

# Pay for Success in the U.S.

## Summaries of Financed Projects

April 2016



INSTITUTE *for* CHILD SUCCESS

Pay for Success financing, also called “Social Impact Bonds,” can bring new resources, new partners and a new focus on outcomes to early childhood services and other important issues. The Institute for Child Success and Living Cities are committed to learning what works and how PFS might contribute to our efforts as we work to open source social change and improve outcomes for our youngest children. This chart presents parties, financing, evaluation, timeframe and expected impact for Pay for Success transactions that have been implemented in the United States so far. We look to you to hear where we got it right, where we got it wrong and how to make this more useful for the diverse set of stakeholders in the emerging outcome-based social service contracting and Pay for Success fields.

A special thanks to the leaders in the field from the jurisdictions represented for reviewing and commenting on these summaries.

(by)

**Megan Golden**  
**Mary Garvey**  
**Megan Carolan**  
**Lichi Xu**

*Institute for Child Success*

**Brian Nagendra**  
*Living Cities*

(with assistance from)  
**Kevin Seok-Hyun Mun**



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## Chicago Child-Parent Center Initiative

<b>Policy Area</b>	Education / Early Childhood
<b>Policy Problem</b>	Research shows that children who receive high-quality early education are more likely to succeed in school and less likely to need special education services.
<b>Jurisdiction (Implementation Sites)</b>	Chicago public elementary schools (initially 6, increasing to 8)
<b>Who is Paying for the Outcomes?</b>	<ul style="list-style-type: none"> <li>• Chicago Public Schools (CPS)</li> <li>• City of Chicago</li> </ul>
<b>Organization(s) Delivering Services</b>	Chicago Public Schools
<b>Intervention</b>	Child-Parent Center (CPC) preschool model: Half and full day preschool education to three- and four-year olds as well as comprehensive family services (PFS transaction funds the program for 4-year-olds)
<b>Approximate Program Cost per Participant</b>	
<b>Intermediary: Coordinator &amp; Borrower</b>	IFF (Metropolitan Family Services will provide quality assurance support)
<b>Program Evaluator</b>	SRI International
<b>Validator</b>	None
<b>Outcome Metric(s)</b>	<ul style="list-style-type: none"> <li>• Increase kindergarten readiness</li> <li>• Decrease special education services</li> <li>• Increase third grade literacy</li> </ul>
<b>Evaluation Design</b>	Quasi-Experimental: comparison group comprised of children who enter kindergarten who have never enrolled in a preschool program
<b>Target Population (criteria and size)</b>	2,618 4-year-old Chicago Public School children eligible for free or reduced lunch: Year 1 (374), Year 2 (782), Year 3 (782) Year 4 (680)
<b>Size of Investment</b>	\$16.9 million
<b>Total Payments Possible</b>	\$34 million

<p><b>Term / Timeframe (intervention and evaluation)</b></p>	<p><b>17 years:</b></p> <p>Years 1-4: CPS will enroll CPC participants, each enrolled for one year</p> <ul style="list-style-type: none"> <li>Kindergarten readiness will be measured once for each cohort at the end of preschool</li> <li>Special education services will be measured annually through 6<sup>th</sup> grade for each cohort</li> <li>3<sup>rd</sup> grade literacy will be measured once for each cohort in 3<sup>rd</sup> grade</li> </ul> <p>Payments will be made on special education savings annually through 12<sup>th</sup> grade. Senior lenders will receive payouts first, through 2022. Subordinate lender gets payouts after 2022 for additional special education savings until the final cohort completes 12<sup>th</sup> grade.</p>
<p><b>Investors: Deal Structure / Capital Stack (annual return if available)</b></p>	<ul style="list-style-type: none"> <li>Senior Debt: \$7.5 million Goldman Sachs Social Impact Fund</li> <li>Senior Debt: \$5.5 million Northern Trust</li> <li>Subordinate Debt: \$3.9 million J.B. and M.K. Pritzker Family Foundation</li> <li>Finnegan Family Foundation (funding evaluation)</li> </ul>
<p><b>Payment Terms - Risk Sharing</b></p>	<p>Risk shifted to private sector</p>
<p><b>Payment Terms - Details on Payment per Outcome, Minimum Improvement Required, etc.</b></p>	<p><b>Decrease in special education:</b> \$9,100/student annually compounding at an annual rate of 1.0% for each student who avoids special education after attending the CPC program</p> <p><b>Increase in kindergarten readiness:</b> \$2,900 for each student that is prepared for kindergarten after attending the CPC program</p> <p><b>Increase in the third grade literacy:</b> \$750 for each student that scores above the national average on the nationally administered third grade reading test</p>
<p><b>Date Announced</b></p>	<p>10/7/14</p>
<p><b>Implementation Start</b></p>	<p>December 2014</p>
<p><b>Interim Outcome Dates</b></p>	<p>Annually beginning fall 2016</p>
<p><b>Legislation for Appropriation Risk</b></p>	<p>No</p>

