were part of a longer stay (365+ days) that continued into 2013; this choice was made because, in the real study, we would not know whether the person's total length of stay would ultimately eliminate him or her if his or her data were pulled on 12/31/2012

Cases were further winnowed by some of the inclusion and exclusion criteria (single individuals who were 30 years old or older by the last day of 2012). Of note, information from the eligibility screens was not available in existing data and no proxies for those screens were available. As such, the following analyses are based on a sample that only meets the HNJ criteria with respect to age, household status, and annual shelter nights. The individuals screened out during eligibility would be expected to be relatively more impaired than the target population with respect to behavioral health needs.

Power analyses for the months without shelter or jail outcome are presented below. For the mental health and substance abuse enrollment outcomes, no comparison effect size data were available to permit a full power analysis; accordingly, power analyses for those two outcomes took the form of MDE analyses.

Months without Shelter or Jail

A baseline value for the months without shelter or jail metric was developed using shelter stays among a population of 744 clients matching available inclusion and exclusion criteria in 2012 (described in preceding section). Several methods of determining an eligibility hinge date were utilized and all converged to produce baseline levels of two-year instability that were within one month of each other. The method that follows was ultimately determined to provide the best representation of the range of shelter days a client might have before being selected and assigned to condition.

- Using entry and exit days as the basis of calculation of the number of shelter days in a year, shelter stays were summed until the person reached at least 90 days of shelter stays in one year.
- Shelter stays that rolled into 2012 from 2011 were counted toward determining eligibility as long as the length of the stay did not exceed 364 days.
- Exit dates for shelter stays that rolled into 2013 from 2012 were truncated to 12/31/2012; thus, even if a stay would have led to greater than 364 days in the prior year, the stay was truncated because, in the real study, we would not know whether the person's total length of stay would ultimately eliminate him or her if his or her data were pulled on 12/31/2012.
- The follow up period began at the point of the exit date (plus a grace period – defined below) that led to meeting the 90-day inclusion criteria.

The average number of days in shelter when the “follow up” period began was 138 days with a standard deviation of 49 (minimum 90, maximum 364)²¹. Because the aforementioned

²¹ Other methods of determining an eligibility hinge date were also used. One method that seemed particularly relevant was to adopt a methodology similar to the actual study, taking quarterly cuts of the data and determining whether a client was eligible at that point. Ultimately, however, this methodology made 50% of clients eligible in the first quarter and 85% in the first two quarters. Because this large volume of clients could not actually be served (and, hence, clients would actually roll into a subsequent quarter before being assigned to condition), this method was dropped in favor of the method presented above. Notably, this method and the adopted method were within 0.2 months of one another.

“grace period” will be employed in the study for both the treatment and controls groups (i.e., the average (to be determined) number of days it takes to place clients in housing will be added to the person-specific hinge date for both groups), 60 days was added to the hinge date before the “follow up” period began. Using these adjusted hinge dates, the clients were followed for two years in jail and shelter data.

Preliminary examination of the months without shelter or jail outcome revealed notable negative skew. Accordingly, the analytic decision was made to reconceptualize stable months (months without shelter or jail) as unstable months (months with shelter or jail) by subtracting the number of stable months from the total months for the follow up period (e.g., 24-X). This led to a positively skewed distribution, but one that was appropriate for negative binomial regression (owing to the count nature of the data). The average number of months in which the client appeared in the shelter or jail during the follow up period was 8.1 with a standard deviation of 7.4.

For this outcome, comparison data for a power analysis were obtained from Cloudburst studies of rapid re-housing (RRH) projects at five sites²². A sample of the studies’ populations was selected that matched this PFS project’s inclusion criteria. RRH clients were propensity score matched to control clients and the number of stable months was examined for the shelter outcome. Unfortunately the available data did not include jail outcomes, so the definition of months without shelter or jail was one of months without shelter only²³. Additionally, in these data, the follow-up periods were not fixed, but varied from a minimum of 12 months to a maximum of 38 months. The average length of the follow-up period for the comparison sample was 19.0 months with a standard deviation of 5.5 months. UCJC analyzed the number of months with shelter or jail using negative binomial regression with an offset (the natural log of the post enrollment exposure months) to address varying exposure. The observed effect size from the analysis was a 45.8% reduction in the number of months with shelter or jail as a function of RRH. However, because the current design will implement an intent-to-treat approach, the effect size was adjusted downward by simulating data with the properties of the control group and assigning the derived outcomes to 25% of the treatment group (the estimated maximum rate of non-participation). This reduced the comparison-based, anticipated effect size to a 32.6% reduction in the number of months with shelter or jail as a function of RRH.

To determine the power of the study to detect a similar effect, and the minimum detectable effect, power analyses were conducted using Markov Chain Monte Carlo simulation to create 2,000 simulated datasets with distributional properties similar to the 2012 cohort described

²² Kalamazoo, MI; Memphis, TN; Michigan statewide data; Phoenix, AZ; and San Diego, CA.

²³ As a point of reference, in the 2012 Utah cohort examined to determine a baseline in the current study, the instability in the sample for the jail outcome ranged from a low of 1.2% to a high of 9.5% across the 24-month follow-up period. Shelter stays contributed more notably to the instability, with shelter-based instability ranging from a low of 27.9% to a high of 50.4%. The percentage of time a person was unstable in the sample by the jail metric but stable by the shelter metric ranged from 0.2% to 6.3%. The comparison data, thus, likely slightly underrepresents the actual amount of instability in the comparison sample.

above. The assumed total sample size was 840²⁴ with a 1:1 assignment ratio. Table 2 shows the associated percentage reduction in months with shelter or jail as a function of the effect size; the table also shows the actual number of months with shelter or jail that would need to be observed to detect the effect with a given level of power. Results revealed 80% power to detect a 26.3% reduction in unstable months; notably, this value is below the reference value for the comparison derived effect, indicating, if a similar effect were observed in this study, it could be detected. Additional simulation-based analyses indicate the study would have an 88.8% likelihood of success (in 1,000 simulations, 888 found a significant p-value at $p \leq .05$). The 95% confidence interval around this value was 87.3% to 90.1% power.

The HNJ program estimates it can improve months without shelter/jail for placed participants by 30%, from 16 months to 21 months.

Table 2: Percentage and numeric reductions in unstable months as a function of power and effect size ($Exp(\beta_1)$)

Power	$Exp(\beta_1)$	% Reduction	New Two-Year Unstable Months
0.800	0.79	26.3%	5.97
0.825	0.78	28.3%	5.81
0.850	0.77	30.3%	5.64
0.875	0.76	32.3%	5.48
0.900	0.75	34.1%	5.34
0.925	0.74	35.8%	5.20
0.950	0.73	37.8%	5.03

Behavioral Health Enrollments

The behavioral health enrollments outcome includes enrollments in substance abuse²⁵ treatment as well as mental health services. For this outcome, a cohort of 2012 clients meeting the available inclusion and exclusion criteria were examined for behavioral health enrollments of either kind in 2013 and 2014. Owing to privacy consideration around protected health information, the sample was derived in a slightly different way from the months without shelter or jail metric, and included a slightly longer qualifying window. This led to 1,023 qualifying clients who were followed for behavioral health outcomes in 2013 and 2014.

Owing to the relative infrequency of behavioral health services in the population to be served, and the fact that helping the clients to make contact with these services is a success²⁶,

²⁴ As noted in the relevant section above, this number conflicts with the number TRH estimates it can serve (315) because the power analysis is based on an intent-to-treat approach. TRH estimates that 25% of the clients who are randomized will not participate; however, the approach dictates that they will count as members of the treatment group. The number 840 is used in the power analysis to reflect $420/\text{group}$, and $420 \cdot .75 = 315$.

²⁵ This excludes freestanding detox and peer support services.

²⁶ Whether or not clients are kept engaged in services is not under the control of The Road Home's staff; however, getting clients in contact with services is a key project goal, and, accordingly, the metric for success is yes/no for enrollment in these services.

these services were conceptualized as a yes/no variable for study purposes. Using that metric, 12.2% of the population had MH services in 2013 and 2014 and 10.1% had substance abuse services other than free standing detoxification.

The yes/no nature of this outcome made it amenable to power analysis without the need for simulation using available power analysis software. Outcomes were analyzed in G*Power 3.1.9.2 using logistic regression. No comparison data were available for this analysis; accordingly, power analysis for this outcome took the form of minimum detectable effect analysis. The assumed total sample size was 840 with a 1:1 assignment ratio. Tables 3 and 4 show the associated increase in the percentage of clients who would need to receive Mental Health and Substance Abuse services in order to detect a given effect size. The tables also show the ability of the study to detect an effect with a given level of power and the new level of percentage assessed that would need to be obtained.

The HNJ program estimates it can improve behavioral health enrollments by 100%, from 12% to 24% for mental health and from 10% to 20% for substance abuse.

Table 3: Percentage increase in Mental Health services as a function of power and effect size (Exp(β 1))

Power	Exp(β 1)	% Increase in services	New Two-Year MH% with services
0.800	1.62	62.0%	19.8%
0.825	1.65	64.5%	20.1%
0.850	1.68	67.5%	20.4%
0.875	1.71	71.0%	20.9%
0.900	1.75	74.5%	21.3%
0.925	1.80	79.5%	21.9%
0.950	1.86	86.0%	22.7%

Table 4: Percentage increase in Substance Abuse services as a function of power and effect size (Exp(β 1))

Power	Exp(β 1)	% Increase in services	New Two-Year MH% with services
0.800	1.68	67.5%	16.9%
0.825	1.71	71.0%	17.3%
0.850	1.74	74.0%	17.6%
0.875	1.78	78.0%	18.0%
0.900	1.82	82.0%	18.4%
0.925	1.88	87.5%	18.9%
0.950	1.95	94.5%	19.6%

Permanent Housing

The final payable metric, graduation to permanent housing, is an absolute metric that assesses the percentage of Road Home clients assigned to the treatment group who eventually obtain permanent placement within the two-year follow up period. Because this metric is not relative to the control group, no power analysis was performed. The HNJ program estimates that 80% of placed participants will graduate to a permanent housing location.

Forecasting Unobserved Outcomes

As explained in more detail in the timeline section below, six cohorts will participate in the HNJ program. Observation of outcomes occurs for two years after the last member of a cohort has enrolled in the program; however, for cohorts five and six, outcomes will be only partially observed. Because the project needs to be completed in six years, for those entering the cohorts at the latest possible date, four months of cohort five (20.8%), and 13 months of cohort six (54.2%), would be predicted or forecasted from existing data (see timeline for more information). For those entering the cohorts at the earliest possible time, the number of forecasted months is reduced to none for cohort five (0.0%), and only four months for cohort six (16.7%). Of course the expected value for the number of missing months is the middle of these two extremes.

To arrive at the anticipated program effect for all cohorts and participants, outcome data will be imputed using fully observed data from cohorts one through four, as well as partial data from cohorts five and six. Notably, only the outcome variables need to be imputed, as all covariates used to impute the missing outcomes are static variables (i.e., not time-varying covariates) available at the point of randomization or, in the case of other predictors to consider (described more below), from partner-agency data.

