



## News Release

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# Salt Lake County launches two Pay for Success projects

*Goal is to offer proven solutions to homelessness and repeat offenders*

**Salt Lake County, UT**—Salt Lake County Mayor Ben McAdams today announced the launch of two new initiatives to offer better programs to address two long-running county problems – persistent homelessness and adult men who are at high risk for repeat stays in the county jail. McAdams said the county has signed contracts with private funders for \$11.5 million in success payments in order to begin serving approximately 550 individuals in need.

McAdams said two local nonprofits –The Road Home and First Step House—will operate the programs. They were chosen through a competitive bid process and have agreed to a rigorous independent evaluation to verify that both homelessness and recidivism numbers decrease.

McAdams said minimizing homelessness and addressing numbers of repeat offenders in the county jail are top priorities. Both challenges involve people in need of help to regain stable lives and both strain the county's budget.

“Every year, government spends millions of dollars on programs designed to help our neediest citizens. In most cases, whether these programs work is anyone’s guess,” said Mayor McAdams. “We can do better for the people we’re trying to help, as well as be careful stewards of scarce tax dollars. Pay for Success is an innovative approach to give better outcomes and hold ourselves accountable for achieving those results.”

Salt Lake County Council Chairman Max Burdick said that the priorities of reducing homelessness and recidivism are priorities that the Council shares with the mayor.

“The Council agrees that true criminal justice reform will require a new look at how we approach long-standing problems. The Pay for Success initiative is one way that includes data-driven decision making, an essential component of determining how to spend taxpayer dollars,” said Burdick.

Sorenson Impact Center founder James L. Sorenson is providing significant financial support to the initiatives. He said that Utah is becoming known as a leader in offering measurably better outcomes for people served by social programs.

“This Pay for Success project—the first addressing two issues in one initiative—is an example of the tremendous power of the model to bring together stakeholders from across the government, nonprofit, academic, philanthropic and for-profit sectors to collectively problem-solve and serve individuals and families in need,” said Sorenson.

McAdams said the Homes Not Jail program will provide services to improve housing stability, criminal justice and behavioral health outcomes for the persistently homeless. These are individuals who have spent between 90 and 364 days over the previous year in emergency shelter or on the streets or other homeless circumstance. Absent a different approach, they are at clear risk of remaining homeless. McAdams said complicating factors include the long waitlist for housing programs in the county, lack of Medicaid health coverage and ineligibility for housing that goes first to the chronically homeless.

Homes Not Jail will offer 315 individuals a range of housing assistance and support services including access to behavioral health treatment and employment counseling. Rental assistance through the private rental market and intensive case management are included in the six-year project.

“Our team at the Road Home is delighted to be a partner in this collaboration. Through Pay for Success, our agency will help 80 people annually move out of our shelters and into housing. The tenants will also receive additional services from which they would not otherwise benefit. The rigorous research that will accompany this collaboration will be particularly helpful to this collaboration,” said Matt Minkovitch, Executive Director, The Road Home.

McAdams said the second program is known as REACH (Recovery, Engagement, Assessment, Career, and Housing). It will be managed by First Step House. Data

shows that 74 percent of high-risk offenders return to the criminal justice system within four years of their release. Jail alone is not a solution.

REACH will serve approximately 225 formerly incarcerated adult males who are at high risk for additional criminal charges. Currently, these individuals interact with county Behavioral Health, Adult Probation and Parole, the county's Criminal Justice Services Department and other community organizations. Many have moderate to severe substance use disorders. The program goal is to provide behavioral health treatment, housing, and case management services in order to lower the rate of recidivism, help them recover stable lives and reduce costs to taxpayers.

"We are honored to be able to partner with Salt Lake County to implement the REACH program. To our knowledge there isn't another program or project that targets the needs of this population with this comprehensive a set of interventions. This project is an opportunity for us to change the lives of people who are entrenched in the criminal justice system, struggling with addiction and, in most cases, have little hope that life can be different." Shawn McMillen, Executive Director, First Step House.

McAdams says that under the Pay for Success model, Salt Lake County only pays for results and private funders only benefit if county residents do.

"This is about improving outcomes for people who are in need and also about ensuring value for taxpayers, not only because if the programs don't measure up, we don't pay, but because it encourages investments in prevention. Just as vaccines are cheaper than treating disease; housing and job training costs less than jail," said McAdams.