**Other Notes**

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## Cuyahoga County Partnering for Family Success

<b>Policy Area</b>	Homelessness, Child Welfare
<b>Policy Problem</b>	<p>Extended time in the child welfare system results in poor outcomes for the County's most vulnerable children and leads to higher costs to the County.</p> <p>Providing caregivers access to housing as well as emotional and practical support before they are reunited with their children allows reunification decisions to happen sooner and children to exit foster care earlier.</p>
<b>Jurisdiction (Implementation Sites)</b>	Cuyahoga County, Ohio
<b>Who is Paying for the Outcomes?</b>	Cuyahoga County, Ohio
<b>Organization(s) Delivering Services</b>	FrontLine Service, The Cuyahoga Metropolitan Housing Authority, Emerald Development and Economic Network Inc, Famicos Foundation
<b>Intervention(s)</b>	<ul style="list-style-type: none"> <li>• Critical Time Intervention (CTI), an evidence-based case management model for homelessness transition</li> <li>• Housing resources</li> <li>• Individual and family-based trauma therapy</li> </ul>
<b>Approximate Program Cost per Participant</b>	
<b>Intermediary: Coordinator &amp; Borrower</b>	Enterprise Community Partners is the project coordinator with transaction development and advisory support from Third Sector Capital Partners, through Cuyahoga PFS, LLC.
<b>Program Evaluator</b>	The Center on Urban Poverty and Community Development at the Jack, Joseph and Morton Mandel School of Applied Social Sciences at Case Western Reserve University
<b>Validator</b>	N/A
<b>Outcome Metric(s)</b>	Length of stay in out-of-home foster care
<b>Evaluation Design</b>	Eligible families, as identified by Cuyahoga County's Homelessness Management Information System (HMIS) and the Domestic Violence and Child Advocacy Center and Emergency Shelter (DVCAC), are randomly assigned to a treatment or control group at the point of referral. Success will be gauged by the reduction in the combined number of out-of-home placement days for children in the treatment group versus the control group. Three cohorts will participate in the program over the course of four years; each cohort will be treated for 12–15 months. Cohort One will be observed for the full five years, while Cohorts Two and Three will be observed for four and three years, respectively. The non-observed days in Cohorts Two and Three will be forecasted according to the intervention performance of the first cohort.
<b>Target Population (Criteria and Size)</b>	135 caregivers identified as homeless, who have children currently in Department of Children and Family Services (DCFS) temporary out-of-home placement.

<b>Size of Investment</b>	\$4 million
<b>Total Payments Possible (Investment &amp; Return)</b>	\$5 million (\$4 million + 1 million maximum return over)
<b>Term / Timeframe (Intervention &amp; Evaluation)</b>	12–15 months of intensive treatment to 135 families, enrolled over the course of 3 years. Total project duration 5 years (4 years delivering intervention and 1 year wind-up in which success payments are calculated).
<b>Investors: Deal Structure/ Capital Stack (Annual Return if Available)</b>	<p><b>Senior Debt:</b> \$1,575,000, The Reinvestment Fund (5%)</p> <p><b>Subordinate Debt:</b> \$725,000 (2%); \$275,000 (0%); The George Gund Foundation \$325,000; Nonprofit Finance Fund (2%) \$750,000; The Cleveland Foundation (2%) \$150,000 (recoverable grant); \$200,000 (2%); Sisters of Charity Foundation of Cleveland</p>
<b>Payment Terms: Risk Sharing Structure</b>	Risk 100% shifted as payment is made based on overall reduction of out-of-home foster care days for treatment vs. control.
<b>Payment Terms: Details on Payment per Outcome, Payment Period</b>	Success Payments will be based on the difference in out-of-home placement days avoided between the control group and the treatment group. The payments will equal \$75 per child per reduced out-of-home placement day. The final outcome will be calculated after intervention services have ended in December 2018 (Q16). Payments will be made in January or February of 2020 (first 45 days of Q21).
<b>Date Announced</b>	December 3, 2014
<b>Implementation Start</b>	September 2014 (Pilot) January 2015 (PFS project)
<b>Interim Outcome Dates</b>	None
<b>Legislation for Appropriation Risk</b>	Yes, Ordinance No. 02014-0018, effective July 2014
<b>Other Notes</b>	N/A