While the outcome data for cohorts five and six are not missing in a denotative sense, for modeling purposes they can be treated as missing and modeled using multiple imputation (MI). Data that are missing because of failure to observe the outcome meet the definition of item non-response (specifically outcome non-response), a situation MI is suited to address. MI has been shown to produce both asymptotically unbiased and precise estimates when the missing data mechanism is a function of the outcome, and it can achieve these properties even when greater than 30% of data are missing (far more than the number of missing outcome observations in the PFS project).²⁷ Even with recent improvements in estimating missing values, MI is still regarded as one of the best methods,²⁸ and it has been shown to be robust against violations of multivariate non-normality.²⁹

²⁷ Rubin, D.B. (1987). *Multiple imputation for non-response in surveys*. New York: Wiley & Sons.

²⁸ van Buuren, S. (2012). *Flexible imputation of missing data*. Boca Raton, FL: Chapman & Hall.

²⁹ Garson, G.D. (2015). *Missing values analysis and data imputation* (Statistical Associates Blue Book Series 36). Statistical Associates Publishers. Kindle Edition.

While MI has its detractors,³⁰ it offers an ideal option in the case of this PFS project because of its ability to maintain the stochastic component of prediction. Multiple imputation does not attempt to replace a missing value with a single estimate (which would produce inefficient estimates); instead, it replaces missing values by simulating multiple datasets, estimating a random sample of plausible values (which models the uncertainty in prediction) using the posterior predictive distribution of the missing data.

MI requires data to be ‘missing at random’ (MAR). The only requirement necessary to meet the MAR assumption is that the reason data are missing on a variable is not related to the variable itself.³¹ Here, if our outcome Y is months without shelter or jail and our predictor X is time, the assumption of MAR is met if the probability that months without shelter or jail is missing depends on time, but within each level of discrete time, the probability of months without shelter or jail being missing does not depend on months without shelter or jail itself. In contrast, a hypothetical example needs to be adopted to explain how these data might not be MAR. If, for example, our outcomes were self-report rather than archival, and clients with greater months without shelter or jail were less likely to report this information, the data would not be MAR.

Thus, if we begin with the tenable assumptions that all participants (regardless of year of enrollment) are a random sample from a single population of clients and that the data are missing on the outcome only as a function of date of enrollment, we can treat the data on the outcome as missing and use available data to generate a series of datasets to represent the missing or unobserved values.

Multiple imputation involves three steps: 1) create X number of imputed datasets to replace missing values with a distribution of plausible values, 2) let the software pool the estimates from the imputed datasets, and 3) run analyses using the pooled data. Step one deserves special consideration. Originally it was proposed that three to five imputations were necessary to arrive at efficient estimates; that number has since been increased and it is recommended that the number of simulations be based on the percentage of data that is missing. Allison (2012)³² nicely summarized the results of several simulation studies and concluded that an analyst wants to create as many simulations as the percentage of data that is missing. Therefore, if the outcome is missing for 15% of the PFS sample, 15 simulations or more should be employed. Notably, increasing the number of imputations merely increases computer processing time. With modern computers, creating a large number of datasets is not particularly time-intensive. Thus, for PFS analysis purposes, it is recommended that the number of imputations be set to 20 or match the percentage of missing data, whichever is greater.

³⁰ Allison, P. (2012, July 9). Why maximum likelihood is better than multiple imputation | Statistical Horizons. Retrieved May 06, 2016, from <http://statisticalhorizons.com/ml-better-than-mi>

³¹ Rubin, D.B. (1976). Inference with missing data. *Biometrika*, 63, 581-592.

³² Allison, P. (2012, November 9). *Why you probably need more imputations than you think* | Statistical Horizons. Retrieved May 13, 2016, from <http://statisticalhorizons.com/more-imputations>.

A somewhat hidden feature of step one involves the choice of the model used to create the imputed values. Similar to use of the covariates, the modeled variables should be carefully considered. It is tentatively proposed that the model be built using the covariates from the aforementioned covariate adaptive random assignment, but that variables found to be predictive in the moderator analysis (which will be performed at the same time as the imputed projections) be considered as well depending on both their theoretical and statistical importance in predicting outcomes for the fully observed cohorts.

Because the outcomes are two year outcomes for this project, but some HNJ clients will have contributed only a few months (or quarters) to the prediction, it is advisable that the model be built using the available information from each participant. This will necessitate creating discrete time blocks (e.g., months or quarters) so that available person-specific data from individuals not fully observed can still be used in the statistical model. The model used to derive imputations would thus be conceived as a longitudinal growth model of the general form:

Level 1:

$$Y_{ti} = \pi_{0i} + \pi_{1i} \text{Time}_{ti} + e_{ti}$$

Level 2:

$$\pi_{0i} = \beta_{01} \text{Treatment}_i + \beta_{02} Z_i + \mu_{0i}$$

$$\pi_{1i} = \beta_{10}$$

Composite:

$$Y_{ti} = \beta_{00} + \beta_{10} \text{Time}_{ti} + \beta_{01} \text{Treatment}_i + \beta_{02} Z_i + \mu_{0i} + e_{ti}$$

In this equation, Y_{ti} represents a payable outcome (a non-linear link function is not represented here for sake of parsimony, as it differs by payable outcome). t indexes time and i indexes individuals. β_{00} represents the fixed intercept; β_{10} represents the fixed slope coefficient associated with time t for person i ; though presented as a linear function, other conceptualizations of time will be examined (e.g., quadratic change). β_{01} represents the fixed effect associated with the treatment condition of person i ; β_{02} represents the fixed effects for a set of covariates (previously discussed) represented by a single value, Z_i , only for parsimony. μ_{0i} represents a random intercept associated with person i (level-2 residual) and e_{ti} represents level-1 residual error. Notably, the hierarchical nature of this model (time nested within people) necessitates either separate class multiple imputation or multilevel multiple imputation, which recognizes the dependencies created by the hierarchical structure.³³

Once the imputed datasets are created and saved, they are pooled and used in statistical procedures largely performed just as one would with analysis of a single dataset. Through this method, UCJC will derive the projected long-term effect for each of the payable metrics.

³³ van Buuren, S. (2011). Multiple imputation of multilevel data. In J. K. Roberts & J. J. Hox (Eds.), *The Handbook of Advanced Multilevel Analysis* (pp. 173-196). New York: Routledge.

UCJC will report the outcomes in the same way as for fully observed outcomes, and payments will be based on these projections created by multiple imputation.

It should be noted that this method of estimation offers a viable option; however, statistical software and methods improve at remarkable rates owing to the ever-improving capabilities of modern computer processing. For that reason, and because these analyses will not be performed for six years, the proposed method should be regarded as tentative, and likely to be replaced if superior methods are developed in the interim. For that reason, and because these analyses will not be performed for six years, the methodology of this particular analysis should be regarded as malleable, pending new and improved methods that may be developed over the subsequent years.

Discontinuity from Historic Baserates

A number of homelessness reforms are currently being considered within Salt Lake County. These reforms could potentially impact the number of available beds for homeless individuals as well as the location and availability of resources for the homeless. Coupled with criminal justice reforms that have increased the required severity of a crime leading to a jail booking, it is possible that changes will significantly alter the expected, untreated group values for the stable housing metric relative to historic values reported above. The actual impact reforms might have is difficult to predict; however, it is possible that, during the course of the HNJ project, the evaluation might observe reductions in, for example, jail days and shelter nights that are related to policy rather than treatment. To the extent that the shift created by policy is large, observation of percentage-based differences between the control and treatment group outlined in the power analysis may become more difficult to observe, especially with respect to significance. Notably, such an outcome would not necessarily indicate that HNJ was not successful; rather, it would mean the effect size required to detect a significant difference changed as a function of new baserates.

A discontinuous growth model offers a method by which the evaluation can model a notable shift (i.e., a discontinuity) in historic trends as a function of the adoption of system-level changes and reform. To detect such a discontinuity, UCJC needs to know when and why a shift is expected, and needs to posit the form the discontinuity might take.³⁴ Conversations with stakeholders and the steering committee will serve to inform these models, but visual inspection of the trajectories can help guide those conversations. For the stability metric, outcomes would be tracked both pre- and post-implementation of policies or reforms for the control group. At the temporal points where changes are adopted, the discontinuity will be modeled. The form of the discontinuity created by the policy change should be guided by logic; accordingly, several models should be examined.

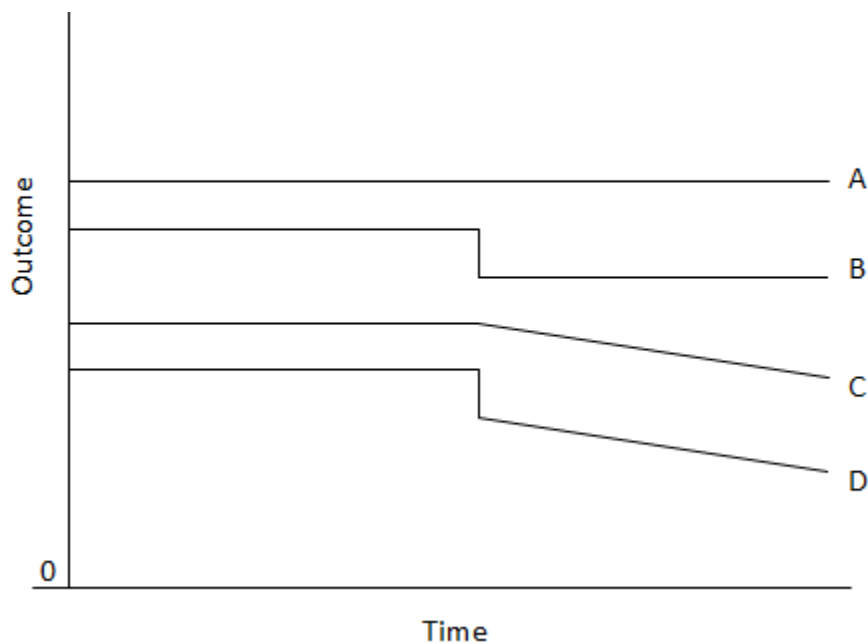
Figure 1 provides a graphic illustration of the proposed analysis with three theoretically valid discontinuities drawn. The intercept-position of the lines on the y-axis is arbitrary. The line labeled “A” represents the ideal situation in which a theoretical outcome (y-axis) does not change over time (x-axis) relative to historic baserates. In the HNJ case, this model would indicate that trends established pre-policy change were a good representation of the untreated (or treatment-as-usual)

³⁴ Singer, J. D., & Willet, J. B. (2003). *Applied longitudinal data analysis: Modeling change and event occurrence*. Oxford: Oxford University Press.

outcome after policy change as well. The line labeled “B” illustrates a situation where a policy change produces a sudden shift in the untreated outcome’s value. Model “C”, in contrast, posits that no sudden shift occurs; instead, the policy produces a slow decline (change in slope) in the outcome’s value over time (the declining slope could level off at a later point as well and modeling that is a simple process). Finally, model “D” combines models “B” and “C”. This model posits a sudden shift followed by a period of decline in the slope of the outcome’s trajectory.