McAdams thanked the funders and donors who have agreed to contribute up front for the programs to operate. He said generous support has been provided by James L. Sorenson, the Gail and Larry H. Miller Foundation, the Ray & Tye Noorda Foundation, the George S. and Dolores Doré Eccles Foundation, Synchrony Bank, Zions Bank, and Ally Bank in addition to Northern Trust, QBE Insurance Group Limited, Reinvestment Fund, and Living Cities. McAdams also thanked Sorenson Impact Center for project management, SLCO PFS 1 administered as the Community Foundation of Utah for serving as the financial and legal intermediary for both PFS projects and Dorsey & Whitney, Utah for legal assistance.

McAdams also acknowledged the county's successful partnership with Third Sector Capital Partners and thanked the team for its months' long effort to help structure the initiatives.

"We are pleased to provide investment support for First Step House and The Road Home to address urgent issues," said Connie Lindsey, Head of Corporate Social Responsibility, Diversity and Inclusion at Northern Trust. "We believe in their abilities to create sustainable positive outcomes when provided upfront capital and are happy to serve as the major investor in these Salt Lake County Pay for Success projects."

“Communities across the country are working to address homelessness and recidivism by using data to direct resources to those most in need,” said Caroline Whistler, president of Third Sector Capital Partners. “Third Sector is proud to partner with Mayor McAdams and Salt Lake County in applying outcomes-based contracting to improve the lives of individuals facing persistent homelessness. These Pay for Success initiatives allow the county to comprehensively address a growing social concern in a way that will create lasting impact for everyone involved but most importantly by providing homes and support to those that need it.”

Learn more at [www.slco.org/mayor](http://www.slco.org/mayor)

*Third Sector leads governments, high-performing nonprofits, and private funders in building evidence-based initiatives that address society’s most persistent challenges. As experts in innovative public-private contracting and financing strategies, Third Sector is an architect and builder of the nation’s most promising Pay for Success projects. A 501c (3) nonprofit based in Boston and San Francisco, Third Sector is supported through philanthropic and government sources.*

Partners and Funders comment on their organizations' participation in this groundbreaking Pay for Success project.

### **White House Office of Social Innovation**

“The White House congratulates Salt Lake County for taking an innovative approach to reduce homelessness and criminal justice system involvement. With support from the federal Social Innovation Fund, this Pay for Success project is bringing the sectors together to get people the services they need while protecting the taxpayer dollar. We are delighted for its launch and look forward to individual lives benefiting as a result.”

**David Wilkinson, Director, White House Office of Social Innovation**

### **United States Senator Orrin Hatch (UT)**

Salt Lake County's latest innovative Pay for Success program promises to help our state address one of its most pressing challenges: housing. With the help of local partners, this initiative will build community, support families, and decrease reliance on public programs. Pay for Success will not only transform lives here in Utah but will also provide a blueprint for similar models being used nationwide.



“The Utah Criminal Justice Center at the University of Utah is pleased to provide evaluations of the REACH and Homes Not Jail programs using the most rigorous of scientific methods, a Randomized Controlled Trial. Using this research design we will be able to measure the effectiveness of these innovative programs and report on outcomes that are truly meaningful to our community. Collaborating with Salt Lake County on this PFS initiative advances our goals of using evidence-based practices and outcome data to improve the lives of vulnerable populations and to promote social justice.”

**Dr. Rob Butters, Director, Utah Criminal Justice Center**

### **SLCO PFS1 - The Community Foundation of Utah**

“The Community Foundation of Utah strengthens Utah’s philanthropic community by bringing together individuals, businesses, government entities, and not-for-profit organizations and fostering collaboration to leverage collective resources and better our state. The partnership forged through the Salt Lake County Pay for Success project is a perfect example of the Foundation's ability to navigate significant complexity to help drive positive social outcomes. We are thrilled to partner on this important and innovative project that will provide the opportunity for our fellow Utahns to move beyond the cycle of homelessness and recidivism.”

**Alexandra Eaton, Director, The Community Foundation of Utah**

“QBE is delighted to be involved in this innovative Pay for Success program which is set to make a tangible difference in the lives of some of the most disadvantaged people in Salt Lake County. This investment is part of our broader commitment to invest in appropriately structured social impact investments. We are doing this as part of our Premiums4Good initiative, where we undertake to invest a portion of selected customer premiums in securities with an additional social objective.”

**Gary Brader, Group Chief Investment Officer, QBE Insurance Group Limited**



“Ally’s promise to ‘Do It Right’ extends beyond the products and services we provide to our customers to include supporting local initiatives. We are pleased to support the Pay for Success project as part of our commitment to programs and organizations that strengthen the communities where we live, work and do business.”