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## Denver Social Impact Bond Initiative: Permanent Supportive Housing \*

<b>Policy Area</b>	Homelessness, Supportive Housing
<b>Policy Problem</b>	The City of Denver has limited preventive resources to support chronically homeless and individuals who struggle from mental health and substance abuse challenges. As a result, too many of these individuals frequently interact with the police, jail, detox, and emergency care systems.
<b>Jurisdiction (Implementation Sites)</b>	The City & County of Denver
<b>Who is Paying for the Outcomes?</b>	The City & County of Denver
<b>Organization(s) Delivering Services</b>	Colorado Coalition for the Homeless and Mental Health Center of Denver
<b>Intervention</b>	<p>The program combines two models to provide at least 250 chronically homeless individuals with up to five years of housing and services:</p> <ul style="list-style-type: none"> <li>• Housing First: 210 new units will be allocated for the project; 40 scattered-site housing units will be used to house additional individuals</li> <li>• Modified Assertive Community Treatment (ACT): various services will be provided to fit clients' needs, such as (i) address barriers to housing stability, (ii) manage mental illness (iii) reduce interaction with the criminal justice system (iv) improve health outcomes.</li> </ul>
<b>Approximate Program Cost per Participant</b>	Approximately \$22,000 per year
<b>Intermediary: Coordinator &amp; Borrower</b>	Corporation for Supportive Housing (CSH) (program intermediary) and Enterprise Community Partners (fiscal intermediary)
<b>Program Evaluator</b>	Urban Institute with support of the Burnes Institute for Poverty and Homelessness, and the Evaluation Center at the University of Colorado Denver
<b>Validator</b>	Dennis Culhane
<b>Outcome Metric(s)</b>	<ul style="list-style-type: none"> <li>• Housing Stability (threshold of one year in stable housing)</li> <li>• Percentage Reduction in Jail Bed Days (over 3 years compared to nonparticipants)</li> </ul>
<b>Evaluation Design</b>	<p>Randomized Control Trial (RCT). A lottery will be used to allocate supportive housing slots. Outcomes of those who receive supportive housing as a part of the SIB project will be compared to those who don't.</p> <p>The evaluation will also capture other outcomes and impacts that will inform the broader field of supportive housing for frequent user populations, including program housing retention rate and housing stability.</p>
<b>Target Population (criteria and size)</b>	Individuals with a record of at least eight arrests over the past three years; and a documented case of transiency at the time of their last arrest (i.e. homelessness)

**\$8,634,695**

- Housing Stability (\$4,000,000)
- Jail Bed Reduction (\$4,634,695)

**Size of Investment**

An additional \$15 million in Federal resources will be leveraged over the next five years to pay for housing operations and/or rent. The project also was also successful in securing Low-Income Housing Tax Credits and local funding for the construction of the new units of housing. The SIB investment will primarily pay for services that are not currently reimbursed to Medicaid and for temporary housing costs while more permanent vouchers are secured.

**Total Payments Possible**

If outcome levels were at 100% housing stability, 65% jail bed reduction, the maximum payment would be \$11.4 million.

Based on previous studies, projected payment will be approximately \$9.6 million.

**Term / Timeframe (intervention and evaluation)**

Up to five years of intervention and approximately one additional year for completion of the program’s evaluation and payments from the City if outcomes are achieved.

**Investors: Deal Structure / Capital Stack (annual return if available)**

**Housing Stability Lenders**

[paid after reach 366 days of continuous housing]

Northern Trust Company	\$3,000,000
The Denver Foundation	\$500,000
The Piton Foundation	\$500,000

**Jail Bed Day Reduction Lenders**

[paid back after program completed]

Laura and John Arnold Foundation	\$1,700,000
The Colorado Health Foundation	\$1,000,000
The Ben and Lucy Ana Fund at the Walton Foundation Living Cities	\$1,000,000
Blended Catalyst Fund	\$500,000
Nonprofit Finance Fund	\$434,696

**Payment Terms - Risk Sharing**

100% of risk is shifted in that no payment is made unless participants achieve the specified outcomes.