These are merely examples, and other outcomes are possible. For example, the reforms could shift the baserates in the opposite direction (i.e., up rather than down), or reforms could produce shifts and changes in slopes, but then return to prior baserates over time. The primary purpose of these models is to account for changes in baserates that impact the ability to detect a meaningful change at the levels established under the MDE analyses. Potential discontinuities will be determined by obtaining data two years pre-HNJ implementation for all relative, payable metrics; while payments are based on whether discontinuities occur post-launch only, the longer historic period is necessary to establish a pre-existing trend. Further details of use of these models, and when they apply, are available in the PFS contract.

Figure 1. Hypothetical discontinuous growth models



Moderator Analyses

The primary goal of the HNJ Program and PFS initiative, addressed through evaluation components discussed above, is whether the HNJ program creates sustained and measurable change in the group it serves both relative to a control group (for certain metrics described above) and in an absolute sense, relative to a client’s own baseline status when entering the program (for graduation to permanent housing). A second important goal involves analyzing potential moderators of treatment group success on the relative outcome measures described above. This secondary goal subsumes a range of analytic tasks all aimed at

assessing the factors that predict or moderate program success above the main effect of treatment. Examination of potential moderators is an important secondary goal when considering adopting the HNJ program for broader use with the relevant population because it helps inform policy and target treatment toward those for whom the program is most effective.

To these ends, exploratory analyses will examine the following characteristics of both the client and treatment as potential moderators of the effect of treatment on graduation to permanent housing, housing stability, mental health enrollments, and substance use disorder enrollments:³⁵

Client:

- Age at baseline – to address whether the program’s impact differs as a function of age at randomization (source: UHMIS).
- Gender – to address whether the program’s impact differs as a function of gender (source: UHMIS).
- Two-year prior jail booking history – to address whether the program’s impact differs as a function of criminal history (source: OMS).
- Two-year prior homelessness-related jail booking history – to address whether the program’s impact differs as a function of homelessness-related criminal history (source: OMS).
- Baseline alcohol use score (AUDIT-C) this variable would help address whether the program’s impact differs as a function of initial alcohol use (source: TRH).
- Baseline drug use score (DAST-10) this variable would help address whether the program’s impact differs as a function of initial drug use (source: TRH).
- Baseline mental health score (K6) this variable would help address whether the program’s impact differs as a function of initial mental health (source: TRH).
- Three-year prior shelter use history, number of days homeless –this variable would help address whether the program’s impact differs as a function of number of days homeless in the preceding three years (source: UHMIS).
- Three-year prior shelter use history, number of episodes of homelessness –this variable would help address whether the program’s impact differs as a function of the number of episodes of homelessness in the preceding three years (source: UHMIS).

Treatment:

- Successful housing placement – though introduced as a payable metric, this variable (relevant only to HNJ program participants) will be examined as a moderator to determine whether placement into permanent housing placement drives favorable outcomes that may be observed. A dichotomized yes or no variable will be used to indicate whether participants were ever moved into a placement (source: UHMIS).

³⁵ As applicable, brief definitions and sources are provided for variables that have not previously been described, and reason for inclusion is provided for all variables

- Months of rental subsidy – relevant only to HNJ program participants, a count variable representing the number of months in which participants received a rental subsidy will be examined to help determine whether program exposure drives favorable outcomes that may be observed on the other performance metrics (source: TRH).
- Number of services received – relevant only to HNJ program participants, a count variable representing the number of individual services, as recorded in UHMIS by service codes, provided by HNJ will be examined to help determine whether program exposure drives favorable outcomes that may be observed on the other performance metrics (source: TRH).
- Mental health assessment – relevant only to HNJ program participants, a dichotomous yes or no variable will be used to indicate whether or not participants received a mental health assessment through HNJ. This variable will help determine the extent to which receipt of a mental health assessment drives favorable outcomes that may be observed. (source: TRH).
- Roommate assignment – relevant only to HNJ program participants, a dichotomous yes or no variable will be used to indicate whether or not participants were housed singly or with a roommate. This variable will help determine the extent to which shared housing placements drive favorable outcomes that may be observed. (source: TRH).

Attrition

In the present study, attrition (or dropout) can occur at several places post-randomization. An individual who is eligible for, and randomly assigned to, HNJ may fail to enroll or may drop out of the program or abandon housing after some period of time. However, none of the payable or non-payable metrics are impacted by missing data with respect to attrition. Among the payable metrics, months not in shelter or jail, mental health services, substance abuse services, and graduation to permanent housing are all maintained in partner agencies' databases. Because individual's records are present in these databases irrespective of their continued study participation, attrition does not impact the measurement of these outcomes.

Similarly, all non-payable metrics are reported from partner agencies' databases, and are not dependent on contact with treatment or control group clients. Baseline data for covariates (e.g., age, gender, and number of shelter nights in the qualifying year) will all be available from baseline assessments of eligibility. Similarly, moderators noted above, including criminal histories, baseline scores on the AUDIT-C, DAST-10, and K6, and prior shelter use history are all either assessed as eligibility criteria, or are reported from partner agencies' databases. Thus, while attrition can occur in this project, it will not impact the reporting of outcome metrics (payable or non-payable).

Data Sharing Map, Participant Tracking, and Assessment Timeline

The data map in Figure 1 provides the flow of information across the various partner agencies for information related to the evaluation of the PFS homelessness project. Figure 2 provides a timeline associated with the processes outlined in Figure 1.

The vast majority of referrals to the HNJ program are expected to come through UHMIS; the one exception to this would be clients referred by the YWCA. Information regarding clients from the YWCA will be collected by HNJ and provided to UCJC. The Road Home (TRH), which enters client data into UHMIS, will serve as the entry point as the program tracks clients with a qualifying shelter stay (90-364 days in a year). As new shelters are opened within Salt Lake County, TRH will use the UHMIS query to identify and recruit clients with a qualifying number of shelter nights in any shelter that enters into UHMIS. UHMIS is administered by the Housing and Community Development Department of the State of Utah Department of Workforce Services.

Names, dates of birth and social security numbers (SSNs) from UHMIS will serve as the identifiers used to match clients across other systems. Data from UHMIS (provided indirectly through TRH) will also be used to aid the Utah Criminal Justice Center (UCJC) in random selection and assignment of cases to the program's treatment and control groups.

As seen in the data map, certain information from UHMIS will flow through the TRH to other agencies, including UCJC, for matching to other systems. Other information will flow directly from UHMIS to UCJC for evaluation purposes only, and will not flow through to other agencies. Information will also be provided directly to UCJC from Department of Workforce Services (DWS), Salt Lake County Behavioral Health, and Salt Lake County Jail (see map).

- The process begins with TRH using its access to UHMIS to query the UHMIS system in order to determine potentially eligible clients. TRH will send a list of eligible clients to UHMIS to confirm accuracy. Once confirmed, the list will be returned to TRH. This relationship is indicated by a two-way arrow in the data map.
- A two-way arrow also connects TRH to UCJC. TRH will query UHMIS and provide potentially eligible cases to UCJC based on shelter days and age. UCJC will then randomize the list so that TRH can identify potential clients, in a non-systematic way, when they enter a qualifying shelter. TRH will conduct pre-screens and send a list of eligible clients to UCJC. TRH will provide UCJC with data for eligible cases only that includes DAST-10 scores, AUDIT-C scores, K6 scores, recency of last stay (must be within 14 days), and whether the client is in a case managed or night-by-night shelter enrollment at eligibility screening. UCJC will use this information to select and randomly assign cases according to the methodology described above. Condition assignment will be returned to TRH.
- In addition, TRH will provide treatment data directly to UCJC for both evaluation purposes and to monitor performance indicators. This will include treatment dosage (number of services, tangible resources provided, enrollment and exit dates etc.) and roommate characteristics (if applicable).
- UHMIS-provided names, social security numbers (SSNs), and dates of birth (DOB) will also flow directly to UCJC. UCJC will provide identifiers to SLCoBH to facilitate matching of treatment data. SLCoBH will return treatment histories to UCJC with identifiers removed, but retaining a label for group membership (i.e., treatment or control).

- UHMIS-provided SSNs will also be provided directly to UCJC and from UCJC to the Department of Workforce Services (DWS) to facilitate matching of employment data (using wages as a proxy for employment). Due to privacy issues, DWS will return employment data to UCJC without the SSNs intact, instead using a random identifier, but maintaining a label for group membership (i.e., treatment or control).
- The Salt Lake County Jail provides UCJC with jail data from its Offender Management System (OMS) on a quarterly basis. UCJC currently receives all jail related data from OMS, including bookings for new criminal charges, warrants, holds, and commitments, and days in jail. Because these data are provided to UCJC quarterly for all bookings (i.e., irrespective of the PFS project), no arrow flows from UCJC to the Salt Lake County Jail in the data map. UCJC will use the identifiers in this dataset to match to other agencies' provided data.
- UHMIS client data will be provided directly to UCJC for evaluation purposes. This will include client identifiers and statewide shelter enrollments, which will be used to calculate the housing stability metric. It will also include the flag for chronic homelessness and the cash and non-cash metrics necessary for benefit enrollment analyses described above.

UCJC will combine all datasets (except deidentified DWS and SLCoBH data) for purposes of analyzing the outcomes as a function of treatment participation.

The timelines for data collected through the processes of Figure 2 fall into the following schedules:

- Bimonthly – For both eligibility, randomization, or both, TRH will send UCJC (twice each month) client age (DOB), gender, number of shelter nights in the qualifying year, whether a client is case managed, and scores from the AUDIT-C, DAST-10, and K6. In addition, clients will only be included on this bi-monthly list if they have checked into a qualifying shelter in the preceding 14 days. Names and DOBs will be used to ensure participants are not participants in the other PFS projects, and that they have not already been randomly assigned.
- Biannually – Data related to the graduation to permanent housing metric will be assessed every six months starting at month 18; this will look at the graduation status of clients who have been enrolled for at least 12 months. This data is reported by UHMIS.
- Annually – all not previously listed data from TRH and UHMIS, and all data from the YWCA, SLCoBH, OMS, and DWS (see Table 1) will be reported on an annual basis beginning in the 13th month post-PFS start.
- Once – The moderator analyses will occur only once, at the end of the study (year 6) because: 1) they are not payable metrics requiring interim payments, and 2) these analyses will require the study's full duration and sample in order to provide useful information. They will, therefore, be documented only in the final report.