**Diane Morais, CEO and President, Ally Bank**



“Our financing of Salt Lake County’s pay for success project builds on decades of experience working on housing solutions for low-income and vulnerable populations. This is the fourth pay for success project we have helped finance and we are delighted for the opportunity to support effective and efficient programs that benefit communities most in need.”

**Sara Vernon Serman, VP of Strategic Investments, The Reinvestment Fund**



“Living Cities is thrilled to support these important efforts and to learn alongside Salt Lake



County about how capital can be harnessed to address some of our country’s greatest challenges.”

**Ben Hecht, President & CEO, Living Cities**

## **Larry H. and Gail Miller Foundation**

"I am always amazed at the goodness of the people in our city to help those most in need. I am grateful to be able to support this important initiative that will touch the lives of so many in a significant and positive way."

**Gail Miller**

## **GEORGE S. AND DOLORES DORÉ ECCLES F O U N D A T I O N**

"Not only during this holiday season, but throughout the year, we want to do all we can to help those most in need throughout our state and its communities. Our Foundation is pleased to join with Mayor McAdams, fellow contributors and investors in this innovative partnership that addresses two such important challenges that face our community today. We appreciate all those who are working together to implement this program, and we believe our joint efforts can make a more impactful, measurable difference, establishing a model of service that has the potential to positively address the well-being of all our citizens."

**Spencer F. Eccles, Chairman & CEO, George S. and Dolores Doré Eccles Foundation**



"The Ray and Tye Noorda Foundation is proud to support Salt Lake County's next Pay for Success project. When it comes to fighting society's most difficult challenges, we believe that rigorously measuring impact is key as organizations seek to increase impact. We look forward to watching the county project unfold and cannot wait to share the lessons from this project with nonprofit and governmental organizations across the nation."

**Brittany Erikson, Program Officer, Ray and Tye Noorda Foundation**



"Synchrony Bank is very interested in the Pay for Success model in Salt Lake and is kick starting it with a grant. We look forward to the program being in operation."

**Alan Urie, SVP and CRA Officer, Synchrony Bank**

## **ZIONS BANK**

"The basic principle behind the Pay for Success initiative is found in Benjamin Franklin's statement that 'an ounce of prevention is worth a pound of cure.' Simply put, it is easier, more efficient and less expensive to avert a negative outcome from happening in the first place than it

is to mend it after it has occurred. In recent years, Utah has demonstrated that public dollars invested in a collective impact approach yield results. I am a strong proponent of Salt Lake County's plans to address three of our community's critical issues – maternal and child health, homelessness, and criminal justice – through a Pay for Success model, and I am confident the success of these initiatives will lead to similarly successful efforts in the future."

**Scott Anderson, President and CEO, Zions Bank.**



"Nonprofit Finance Fund is proud to support this work through our grant from the Pay for Success program of the Corporation for National and Community Service's Social Innovation Fund. This project exemplifies bipartisan and cross-sector commitment to addressing persistent social challenges, and is poised to change the lives of struggling individuals and their families in ways that benefit the whole community. "

**Jessica LaBarbera, Vice President, Nonprofit Finance Fund**



"The Social Innovation Fund seeks to invest in truly compelling solutions to the persistent challenges facing our communities. We have been thrilled that our Social Innovation Fund award to the Nonprofit Finance Fund has provided governments a new outcomes-oriented option for accelerating promising programs focused on making tangible impacts on communities like Salt Lake County."

**Lois Nembhard, Acting Director, Social Innovation Fund at CNCS**

### **Department of Workforce Services, State of Utah**

"We are excited to not only have individuals exit from the emergency shelter system into a targeted housing solution, and but also to learn more about the effectiveness of this new strategy through the randomized trial."

**Jonathan Hardy, Director, Housing & Community Development Division, Department of Workforce Services**

### **Utah Department of Corrections**

"There is an ever-growing need for additional treatment resources for the high-risk offenders who experience substance abuse. This innovative initiative will help directly respond to the substance abuse issues among the high-risk population that often lead to new criminal behavior. Utah Department of Corrections is a committed partner to this multiagency collaboration to make our communities safer."

**Rollin Cook, Executive Director, Utah Department of Corrections**



“The Pay for Success model is a unique opportunity for business and government to work together to solve local challenges. We are passionate about our community and happy to offer our legal experience to aid Salt Lake County and the Community Foundation of Utah in their work on reducing homelessness and recidivism.”

**Layne T. Smith, Partner, Dorsey & Whitney LLP**