- No payments made if a participant spend less than one year in housing
- No payments made below a 20% reduction in jail bed days

**Payment Terms - Details on Payment per Outcome, Minimum Improvement Required, etc.**

**Housing Stability**

- \$15.12 for each day spent in housing minus the number of days that a participant spends in jail (both for the 1st year in housing and days thereafter), once in housing for 366 days.
- Minimum \$0—Maximum \$5,292,188

**Jail Bed Reduction**

Payment made based upon the percentage reduction seen between participants and non-participants over three years

Percentage:	Payment Per Percentage Point:
<20%	\$0
20 to <30%	\$160,000
30 to <65%	(30*\$160,000)+\$38,000 per percent point above 30%
>=65%	Max Payment (\$6,130,000 total)

**Date Announced** Jun, 2014

**Implementation Start** Feb. 17, 2016

**Legislation for Appropriation Risk** Creation of a sinking fund through City Council ordinance

**Other Notes**

\* For the purposes of this summary document, SIB and PFS are interchangeable. Denver has chosen to label its project a SIB.

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## Massachusetts Chronic Individual Homelessness Pay for Success Initiative

<b>Policy Area</b>	Homelessness
<b>Policy Problem</b>	Massachusetts has a population of roughly 1,500 chronically homeless people, whose needs are not sufficiently addressed and thus need to use temporary shelter, Medicaid, and other emergency services.
<b>Jurisdiction (implementation sites)</b>	Greater Boston, Worcester, Springfield, Lowell, Quincy, Brockton, Framingham, Western Massachusetts, Cape Cod, Cape Ann
<b>Who is paying for the outcomes?</b>	The Commonwealth of Massachusetts* United Way of Massachusetts Bay and Merrimack Valley *Includes Massachusetts MassHealth (Medicaid) and the Division of Public Housing and Rental Assistance (Massachusetts Rental Voucher Program)
<b>Organization(s) Delivering Services</b>	Action, Inc. Boston Public Health Commission Commonwealth Land Trust, Inc. Eliot Human Services Father Bill's & Mainspring Friends of the Homeless Heading Home, Inc. Hearth, Inc. HomeStart, Inc. Housing Assistance Corporation/Duffy Health Center Lynn Shelter Association Mental Health Associates Pine Street Inn South Middlesex Opportunity Council
<b>Intervention</b>	Based on Massachusetts Housing and Shelter Alliance's "Home & Healthy for Good" (HHG) program, which provides flexible funding for permanent supportive housing for chronically homeless individuals. HHG is a Housing First or low-threshold housing model that incorporates evidence-based practices for homeless populations. The PFS initiative integrates housing and supportive services.
<b>Approximate Program Cost per Participant</b>	
<b>Intermediary: Coordinator &amp; Borrower</b>	Massachusetts Alliance for Supportive Housing (MASH) – a subsidiary of MHSA in partnership with the Corporation for Supportive Housing and the United Way of Massachusetts Bay and Merrimack Valley (UWMB). UWMB serves as the fundraising intermediary and financial manager.
<b>Program Evaluator</b>	Root Cause Institute, Inc.
<b>Validator</b>	None