Figure 1. Data Map

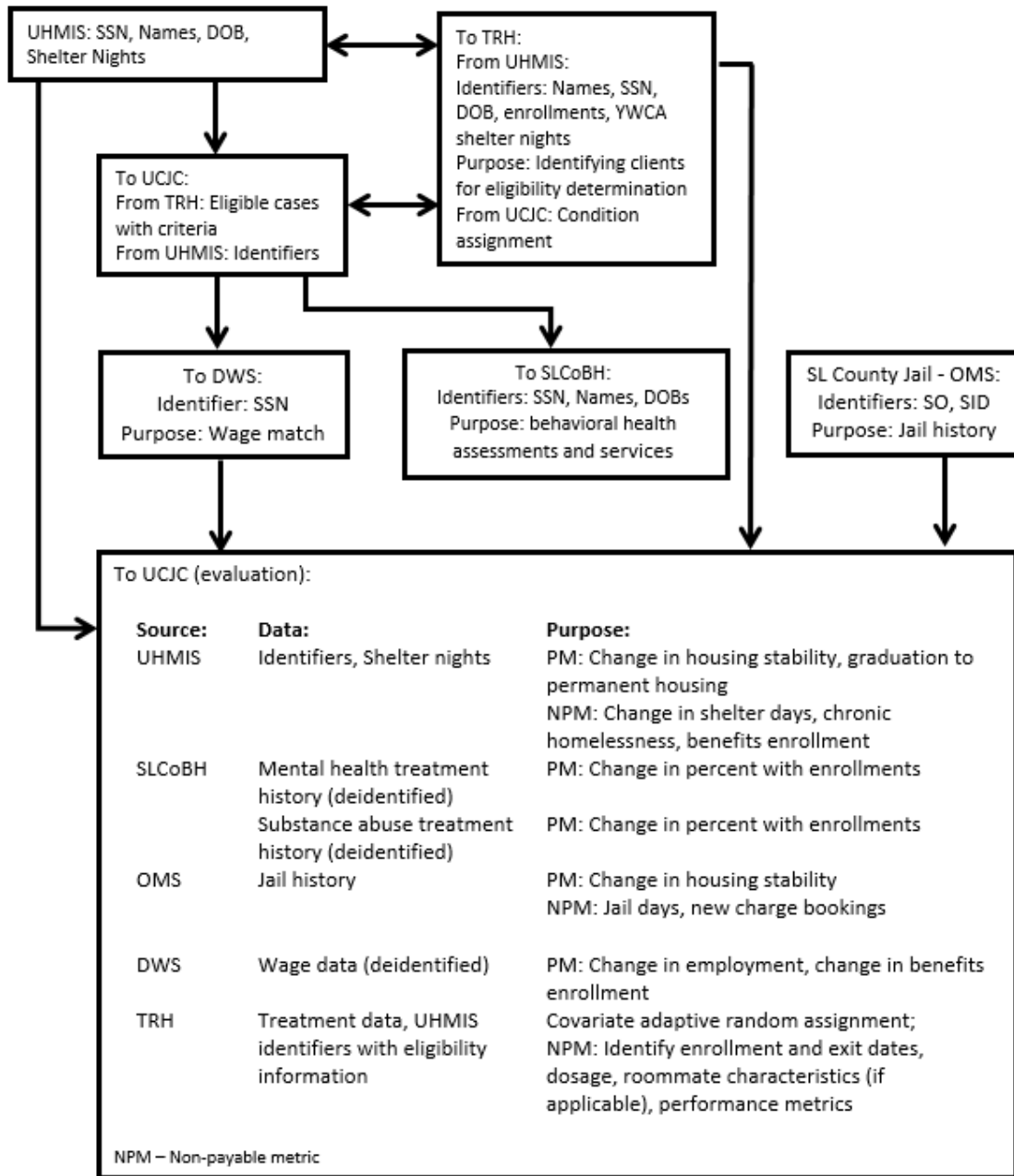


Figure 2 summarizes the project’s timeline, showing major milestones for the six-year study. The figure does not represent intermediate tasks, such as those related to randomization, data cleaning, analyses, and report writing. The features of the timeline are as follows:

- Numbers on the timeline represent months of the study.
- The study begins with a pilot period (running from months 1-12) designed to assess a limited number of process measures that will indicate whether the project is on target. Tasks related to this period are noted in grey in the figure. These will include: number of referrals made relative to the targeted goal; number of enrollments

relative to the targeted goal, program attrition relative to the estimated value; incurred staffing and programming costs relative to those estimated. In addition to these metrics, the pilot period will be used to ensure that TRH is collecting necessary data in a way that matches the needs of the evaluation. During the pilot period, project parties will work together to ensure the proper data are being recorded and reported in a reliable and useable manner. Data collection procedures to be evaluated during the pilot include those related to eligibility screening, services provided by HNJ, and housing placements. UCJC will provide one, short report at 13 months (1-month post pilot end) describing the status of the pilot with respect to these measures.

- Because clients are enrolled on a continual basis, the use of cohorts in the figure is arbitrary and cohorts are presented as discrete cohorts for simplicity of presentation. Because TRH enrollments will stop at month 54, six cohorts were chosen to be presented in the figure, each of a nine-month length (as 54 divided by 9 provides six evenly divided cohorts). Cohort starts are shown in green in the figure. Cohort observation windows are denoted by green to red transitioning arrows originating from each cohort start. Cohort enrollment closures are represented by a solid vertical line along the observation window arrow. The first cohort is enrolled in months 1-9. The last people in the cohort (e.g., those enrolled in month 9) are followed for two years for outcomes without the grace period, and for 26 months past enrollment closure for outcome using the grace period. Hence, the cohort observation window closes at month 33 for outcomes that do not use the grace period, and at approximately month 35 for those that do. Recall that the grace period will be determined from the observed average time between randomization and housing placement once the study starts. The a priori estimate of this time period is two months, which is represented by a shaded grey box along the observation window; this box is two months wide along the horizontal axis of the timeline. The study period ends before a two-year observation window can occur for some members of cohorts five and all members of cohort six.
- The grey arrows exiting cohorts five and six represent unobserved periods for which outcomes will be forecasted using existing data from cohorts five and six, as well as the fully observed data from cohorts one through four. Accordingly, a maximum of four months of cohort five (15.4%), and 13 months of cohort three (50.0%), will be forecasted from existing data. Importantly, this amount of time will be forecasted only for the last person entering the cohort. For those entering the cohort at the earliest possible time, the number of forecasted months can be reduced to none for cohort five, and only four months for cohort six.
- Employment (as discussed above) is designated as a seven quarter outcome in order to ensure the final quarter of measurement for each cohort's employment outcome closes at approximately the same time as the observation window for all two-year metrics. For example, if the program starts mid-quarter, the observation closure window for employment for the first cohort would close at 36 months. If it started on the first day of a quarter, the window would close at 33 months. Thus, in either case, employment outcomes will end either before or at the same time as metrics with and without the grace period start. With respect to reports summarizing the employment outcome, it is important to note that employment outcomes provided by DWS lag one

quarter behind the current quarter (i.e., it takes one quarter for the system to reflect the newest wage data). Data are then available approximately 45 days later. Accordingly, full employment data for a cohort will not be available until approximately 4.5 months after the employment observation window closes. Even with this limitation, however, the study period allows for all cohorts' employment windows to be fully observed.³⁶

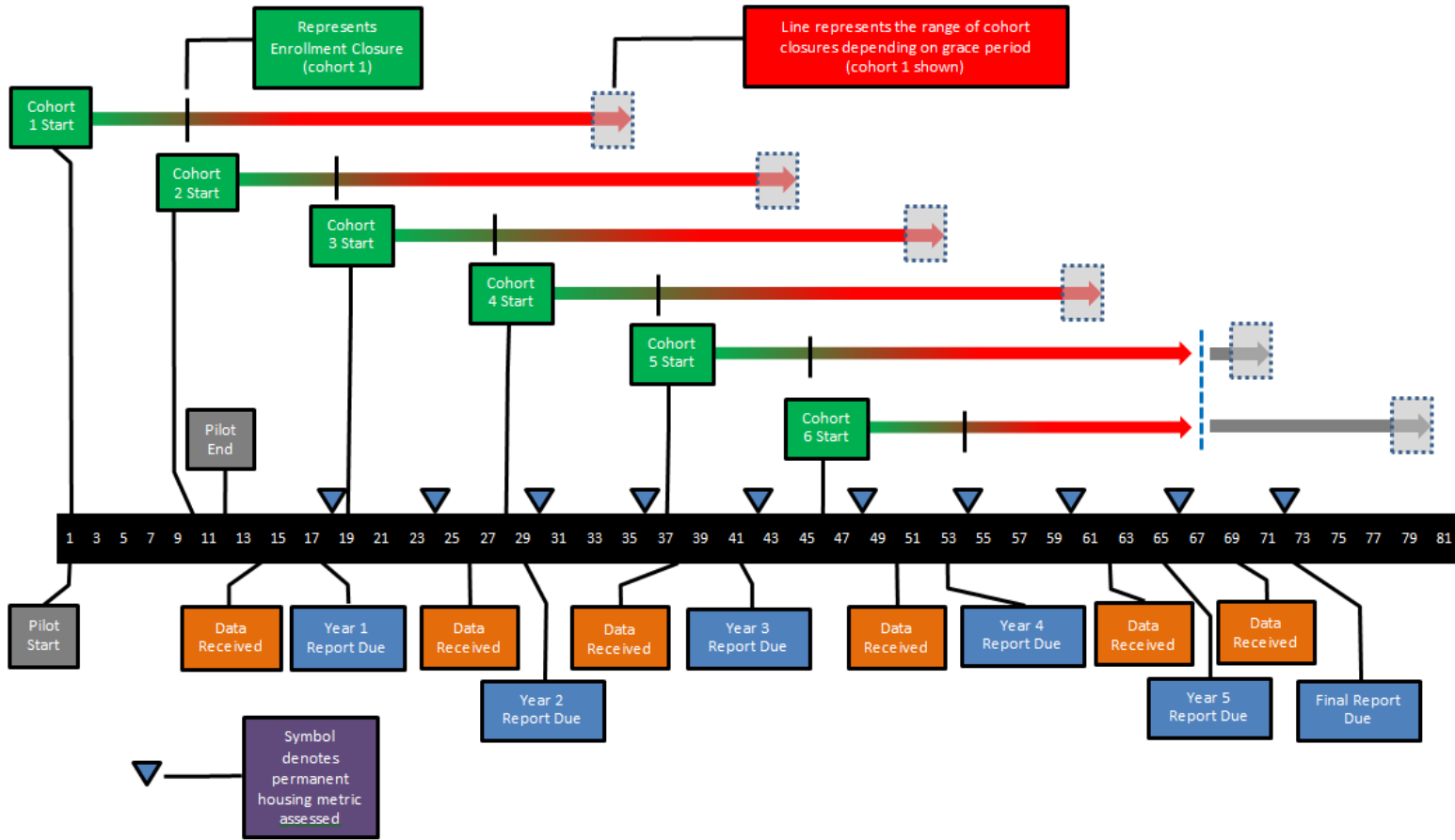
- With two exceptions (discussed below), all data will be requested on an annual basis, beginning in month 13 of the project. Data are anticipated to be received one month after requests; data delivery intervals are indicated in orange in the figure. In order to complete the final report by the study's end date (month 72), delivery of final data will not occur at the fixed annual interval. Instead, the final receipt of data will occur in month 69. Data delivery for variables related to randomization occurs on a bi-monthly basis; because of their frequency, these are not represented in the figure.
- Assessments of the graduation to permanent housing payable metric are denoted by blue triangles in the timeline. Data related to this metric are reported by UHMIS every six months beginning at month 18 of the project and will report on all individuals whose enrollment date was at least 12 months prior. The outcome will be reported on in the same month as the data are received. Once an individual has graduated to permanent housing, he or she will be permanently recorded as having met the metric and future reported counts will represent non-duplicated individuals.
- All summary reports are denoted in blue in the figure. Reports will be provided on an annual basis with the exception of the final report, due seven months after the year five report. All reports are due three months after receiving data. For example, data requested on the first day of the 13th month post-PFS start will likely be received by the first day of the 14th month post-PFS start. If this goal is met, the year one annual report (including results from bimonthly randomization outcomes) would be due on the first day of the 17th month post-PFS start. UCJC will work with program parties to ensure that all necessary data are obtained in a timely manner. Notably, annual reports do not coincide with cohorts for this PFS project. Because cohort designations are arbitrary, it is not of particular importance that the annual reports summarize arbitrary cohorts. Instead, they will summarize information for all available cases until the first cohort's observation window closes. Once the first cohort's observation window closes, reports will summarize information for open cohorts separately from closed cohorts. The first such report will occur in year five. The final report (end of year 6) will provide only the final outcomes including the two projected cohort's outcomes and the moderator analyses. It will not re-summarize all prior cohorts' outcomes.