<b>Outcome Metric(s)</b>	Number of days continuously housed in permanent supportive housing as part of the program during a specified period, usually a minimum of 12 months.
<b>Evaluation Design</b>	Root Cause Institute Inc. is verifying the number of participants housed in this initiative for a minimum of 12 consecutive months. There is a goal of an 85% housing retention rate (reflected in payment terms) based on previous performance over time of similar Housing First program models.
<b>Target Population (criteria and size)</b>	500 High Use Homeless Individuals, defined as i) meeting the US HUD definition of “chronically homeless”, or ii) identified by MASH as homeless, anticipated high-cost users of emergency services in its reasonable judgment, including through consultation with PFS service providers. The PFS project aims to provide 500 units of stable supportive housing including 145 state rental vouchers for up to 800 chronically homeless individuals ramping up to full capacity during the first 2 years.
<b>Size of Investment</b>	<p>\$26.5 million = total value of project</p> <ul style="list-style-type: none"> <li>• \$3.5 million-social impact/philanthropic investment</li> <li>• \$23 million-federal, state, local resources</li> </ul> <p>The \$3.5 million social impact and philanthropic investment is anticipated to leverage an additional \$23 million dollars in federal, state, and local resources, adding up to the full cost of the intervention.</p>
<b>Total Payments Possible (investment and return)</b>	Up to \$6 million in success payments
<b>Term / Timeframe (intervention and evaluation)</b>	<p>6 years (72 months) for the intervention</p> <ul style="list-style-type: none"> <li>• Evaluation in the form of quarterly reports within 30 days after the end of each quarter</li> </ul>
<b>Investors: Deal Structure/ Capital Stack (annual return if available)</b>	<p><b>\$2.5 million in private debt capital:</b></p> <ul style="list-style-type: none"> <li>• \$1 million funded by Santander Bank</li> <li>• \$1 million funded or secured through third party by United Way</li> <li>• \$0.5 million funded by CSH</li> </ul> <p><b>\$1 million in philanthropic contributions:</b></p> <ul style="list-style-type: none"> <li>• \$250,000 funded by Santander</li> <li>• \$750,000 funded or secured through third party by United Way</li> </ul>
<b>Payment Terms - Risk Sharing Structure</b>	Risk is shifted to the investor; there is no payment if an individual is not housed for at least 12 continuous months, with the exception of past participants whose days may count as Former Qualified Participant Days although they exited the program prior to the 12-month mark.

<p><b>Payment Terms - Details on Payment per Outcome, Payment Period</b></p>	<p><b>Outcome Calculations:</b></p> <p>Payment begins after 12 consecutive months of being successfully housed and includes payment for all 365 days plus any days past the 12-month period. The payment is a per diem rate of \$8.22 amounting to an annual payment of \$3,000. Payment includes:</p> <ol style="list-style-type: none"> <li>1. Number of Qualified Participant Days multiplied by the per diem rate; <b>AND</b></li> <li>2. Days former participants were housed multiplied by the per diem rate.             <ol style="list-style-type: none"> <li>a. Only counts if former participant discontinued program due to one of four approved reasons.</li> </ol> </li> </ol> <p>Not to exceed \$6 million.</p> <ul style="list-style-type: none"> <li>• Success rates &gt;80% will return 100% of invested capital (return between 0% and 5.33% at 95% success rate)</li> <li>• Success rates &lt;80% will return diminishing level of invested capital</li> </ul> <p><b>Payment Period</b></p> <ul style="list-style-type: none"> <li>• Within 45 calendar days following the delivery of each verified quarterly Periodic Report, with the Independent Evaluator’s confirmation</li> </ul>
<p><b>Date Announced</b></p>	<p>December 8, 2014</p>
<p><b>Implementation Start</b></p>	<p>June 1, 2015</p>
<p><b>Interim Outcome Dates</b></p>	<p>September 2015 (and within 30 days of the end of each quarter thereafter)</p>
<p><b>Legislation for Appropriation Risk</b></p>	<p>Yes, G.L. c. 29 § 26, § 27 and § 29, effective July 2012.</p>
<p><b>Other Notes</b></p>	<p>Any significant change in the level of Commonwealth resources committed to supporting this initiative triggers a contractual breach, enabling MASH to return 100% of invested capital and any earned but unpaid interest at the rate of 3.33% (based on 85% success rate).</p>

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## Massachusetts Recidivism Reduction and Employment

<b>Policy Area</b>	Criminal Justice, Employment
<b>Policy Problem</b>	Currently in Massachusetts, 64% of young male ex-offenders reoffend within five years, and historically, only 35% of these young men are employed within a year of release. Among those employed, average annual earnings were only about \$5,000 one year after release.
<b>Jurisdiction (implementation sites)</b>	<ul style="list-style-type: none"> <li>• Boston, MA</li> <li>• Chelsea, MA</li> <li>• Springfield, MA</li> </ul>
<b>Who is Paying for the Outcomes?</b>	<p>The Commonwealth of Massachusetts will be the primary payor for a total of \$27 million.</p> <p>The U.S. Department of Labor also provided the Commonwealth with a Pay for Success grant of \$10,770,000 million and will pay for expanding the project, if successful, to an additional 390 participants.</p>
<b>Organization(s) Delivering Services</b>	Roca Inc.
<b>Intervention</b>	Roca's model, based on proven behavioral change theories, trains high-risk young men in job readiness, educational readiness, and life skills.
<b>Approximate Program Cost per Participant</b>	\$23,000 per person over 4 years
<b>Intermediary: Coordinator &amp; Borrower</b>	Third Sector Capital Partners, Inc. through Youth Services, Inc.
<b>Program Evaluator</b>	Sibalytics LLC and The Urban Institute
<b>Validator</b>	Public Consulting Group
<b>Outcome Metric(s)</b>	(1) Reduce bed-days in incarceration. Secondary outcome metrics: (2) increase job readiness and (3) increase employment.
<b>Evaluation Design</b>	Randomized Controlled Trial
<b>Target Population (criteria and size)</b>	929 participants: Men, aged 17-24 on probation or parole, or incarcerated or exiting the juvenile justice system as high-risk according to the project's eligibility criteria
<b>Size of Investment</b>	\$21.3 million
<b>Total Payments Possible (investment &amp; possible success payments)</b>	\$27 million (includes cost of intermediary and evaluation)

<p><b>Term / Timeframe (intervention and evaluation)</b></p>	<p>7 years:                  Years 1-4: Program enrollment                  Years 5-6: Final cohorts complete Roca’s programming                  Year 7: Final time for evaluation</p>														
<p><b>Investors: Deal Structure/ Capital Stack (annual return if available)</b></p>	<ul style="list-style-type: none"> <li>• Senior Debt \$9 million - Goldman Sachs</li> <li>• Sub-Debt \$1.5 million -The Kresge Foundation</li> <li>• Sub-Debt \$1.5 million - Living Cities</li> <li>• Deferred Fees - \$3.26 million Roca Inc.</li> <li>• Deferred Fees - \$50,000 Third Sector Capital Partners, Inc.</li> <li>• Grant \$3.7 million - The Laura and John Arnold Foundation</li> <li>• Grant \$2 million - New Profit Inc.</li> <li>• Grant \$300,000 - The Boston Foundation</li> </ul>														
<p><b>Payment Terms - Risk Sharing</b></p>	<p>Risk shifted to private sector</p>														
<p><b>Payment Terms - Details on Payment per Outcome, Minimum Improvement Required, etc.</b></p>	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Decrease in Days of Incarceration</th> <th style="text-align: left;">Incarceration-Based Success Payments</th> </tr> </thead> <tbody> <tr> <td>70.0%</td> <td>\$ 27 million</td> </tr> <tr> <td>55.0%</td> <td>\$ 26 million</td> </tr> <tr> <td>40.0%</td> <td>\$ 22 million</td> </tr> <tr> <td>25.0%</td> <td>\$ 11 million</td> </tr> <tr> <td>10.0%</td> <td>\$ 2 million</td> </tr> <tr> <td>5.0%</td> <td>\$0</td> </tr> </tbody> </table> <p><b>Increase in Job Readiness Payment Terms:</b>                  Government will also make success payments to increase job readiness, to be paid at \$789 for each participant in each quarter that a Roca participant engages with a Roca youth worker nine or more times.</p> <p><b>Gains in Employment Payment Terms:</b>                  Government will also make success payments to increase gains in employment, to be paid at \$750 for each participant in each quarter that a Roca participant is employed as compared to similar young men who are not in the program.</p>	Decrease in Days of Incarceration	Incarceration-Based Success Payments	70.0%	\$ 27 million	55.0%	\$ 26 million	40.0%	\$ 22 million	25.0%	\$ 11 million	10.0%	\$ 2 million	5.0%	\$0
Decrease in Days of Incarceration	Incarceration-Based Success Payments														
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<p><b>Payment Terms - Payment Period(s)</b></p>	<p><b>Decrease in Incarceration Payment Period:</b>                  Within 45 calendar days after the beginning of Quarters 17, 19, 21 and 23 &amp; within 45 calendar days after the beginning of Quarter 25 at Wind-Up.</p> <p><b>Increase in Job Readiness Payment Period:</b>                  Beginning of Quarter 7, and every two Quarters thereafter through Wind-Up.</p> <p><b>Increase in Gains in Employment Payment Period:</b>                  Within 45 calendar days after the beginning of Quarters 17, 19, 21 and 23 &amp; within 45 calendar days after the beginning of Quarter 25 at Wind-Up.</p>														
<p><b>Deferred Fees</b></p>	<p>\$3.26mm - Roca                  \$50k - Third Sector Capital Partners, Inc.</p>														
<p><b>Date Announced</b></p>	<p>1/29/14</p>														

<b>Implementation Start</b>	October 2014
<b>Interim Outcome Dates</b>	Interim outcomes will be available in Quarter 18 (beginning 1/1/19), 19, 21, 23 and 25
<b>Legislation for Appropriation Risk</b>	Yes: In 2012, the Massachusetts Legislature authorized the Secretary of Administration and Finance to enter into PFS contracts, with up to \$50 million in success payments backed by the full faith and credit of the Commonwealth. This legislative act also requires the Governor to seek an annual appropriation into the fund.
<b>Other Notes</b>	Tracking, but not tied to payment: educational outcomes for young men at risk as re-offenders (high school graduation rates, GED completion, enrollment in post-secondary education).