Institutional Review Board (IRB) Approval and Data Sharing

UCJC has obtained Institutional Review Board (IRB) approval for the PFS project from the University of Utah's IRB. Data sharing agreements are currently in process.

³⁶ The last cohort has a maximum closure window at 63 months. Adding to that the one-quarter lag, and the 45-day period to finalize the data in the DWS system, data should be available for the last request by month 68, exactly the month when the final data requests are sent.

Figure 2. Timeline



APPENDIX A

Table 1A Monthly Referrals and Enrollments to HNJ

Month	Total Projected Enrollments^a	Monthly Projected Caseloads^b	Total Monthly Projected Enrollments	Cumulative Projected Enrollments	Minimum Monthly Treatment Assignments	Minimum Cumulative Treatment Assignments^c
Sept-16	0	0	0	0	0	0
Oct-16	0	0	0	0	0	0
Nov-16	0	0	0	0	3	3
Dec-16	2	2	2	2	3	6
Jan-17	2	4	4	4	4	10
Feb-17	3	7	7	7	6	16
Mar-17	4	11	11	11	6	22
Apr-17	4	15	15	15	6	28
May-17	4	17	19	19	6	34
Jun-17	4	19	23	23	6	40
Jul-17	4	20	27	27	6	46
Aug-17	4	20	31	31	7	53
Sep-17	5	21	36	36	7	60
Oct-17	5	21	41	41	7	67
Nov-17	5	21	46	46	8	75
Dec-17	6	23	52	52	8	83
Jan-18	6	23	58	58	8	91
Feb-18	6	24	64	64	10	101
Mar-18	7	26	71	71	10	111
Apr-18	7	28	78	78	10	121
May-18	7	29	85	85	10	130
Jun-18	7	30	92	92	10	141
Jul-18	7	31	99	99	10	151
Aug-18	7	31	106	106	10	161
Sep-18	7	31	113	113	10	171
Oct-18	7	31	120	120	10	181
Nov-18	7	31	127	127	10	191
Dec-18	7	31	134	134	10	201
Jan-19	7	31	141	141	10	211

Feb-19	7	31	148	10	221
Mar-19	7	31	155	10	231
Apr-19	7	31	162	10	241
May-19	7	31	169	10	251
Jun-19	7	31	176	10	261
Jul-19	7	31	183	10	271
Aug-19	7	31	190	10	281
Sep-19	7	31	197	10	291
Oct-19	7	31	204	10	301
Nov-19	7	31	211	10	311
Dec-19	7	31	218	10	321
Jan-20	7	31	225	10	331
Feb-20	7	31	232	10	341
Mar-20	7	31	239	10	351
Apr-20	7	31	246	10	361
May-20	7	31	253	10	371
Jun-20	7	31	260	10	381
Jul-20	7	31	267	10	391
Aug-20	7	31	274	8	399
Sep-20	6	30	280	8	407
Oct-20	6	30	286	8	415
Nov-20	6	30	292	8	423
Dec-20	6	30	298	7	430
Jan-21	5	28	304	7	437
Feb-21	5	27	310	6	443
Mar-21	4	25	314	4	447
Apr-21	3	22	317	0	409
May-21	0	16	317	0	447
Jun-21	0	11	317	0	447
Jul-21	0	6	317	0	447
Aug-21	0	2	317	0	409

^a Assumes enrollment rate of 75% from referred clients; the total number of clients enrolled in this table (n=317) is different than actual projections (n=315) due to rounding necessary to make monthly estimates.

^b Assumes average enrollment length of 4.6 months; for these purposes rounded to 5 months.

^c Total assigned (n=447) is different than numbers presented elsewhere in report (n=420) due to rounding necessary to make monthly referral estimates.

APPENDIX B

Table 1A Number of Clients in Study by Year

	Number Served ^a	Number Assigned to Treatment ^b	Number Assigned to Control ^c	Total Assigned to Any Condition	Number Required Per Quarter ^d
Year 1	31	42	84	126	32
Year 2	75	100	200	300	75
Year 3	75	100	200	300	75
Year 4	84	112	224	336	84
Year 5	41	55	110	165	42

^a The number of individuals HNJ plans to serve each year

^b The number of individuals randomized into the treatment group (assumes 75% enrollment)

^c The number of individuals assigned to the control group (assumes 2:1 assignment ratio in favor of the control group)

^e The number assigned to treatment added to the number assigned to control

^d The number of eligible individuals who will need to be identified each quarter to meet projected evaluation numbers