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## New York City Rikers Island Recidivism Reduction Initiative

<b>Policy Area</b>	Criminal Justice
<b>Policy Problem</b>	50% of youth return to jail within one year.
<b>Jurisdiction (implementation sites)</b>	New York City, NY
<b>Who is Paying for the Outcomes?</b>	NYC Department of Correction
<b>Organization(s) Delivering Services</b>	Osborne Association, Friends of Island Academy
<b>Intervention</b>	The ABLE (Adolescent Behavioral Learning Experience) program uses Moral Reconciliation Therapy, a cognitive behavioral therapy intervention
<b>Approximate Program Cost per Participant</b>	\$800 per year
<b>Intermediary: Coordinator &amp; Borrower</b>	MDRC
<b>Program Evaluator</b>	Vera Institute of Justice
<b>Validator</b>	None
<b>Outcome Metric(s)</b>	Reduce # of “reentry bed-days” (days in jail after youth initially released from jail)
<b>Evaluation Design</b>	Quasi-Experimental: The Vera Institute of Justice will compare the recidivism bed days for a cohort of 16-18 year-olds entering DOC custody while the ABLE program is operating (the program group) to a cohort entering DOC custody prior to the start of the ABLE program (the comparison group) and will control for extraneous factors.
<b>Target Population (criteria and size)</b>	All 16–18-year-olds entering the NYC jail on Rikers Island with a length of stay of more than 4 days. (Estimated at 3,000 per year)
<b>Size of Investment</b>	\$9.6 million (\$2.4 million per year)
<b>Total Payments Possible (investment and possible success payments)</b>	\$11.7 million (does not include cost of intermediary and evaluation)
<b>Term / Timeframe (intervention and evaluation)</b>	4 Years (including program delivery and evaluation; evaluation is based on first year cohort with 2-year follow-up). Balloon payment.

<b>Investors: Deal structure/ Capital Stack (annual return if available)</b>	<ul style="list-style-type: none"> <li>• Senior Debt \$9.6 million Goldman Sachs</li> <li>• Guarantee - \$7.2 million Bloomberg Philanthropies</li> </ul> <p>Note: Evaluation and intermediary funded separately by Bloomberg Philanthropies via the Mayor's Fund to Advance NYC</p>																		
<b>Payment Terms - Risk Sharing Structure</b>	Risk shifted to private sector																		
<b>Payment Terms - Details on Payment per Outcome, Minimum Improvement Required, etc.</b>	<table border="1"> <thead> <tr> <th data-bbox="568 525 803 588"><b>Reduction in Reincarceration Rate</b></th> <th data-bbox="836 525 1023 588"><b>City Payment to MDRC</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="568 598 649 630">≥20.0%</td> <td data-bbox="836 598 958 630">\$11,712,000</td> </tr> <tr> <td data-bbox="568 640 649 672">≥16.0%</td> <td data-bbox="836 640 966 672">\$10,944,000</td> </tr> <tr> <td data-bbox="568 682 649 714">≥13.0%</td> <td data-bbox="836 682 966 714">\$10,368,000</td> </tr> <tr> <td data-bbox="568 724 649 756">≥12.5%</td> <td data-bbox="836 724 966 756">\$10,272,000</td> </tr> <tr> <td data-bbox="568 766 649 798">≥12.0%</td> <td data-bbox="836 766 966 798">\$10,176,000</td> </tr> <tr> <td data-bbox="568 808 649 840">≥11.0%</td> <td data-bbox="836 808 966 840">\$10,080,000</td> </tr> <tr> <td data-bbox="568 850 649 882">≥10.0%</td> <td data-bbox="836 850 958 882">\$9,600,000</td> </tr> <tr> <td data-bbox="568 892 649 924">≥8.5%</td> <td data-bbox="836 892 958 924">\$4,800,000</td> </tr> </tbody> </table>	<b>Reduction in Reincarceration Rate</b>	<b>City Payment to MDRC</b>	≥20.0%	\$11,712,000	≥16.0%	\$10,944,000	≥13.0%	\$10,368,000	≥12.5%	\$10,272,000	≥12.0%	\$10,176,000	≥11.0%	\$10,080,000	≥10.0%	\$9,600,000	≥8.5%	\$4,800,000
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<b>Date Announced</b>	Aug. 2012																		
<b>Implementation Start</b>	Feb. 2013 (after pilot period)																		
<b>Interim Outcome Dates</b>	Summer 2015 (Year 1 results) Summer 2016 (Year 2 results)																		
<b>Legislation for Appropriation Risk</b>	No																		