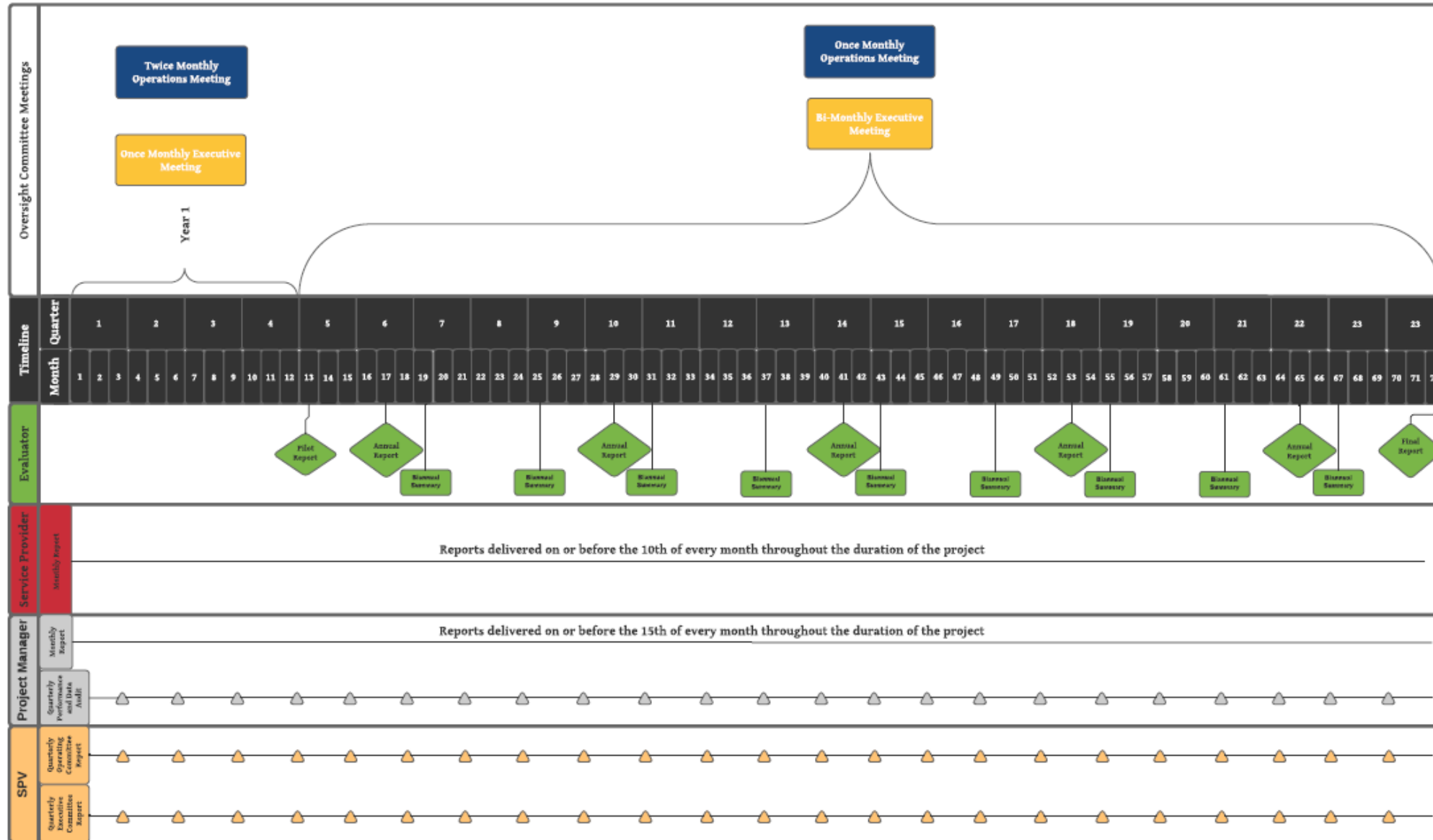
APPENDIX C-1 FIRST STEP BUDGET

QUARTERLY COSTS	Year 1					Year 2				Year 3				Year 4				Year 5			
	Ramp-Up Q1	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20
Personnel																					
Program Manager	\$ 19,937	\$ 19,937	\$ 19,937	\$ 19,937	\$ 19,937	\$ 20,535	\$ 20,535	\$ 20,535	\$ 20,535	\$ 21,151	\$ 21,151	\$ 21,151	\$ 21,151	\$ 21,785	\$ 21,785	\$ 21,785	\$ 21,785	\$ 22,439	\$ 22,439	\$ 22,439	\$ 22,439
Clinical Director	\$ 1,527	\$ 2,291	\$ 2,291	\$ 2,291	\$ 2,291	\$ 2,360	\$ 2,360	\$ 2,360	\$ 2,360	\$ 2,430	\$ 2,430	\$ 2,430	\$ 2,430	\$ 2,503	\$ 2,503	\$ 2,503	\$ 2,503	\$ 2,578	\$ 2,578	\$ 2,578	\$ 2,578
Clinical Operations Director	\$ 1,527	\$ 2,291	\$ 2,291	\$ 2,291	\$ 2,291	\$ 2,360	\$ 2,360	\$ 2,360	\$ 2,360	\$ 2,430	\$ 2,430	\$ 2,430	\$ 2,430	\$ 2,503	\$ 2,503	\$ 2,503	\$ 2,503	\$ 2,578	\$ 2,578	\$ 2,578	\$ 2,578
Mentor Support Staff	\$ 13,291	\$ 19,937	\$ 19,937	\$ 19,937	\$ 19,937	\$ 20,535	\$ 20,535	\$ 20,535	\$ 20,535	\$ 21,151	\$ 21,151	\$ 21,151	\$ 21,151	\$ 21,785	\$ 21,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mentor Support Manager	\$ 7,975	\$ 11,962	\$ 11,962	\$ 11,962	\$ 11,962	\$ 12,321	\$ 12,321	\$ 12,321	\$ 12,321	\$ 12,691	\$ 12,691	\$ 12,691	\$ 12,691	\$ 13,071	\$ 13,071	\$ 13,071	\$ 13,071	\$ 13,463	\$ 13,463	\$ 13,463	\$ -
Assessment and Intake Specialist	\$ 10,633	\$ 15,949	\$ 15,949	\$ 15,949	\$ 15,949	\$ 16,428	\$ 16,428	\$ 16,428	\$ 16,428	\$ 16,921	\$ 16,921	\$ 16,921	\$ 16,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LCSW	\$ 31,899	\$ 47,848	\$ 47,848	\$ 63,798	\$ 63,798	\$ 65,712	\$ 82,140	\$ 82,140	\$ 82,140	\$ 84,604	\$ 84,604	\$ 84,604	\$ 84,604	\$ 52,285	\$ 34,857	\$ 17,428	\$ 17,428	\$ -	\$ -	\$ -	\$ -
Case Manager	\$ 10,190	\$ 15,285	\$ 15,285	\$ 15,285	\$ 30,570	\$ 31,487	\$ 31,487	\$ 31,487	\$ 31,487	\$ 32,431	\$ 32,431	\$ 32,431	\$ 32,431	\$ 16,702	\$ 16,702	\$ 16,702	\$ 16,702	\$ 17,203	\$ 17,203	\$ 17,203	\$ 17,203
Total Personnel Costs	\$ 96,979	\$ 135,500	\$ 135,500	\$ 151,450	\$ 166,735	\$ 171,737	\$ 188,165	\$ 188,165	\$ 188,165	\$ 193,809	\$ 193,809	\$ 193,809	\$ 193,809	\$ 130,636	\$ 113,208	\$ 73,994	\$ 73,994	\$ 58,262	\$ 58,262	\$ 58,262	\$ 44,799
Housing																					
Building Maintenance	\$ -	\$ 6,195	\$ 6,195	\$ 6,195	\$ 6,195	\$ 6,381	\$ 6,381	\$ 6,381	\$ 6,381	\$ 6,572	\$ 6,572	\$ 6,572	\$ 6,572	\$ 6,769	\$ 6,769	\$ 6,769	\$ 6,769	\$ 6,973	\$ 6,973	\$ 6,973	\$ -
Building Supplies	\$ -	\$ 900	\$ 900	\$ 900	\$ 900	\$ 927	\$ 927	\$ 927	\$ 927	\$ 955	\$ 955	\$ 955	\$ 955	\$ 983	\$ 983	\$ 983	\$ 983	\$ 1,013	\$ 1,013	\$ 1,013	\$ -
Building Licensing	\$ 3,100	\$ -	\$ -	\$ -	\$ 3,100	\$ -	\$ -	\$ -	\$ 3,193	\$ -	\$ -	\$ -	\$ 3,289	\$ -	\$ -	\$ -	\$ 3,387	\$ -	\$ -	\$ -	\$ -
Client Rent (Program Revenue)	\$ -	\$ -	\$ (3,938)	\$ (3,938)	\$ (3,938)	\$ (3,938)	\$ (3,938)	\$ (3,938)	\$ (3,938)	\$ (3,938)	\$ (3,938)	\$ (3,938)	\$ (3,938)	\$ (14,490)	\$ (14,490)	\$ (14,490)	\$ (14,490)	\$ (14,490)	\$ (14,490)	\$ (14,490)	\$ -
Depreciation	\$ -	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ 2,415	\$ -
House Supplies	\$ 600	\$ 900	\$ 900	\$ 900	\$ 900	\$ 927	\$ 927	\$ 927	\$ 927	\$ 955	\$ 955	\$ 955	\$ 955	\$ 983	\$ 983	\$ 983	\$ 983	\$ 1,013	\$ 1,013	\$ 1,013	\$ -
Mortgage Interest	\$ -	\$ 1,296	\$ 1,296	\$ 1,296	\$ 1,296	\$ 1,335	\$ 1,335	\$ 1,335	\$ 1,335	\$ 1,375	\$ 1,375	\$ 1,375	\$ 1,375	\$ 1,416	\$ 1,416	\$ 1,416	\$ 1,416	\$ 1,459	\$ 1,459	\$ 1,459	\$ -
Telephone and Telecommunications	\$ 2,500	\$ 1,152	\$ 1,152	\$ 1,152	\$ 1,152	\$ 1,187	\$ 1,187	\$ 1,187	\$ 1,187	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,259	\$ 1,259	\$ 1,259	\$ 1,259	\$ 1,297	\$ 1,297	\$ 1,297	\$ 1,297
Utilities	\$ -	\$ 3,090	\$ 3,090	\$ 3,090	\$ 3,090	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,278	\$ 3,278	\$ 3,278	\$ 3,278	\$ 3,377	\$ 3,377	\$ 3,377	\$ 3,377	\$ 3,478	\$ 3,478	\$ 3,478	\$ -
Food	\$ -	\$ 16,200	\$ 16,200	\$ 16,200	\$ 16,200	\$ 16,686	\$ 16,686	\$ 16,686	\$ 16,686	\$ 17,187	\$ 17,187	\$ 17,187	\$ 17,187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Housing Costs	\$ 6,200	\$ 32,148	\$ 28,211	\$ 28,211	\$ 31,311	\$ 29,103	\$ 29,103	\$ 29,103	\$ 32,296	\$ 30,021	\$ 30,021	\$ 30,021	\$ 33,310	\$ 2,713	\$ 2,713	\$ 2,713	\$ 6,101	\$ 3,157	\$ 3,157	\$ 3,157	\$ 1,297
Other Operating																					
Client Incentives	\$ 325	\$ 975	\$ 975	\$ 975	\$ 975	\$ 1,004	\$ 1,004	\$ 1,004	\$ 1,004	\$ 1,034	\$ 1,034	\$ 1,034	\$ 1,034	\$ 1,065	\$ 1,065	\$ 1,065	\$ 1,065	\$ 1,097	\$ 1,097	\$ 1,097	\$ -
Food Stamp (Program Revenue)	\$ -	\$ (5,103)	\$ (5,103)	\$ (5,103)	\$ (5,103)	\$ (5,103)	\$ (5,103)	\$ (5,103)	\$ (5,103)	\$ (5,103)	\$ (5,103)	\$ (5,103)	\$ (5,103)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Curriculum	\$ 760	\$ 760	\$ 760	\$ 760	\$ 760	\$ 760	\$ 760	\$ 760	\$ 760	\$ 760	\$ 760	\$ 760	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Training	\$ 13,800	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 250	\$ 250	\$ 250
MRT Quality Assurance	\$ -	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ 1,000	\$ 300	\$ 300	\$ 300	\$ 300	\$ 309	\$ 309	\$ 309	\$ 309	\$ 318	\$ 318	\$ 318	\$ 318	\$ 328	\$ 328	\$ 328	\$ 328	\$ 338	\$ 338	\$ 338	\$ 338
Office Lease	\$ 5,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,450	\$ 15,450	\$ 15,450	\$ 15,450	\$ 15,914	\$ 15,914	\$ 15,914	\$ 15,914	\$ 16,391	\$ 16,391	\$ 16,391	\$ 16,391	\$ 16,883	\$ 16,883	\$ 16,883	\$ 16,883
Recovery Activities	\$ -	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,545	\$ 1,545	\$ 1,545	\$ 1,545	\$ 1,591	\$ 1,591	\$ 1,591	\$ 1,591	\$ 1,639	\$ 1,639	\$ 1,639	\$ 1,639	\$ 1,688	\$ 1,688	\$ 1,688	\$ -
Mobile Telephones	\$ 384	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,545	\$ 1,545	\$ 1,545	\$ 1,545	\$ 1,591	\$ 1,591	\$ 1,591	\$ 1,591	\$ 1,639	\$ 1,639	\$ 1,639	\$ 1,639	\$ 1,688	\$ 1,688	\$ 1,688	\$ 1,688
Vehicle Expense	\$ -	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,163	\$ 2,163	\$ 2,163	\$ 2,163	\$ 2,228	\$ 2,228	\$ 2,228	\$ 2,228	\$ 2,295	\$ 2,295	\$ 2,295	\$ 2,295	\$ 2,364	\$ 2,364	\$ 2,364	\$ 2,364
UA Testing	\$ -	\$ 3,192	\$ 5,703	\$ 6,763	\$ 7,791	\$ 8,539	\$ 9,038	\$ 9,521	\$ 9,991	\$ 10,290	\$ 10,290	\$ 10,290	\$ 10,290	\$ 7,111	\$ 4,367	\$ 3,209	\$ 2,085	\$ 1,586	\$ 1,042	\$ 513	\$ -
Overhead	\$ 18,667	\$ 28,312	\$ 28,098	\$ 30,650	\$ 33,562	\$ 34,189	\$ 36,728	\$ 36,801	\$ 37,350	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,379	\$ 24,648	\$ 21,622	\$ 15,566	\$ 15,906	\$ 13,097	\$ 13,015	\$ 12,936	\$ 10,105
Total Other Operating Costs	\$ 39,936	\$ 49,411	\$ 51,709	\$ 55,320	\$ 59,260	\$ 61,276	\$ 64,314	\$ 64,870	\$ 65,889	\$ 67,499	\$ 67,499	\$ 67,499	\$ 67,118	\$ 55,616	\$ 49,846	\$ 42,632	\$ 41,848	\$ 38,991	\$ 38,365	\$ 37,757	\$ 31,377
One-time																					
IT Equipment	\$ 38,705																				
Renovations	\$ 55,157																				
Van	\$ 27,000																				
Furniture	\$ 18,183																				
Total Start-up Costs	\$ 139,045																				

APPENDIX C-2 ROAD HOME BUDGET

Year	Year 1 (Including Ramp Up)				Year 2				Year 3				Year 4				Year 5				Year 6		Windup		
Quarter	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	Windup	
QUARTERLY COSTS - THE ROAD HOME																									
Direct Service Costs																									
Personnel																									
Project Supervisor	\$ 19,000	\$ 14,250	\$ 14,250	\$ 14,250	\$ 14,820	\$ 14,820	\$ 14,820	\$ 14,820	\$ 15,413	\$ 15,413	\$ 15,413	\$ 15,413	\$ 16,029	\$ 16,029	\$ 16,029	\$ 16,029	\$ 16,670	\$ 16,670	\$ 16,670	\$ 16,670	\$ -	\$ -	\$ -	\$ -	\$ -
Housing Specialist	\$ 11,461	\$ 8,596	\$ 17,191	\$ 17,191	\$ 17,879	\$ 17,879	\$ 17,879	\$ 17,879	\$ 18,594	\$ 18,594	\$ 18,594	\$ 18,594	\$ 19,338	\$ 19,338	\$ 19,338	\$ 19,338	\$ 20,111	\$ 20,111	\$ 20,111	\$ 20,111	\$ 10,056	\$ -	\$ -	\$ -	\$ -
Case Managers	\$ 11,461	\$ 8,596	\$ 17,191	\$ 17,191	\$ 17,879	\$ 17,879	\$ 17,879	\$ 17,879	\$ 18,594	\$ 18,594	\$ 18,594	\$ 18,594	\$ 19,338	\$ 19,338	\$ 19,338	\$ 19,338	\$ 20,111	\$ 20,111	\$ 20,111	\$ 20,111	\$ -	\$ -	\$ -	\$ -	\$ -
Data Specialist	\$ -	\$ -	\$ 11,250	\$ 11,250	\$ 11,700	\$ 11,700	\$ 11,700	\$ 11,700	\$ 12,168	\$ 12,168	\$ 12,168	\$ 12,168	\$ 12,655	\$ 12,655	\$ 12,655	\$ 12,655	\$ 13,161	\$ 13,161	\$ 13,161	\$ 13,161	\$ -	\$ -	\$ -	\$ -	\$ -
Employment Specialist	\$ -	\$ 8,596	\$ 8,596	\$ 8,596	\$ 8,939	\$ 8,939	\$ 8,939	\$ 8,939	\$ 9,297	\$ 9,297	\$ 9,297	\$ 9,297	\$ 9,669	\$ 9,669	\$ 9,669	\$ 9,669	\$ 10,056	\$ 10,056	\$ 10,056	\$ 10,056	\$ -	\$ -	\$ -	\$ -	\$ -
Accounting Specialist	\$ -	\$ -	\$ -	\$ -	\$ 4,932	\$ 4,932	\$ 4,932	\$ 4,932	\$ 5,129	\$ 5,129	\$ 5,129	\$ 5,129	\$ 5,335	\$ 5,335	\$ 5,335	\$ 5,335	\$ 5,548	\$ 5,548	\$ 5,548	\$ 5,548	\$ -	\$ -	\$ -	\$ -	\$ -
Americorp Team Member	\$ 3,867	\$ 2,900	\$ 2,900	\$ 2,900	\$ 3,016	\$ 3,016	\$ 3,016	\$ 3,016	\$ 3,137	\$ 3,137	\$ 3,137	\$ 3,137	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,262	\$ 3,393	\$ 3,393	\$ 3,393	\$ 3,393	\$ -	\$ -	\$ -	\$ -	\$ -
Total Personnel Costs	\$ 45,788	\$ 42,937	\$ 71,378	\$ 71,378	\$ 79,165	\$ 79,165	\$ 79,165	\$ 79,165	\$ 82,331	\$ 82,331	\$ 82,331	\$ 82,331	\$ 85,625	\$ 85,625	\$ 85,625	\$ 85,625	\$ 89,049	\$ 89,049	\$ 89,049	\$ 89,049	\$ 73,446	\$ -	\$ -	\$ -	\$ -
Direct Client Assistance																									
Avg Rental Assistance/Launch Package	\$ -	\$ 29,939	\$ 51,324	\$ 51,324	\$ 66,080	\$ 79,296	\$ 92,512	\$ 92,512	\$ 95,287	\$ 95,287	\$ 95,287	\$ 95,287	\$ 98,145	\$ 98,145	\$ 98,145	\$ 98,145	\$ 86,648	\$ 77,021	\$ 33,697	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landlord Stability/Damages Compensation	\$ -	\$ 2,800	\$ 4,800	\$ 4,800	\$ 6,180	\$ 7,416	\$ 8,652	\$ 8,652	\$ 8,912	\$ 8,912	\$ 8,912	\$ 8,912	\$ 9,179	\$ 9,179	\$ 9,179	\$ 9,179	\$ 8,104	\$ 7,203	\$ 3,151	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rental Contingency	\$ -	\$ 2,994	\$ 5,132	\$ 5,132	\$ 6,608	\$ 7,930	\$ 9,251	\$ 9,251	\$ 9,529	\$ 9,529	\$ 9,529	\$ 9,529	\$ 9,815	\$ 9,815	\$ 9,815	\$ 9,815	\$ 8,665	\$ 7,702	\$ 3,370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Direct Client Assistance Costs	\$ -	\$ 35,733	\$ 61,256	\$ 61,256	\$ 78,868	\$ 94,641	\$ 110,415	\$ 110,415	\$ 113,727	\$ 113,727	\$ 113,727	\$ 113,727	\$ 117,139	\$ 117,139	\$ 117,139	\$ 117,139	\$ 103,417	\$ 91,926	\$ 40,218	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ESG Funding	\$ (20,000)	\$ (35,733)	\$ (61,256)	\$ (8,011)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Costs																									
Space Costs	\$ 3,333	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Transportation Costs	\$ 625	\$ 625	\$ 625	\$ 625	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 625	\$ -	\$ -	\$ -
Ongoing Training	\$ -	\$ -	\$ -	\$ -	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625
Internet/Phone/Office Expenses	\$ 250	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Administrative & Overhead Expenses	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000
Client Incentives/Activities	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Total Indirect Costs	\$ 18,708	\$ 25,875	\$ 25,875	\$ 25,875	\$ 27,125	\$ 27,125	\$ 27,125	\$ 27,125	\$ 27,125	\$ 27,125	\$ 27,125	\$ 27,125	\$ 27,125	\$ 27,125	\$ 27,125	\$ 27,125	\$ 27,125	\$ 27,125	\$ 27,125	\$ 27,125	\$ 26,500	\$ -	\$ -	\$ -	\$ -
Startup Costs																									
Training	\$ 3,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT Equipment	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office furniture/Supplies	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle	\$ 52,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Startup Costs	\$ 68,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total TRH Costs	\$ 112,496	\$ 68,811	\$ 97,253	\$ 150,498	\$ 185,157	\$ 200,931	\$ 216,704	\$ 216,704	\$ 223,183	\$ 223,183	\$ 223,183	\$ 223,183	\$ 229,888	\$ 229,888	\$ 229,888	\$ 229,888	\$ 219,591	\$ 208,101	\$ 156,392	\$ 99,946	\$ -	\$ -	\$ -	\$ -	\$ -
QUARTERLY COSTS - PARTNERS																									
Advantage Services																									
Job assistance	\$ -	\$ 420	\$ 720	\$ 720	\$ 900	\$ 1,080	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,080	\$ 960	\$ 420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Volunteers of America																									
Behavioral Health Clinician	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Total Partner Costs	\$ 15,000	\$ 15,420	\$ 15,720	\$ 15,720	\$ 15,900	\$ 16,080	\$ 16,260	\$ 16,260	\$ 16,260	\$ 16,260	\$ 16,260	\$ 16,260	\$ 16,260	\$ 16,260	\$ 16,260	\$ 16,260	\$ 16,080	\$ 15,960	\$ 15,420	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -

APPENDIX D-2 REPORTING TIMELINE (HOMELESSNESS PROJECT)



APPENDIX E SUCCESS PAYMENT DETERMINATION PROCESS

For each Project, the Independent Evaluator shall calculate Earned Success Payments. The definition and measurement of each outcome (“X”) is based on the description of each metric in the Evaluation Plans, as follows:

- 1) **Determine which individuals are to be measured for success¹.** The definition of “Measured Individuals” differs by project and is as follows:
 - a) For the Homelessness PFS Project, consider only the results of outcome X for those individuals whose observation period has ended, including all Clients referred to the treatment group and individuals referred to the control group.
 - b) For the Criminal Justice PFS Project, consider the results of outcome X for all individuals based on their outcomes to date (irrespective of whether observation periods have ended), including all Clients referred to the treatment group and individuals referred to the control group.
- 2) **Compute the number of occurrences for outcome X for Measured Individuals.** As applicable based on whether a metric is comparative or non-comparative, perform a count of the total number of X among treated individuals (the “Treatment Count of X”) only, or in both the treatment and control groups (the “Control Count of X”). If outcome X is a percentage, multiply that percentage by the total number of Measured Individuals to get the Count of X for each group, as applicable.
 - a) **Forecast results in final quarter.** In the final Quarter of each project, for any Measured Individuals whose Measurement Period has not ended, forecast the Count of X for Treated only or Treated and Control (as applicable based on whether a metric is comparative or non-comparative) using procedures determined in the applicable Evaluation Plan.
- 3) **Adjust for difference in control group size.** Because the Control group may be assigned at a greater rate, scale the Control Count of X by multiplying the Control Count of X by the number of Measured Individuals in the treatment group divided by the number of Measured Individuals in the control group to get the “Adjusted Control Count of X”.

¹ Determination of individuals to be measured for success is relevant only to the comparative outcomes. For non-comparative, performance metrics, payment is based purely on the number of new individuals meeting the criteria once the relevant reporting period has begun. For these metrics, skip to #2.

4) Adjust for self-recruitment to determine the Final Count of X.

- a) If the outcome is a *non-comparative* metric, determine whether self-recruitment due to insufficient referrals applies as outlined in the PFS contract:
 - i) If self-recruitment does not apply, the “Final Count of X” is the Treatment Count of X (the value obtained under #2).
 - ii) If self-recruitment applies, use the total number of individuals served (the sum of the number of participants randomly assigned as part of the PFS project and those self-recruited) to determine the “Final Count of X”, which is the sum of the Count of X for each of these groups.
- b) If the outcome is a *comparative* metric, determine whether self-recruitment due to insufficient referrals applies as outlined in the PFS contract:
 - i) If self-recruitment does not apply, deduct the Treatment Count of X obtained under #2 from the Adjusted Control Count of X obtained under #3 to get the “Final Difference in Count of X.”
 - ii) If self-recruitment does apply, multiply “Final Difference in Count of X” from above by the total number of individuals served (assigned and self-recruited) divided by the total number of individuals assigned only (i.e., excluding the self-recruited) to obtain the “Final Difference in Count of X”.

5) Determine and report earned success payment².

- a) If the Earned Success Payment for X is the first payment, multiply the *Final Count of X* or *Final Difference in Count of X* (as applicable) by the County per X Success Payment (see table below) to determine the Earned Success Payment for X.
- b) If the Earned Success Payment for X is not the first payment, take into account the number of observations previously paid (either in full or as partially observed) in past earned success payment calculations.
 - i) Subtract the calculated *Final Count of X* or *Final Difference in Count of X* (as applicable) from any previous/reported calculations to arrive at the *Adjusted Final Count of X* or *Adjusted Final Difference in Count of X* (as applicable).

² When calculating the Earned Success Payment for X, take into account the tiered payment structure for Days Incarcerated or Increased Months without Jail or Shelter by using a running total for the *Final Count of X* and *Final Difference in Count of X*.

- ii) Multiply the *Adjusted Final Count of X* or *Adjusted Final Difference in Count of X* (as applicable) by the County per X Success Payment (see table below) to determine the Earned Success Payment for X.

Criminal Justice Project “County per X Success Payment”		Homelessness Project “County per X Success Payment”	
Outcome X	Total Success Payment for Outcome X (\$)	Outcome X	Total Success Payment for Outcome X (\$)
Days Incarcerated	Avoided days 1-9959: \$287.04 Avoided days 9960-19152: \$151.60 Avoided days: 19153+: \$144.93	Increased Months without Jail or Shelter	Improved months: 1-601: \$4,926.25 Improved months: 602-951: \$3,221.05 Improved months: 952+: \$2,121.60
Arrests	\$250/arrest	Increased BH Enrollment (Substance Abuse)	\$5,000/enrollment
Employment	\$450/quarter employed	Increased BH Enrollment (Mental Health)	\$5,000/enrollment
Engaged Participants	\$5,800/participant (capped at \$500,000 total)	Increased Graduation to Permanent Locations	\$2,300/participant (capped at \$500,000 total)

6) **If a “Significant Policy Change” occurs, use Stipulated Control Count of X.** In the event a “Significant Policy Change” has occurred, for each outcome X after the Significant Policy Change, the Independent Evaluator will determine a “Stipulated Control Count of X” to determine Earned Success Payments and such Stipulated Control Count of X will replace the actual Control Count of X in the process described hereinabove.

- a) **6.1.** If a Significant Policy Change occurs after the first 3 months after the applicable Launch Date for the affected Project, the Stipulated Control Count of X is obtained by applying a Discontinuous Growth Model (as described in the applicable Evaluation Plan) to Measured Individuals referred to the control group.
- o **6.2.** If Significant Policy Change occurs within the first 3 months after the applicable Launch Date for the affected Project, the Stipulated Control Count of X will be deemed equal to the counterfactual number of X projected by economic model at project launch.

APPENDIX F

PAY FOR SUCCESS PUBLICITY PROTOCOL AGREEMENT

DATED
December 14, 2016

Salt Lake County, Utah (the “**County**”) and SLCO PFS 1, INC. (the “**SPV**”), known collectively as the “**PFS Contract Parties**,” along with other “**Project Participants**” (as defined below), agree that this Pay for Success Publicity Protocol Agreement (“**PFS Publicity Agreement**”) is effective as of December 14, 2016 (the “**Project Announcement Date**” and “**Effective Date**”).

The transactions contemplated under that certain Pay for Success Agreement dated as of December 14, 2016 among PFS Contract Parties (the “**PFS Contract**”) are hereinafter referred to as the “**Project**.”

This PFS Publicity Agreement shall also be included within the Project’s Loan Agreements, Grant Agreements, the Independent Evaluator Agreement, the Service Provider Agreements, Project Manager Agreement, and other agreements that are part of the Project (the “**Project Agreements**”).

Project Participants:

“**Project Participants**” include PFS Contract Parties as well as First Step House (“**First Step**”) and The Road Home (“**Road Home**”), the Senior Lenders, Impact Lenders, and Grantors. Project Participants also include the Sorenson Impact Center (“**Project Manager**”) as Project Manager, and the Utah Criminal Justice Center (“**UCJC**”) as Independent Evaluator.

Communications Plan:

The County and Third Sector Capital Partners, Inc. (“**Third Sector**”) will guide all Project Participants in the development of the Communication Plan as follows:

1. Joint Press Release

Each Project Participant, on behalf of itself and affiliates, agrees to the following:

- i. Issuing a joint Press Release (the “**Press Release**”) on the Project Announcement Date. The Press Release will be developed with the guidance of Third Sector and the County and will require the approval of Project Participants; and
- ii. If a quote from that Project Participant is desired in the Press Release, assigning a maximum of one speaker to be quoted on behalf of its organization

2. Fact Sheet and Frequently Asked Questions

Each Project Participant will agree upon the content of a Fact Sheet and Frequently Asked Questions (“**FAQ**”) document to be released after execution of the PFS Contract. The Fact Sheet

and FAQ will be developed with the guidance of Third Sector and the County and will require the approval of Project Participants. Each Project Participant, on behalf of itself and affiliates, agrees to the following:

- i. The Fact Sheet and FAQ may be modified from time to time with consent of all Project Participants delivered via electronic mail;
- ii. Each Project Participant may volunteer to any person or entity without restriction the information set forth in the Fact Sheet, the FAQ and information relating to the ordinary course of its activities in which the Project and its financing and the Participants are only referred to in generic terms (“**Activities**”); and

3. Conferences, Press and Media

Each Project Participant, on behalf of itself and affiliates, agrees to the following:

- i. Giving notice to the other Project Participants within five business days’ after any request by a media organization that has indicated that it is pursuing a long-form feature story or segment focused on the Project and/or its financing;
- ii. Providing to the other Project Participants any material created or approved by the Project Participant to be presented at a conference or in any other public forum that discloses information other than that set forth in the Fact Sheet or FAQ at least five business days prior to the dissemination of that material (or if five business days’ prior written notice is not feasible, then as much prior written notice as is feasible).

For avoidance of doubt, the requirements under this Sections 3 shall not apply to responses to questions posed: (1) in non-Project-specific press interviews, (2) to public officials in non-Project-specific press conferences or (3) in non-Project-specific public presentations or public discussions (provided that the Project Participant on whose behalf such responses are provided shall give notice thereof to the other Project Participants as promptly as is practicable after such response is provided).

4. Ongoing Communications Post-Announcement

Each Project Participant, on behalf of itself and affiliates, agrees to the following:

- i. Each Project Participant that voluntarily and through no obligation of this PFS Publicity Agreement seeks local or national media opportunities to publicize the Project and/or the Project Participant’s role in the Project on an ongoing basis after the Project Announcement Date, agrees to do so in a manner that is consistent with Section 2 of this PFS Publicity Agreement; and
- ii. Each Project Participant that voluntarily and through no obligation of this PFS Publicity Agreement seeks to use social media outlets to broadcast the Project and/ or the Project Participant’s role in the Project on an ongoing basis after the Project Announcement Date, agrees to do so in a manner that is consistent with Section 2 of this PFS Publicity Agreement.

5. Approved Promotional Materials

Each Project Participant, on behalf of itself and affiliates, agrees to grant to the other Project Participants a royalty-free and perpetual license to use, reproduce, distribute and publish Approved Promotional Materials. “*Approved Promotional Materials*” means:

- i. Any promotional materials prepared by a Project Participant describing its Activities and the Project and/or its financing in a manner that consists solely of information set forth in the Fact Sheet and/or FAQ; or
- ii. That discloses information other than that set forth in the Fact Sheet or FAQ that relates to Project Participant's Activities and has been provided to the other Project Participants at least ten days prior to its intended dissemination and has not been objected to in writing by any Project Participant within five business days after such Project Participant's receipt of such materials as determined below. Such material shall be deemed received on the business day after such material has been sent by an overnight courier such as Federal Express and by electronic mail; and
- iii. Documents that are considered to be public information.

Third Sector may post the Fact Sheet, FAQ, PFS Contract, Press Release and other Public Information (as defined below) in a dedicated location on its website.

6. Public Information & Confidentiality

Nothing herein shall prevent a Project Participant from disclosing Information:

- i. Constituting Public Information: Each Project Participant agrees that "Public Information" is defined as information (a) set forth in the Fact Sheet, FAQ and/or Press Release or other information approved by all Parties as an Approved Promotional Material, or (b) that is publicly available or becomes publicly available other than by reason of improper disclosure by any Project Participant or (c) constitutes a copy of an agreement executed in connection with the Project. Once the PFS Contract has been executed, it and all Project Agreements with the exception of the Project's Loan Agreements will be publicly available;
- ii. With the prior written consent of all the other Project Participant(s);
- iii. Pursuant to the order of any court or administrative agency or otherwise as required by applicable law, regulation, compulsory legal process (and in each such case, other than required disclosure in connection with annual filings with governmental authorities and any routine examination or inquiry in connection therewith, such Project Participant shall promptly provide the other Project Participants with written notice thereof to the extent lawfully permitted to do so), or with respect to a lender or grantor, upon the request or demand of any regulatory authority having jurisdiction over such financing source or any of its affiliates; or
- iv. Upon the request or demand of any governmental authority that licenses or regulates a Project Participant acting in its capacity to license or regulate that Project Participant (such as the Internal Revenue Service or, with respect to Third Sector, the Non-Profit Organizations/Public Charities Division of the Office of the Attorney General of the Commonwealth of Massachusetts) (in each such case, other than required disclosure in connection with annual filings with governmental authorities and any routine examination or inquiry in connection therewith, such Project Participant shall promptly provide the other Project Participants with written notice thereof to the extent lawfully permitted to do so).

Public parties, such as the County and its agencies, shall comply with public records requests

and subpoenas, depositions, civil investigative demands or other processes to disclose any information relating to the Project, and when possible, will provide notices of public records requests or other demands for information to other Parties prior to responding.

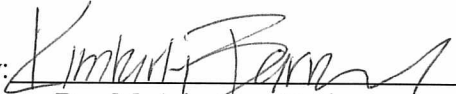
Project Participants shall comply with all applicable laws and regulations protecting the privacy of recipients of social services. It is anticipated that neither SPV nor the Project Manager will receive personally identifiable information in connection with the Projects.

IN WITNESS WHEREOF, each of the Parties has caused this Pay for Success Publicity Protocol Agreement to be executed on its behalf by its duly authorized agent.

-----Signature Page to Follow-----

IN WITNESS WHEREOF, each of the Parties has caused this Pay for Success Publicity Protocol Agreement to be executed on its behalf by its duly authorized agent.

SALT LAKE COUNTY, UTAH

By: 
Name: Ben McAdams or Designee
Title: County Mayor or Designee

SLCO PFS 1, INC.

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM AND LEGALITY
District Attorney's Office

By: 
Melanie F. Mitchell, Unit Chief

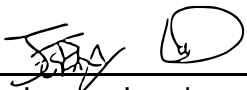
Date: 13 December 2016

IN WITNESS WHEREOF, each of the Parties has caused this Pay for Success Publicity Protocol Agreement to be executed on its behalf by its duly authorized agent.

SALT LAKE COUNTY, UTAH

By: _____
Name: Ben McAdams or Designee
Title: County Mayor or Designee

SLCO PFS 1, INC.

By:  _____
Name: Jeramy Lund
Title: President

APPROVED AS TO FORM AND LEGALITY
District Attorney's Office

By: _____
Melanie F. Mitchell, Unit Chief

Date: _____