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## New York State Recidivism Reduction and Employment Initiative

<b>Policy Area</b>	Criminal Justice, Employment
<b>Policy Problem</b>	Incarcerated individuals face challenges seeking employment, often leading to recidivism. In NYS 22,000 individuals return home from prison annually and 51-71% cannot find employment. 44% return to prison, compared to 23% with full time employment and 29% with part time employment.
<b>Jurisdiction (implementation sites)</b>	Rochester, NY New York City, NY
<b>Who is paying for the outcomes?</b>	US Department of Labor (Phase 1) NYS Department of Labor (Phase 2—\$12mm)
<b>Organization(s) Delivering Services</b>	Center for Employment Opportunities
<b>Intervention</b>	CEO's transitional employment model
<b>Approximate Program Cost per Participant</b>	\$6,750
<b>Intermediary: Coordinator &amp; Borrower</b>	Social Finance US through Social Finance NYS Workforce Re-entry 2013 Manager, Inc
<b>Program Evaluator</b>	NYS Dept. of Corrections and Community Supervision (DOCCS) Research and NYS Dept. of Labor Research
<b>Validator</b>	Chesapeake Research Associates
<b>Outcome Metric(s)</b>	<ul style="list-style-type: none"> <li>• Reduced days in jail or prison after released</li> <li>• Indication of positive earnings in the fourth quarter following release from prison</li> <li>• Number of members who start a CEO transitional job during the relevant observation period</li> </ul>
<b>Evaluation Design</b>	Randomized Controlled Trial
<b>Target Population (criteria and size)</b>	2,000 participants targeting people on Parole with high risk of returning to incarceration who have high employment needs
<b>Size of Investment</b>	\$13.5 million
<b>Total Payments Possible (investment and possible success payments)</b>	\$23.5 million (includes cost of intermediary and evaluation)

<b>Term / Timeframe (intervention and evaluation)</b>	5.5 Years: -Years 1-4 program delivery -Years 5-5.5: Additional period for evaluation		
<b>Investors: Deal structure/ Capital Stack (annual return if available)</b>	<ul style="list-style-type: none"> <li>• Debt \$13.5 million Bank of America Merrill Lynch (Investors: 40 individuals, foundations, family foundations including Pershing Square Capital Foundation, Lawrence Summers, James Sorenson, Laura and John Arnold Foundation, Living Cities)</li> <li>• Grant - \$300,000 - Robin Hood Foundation</li> <li>• Guarantee/first loss position - \$1.32 million Rockefeller Foundation</li> </ul>		
<b>Payment Terms - Risk Sharing Structure</b>	Risk shifted to private sector		
<b>Payment Terms - Details on Payment per Outcome, Minimum Improvement Required, etc.</b>	<b>Outcome</b>	<b>Threshold</b>	<b>Price per Outcome</b>
	<i>Employment:</i> Percentage point difference between treatment and control group members with positive earnings in the fourth quarter following release from prison.	5 percentage point increase	<i>Phase I:</i> \$6,000 per person <i>Phase II:</i> \$6,360 per person
	<i>Recidivism:</i> Difference between treatment and control group in average number of days incarcerated per person during the observation period.	36.8 days reduction	<i>Phase I:</i> \$85 per day <i>Phase II:</i> \$90.1 per day
	<i>Transitional Jobs:</i> Number of treatment group members who start a CEO transitional job during the observation period.		<i>Phase I:</i> \$3,120 per person <i>Phase II:</i> \$3,307 per person
<b>Date Announced</b>	Dec. 20, 2013		
<b>Implementation Start</b>	December 2013		
<b>Interim Outcome Dates</b>	Early 2017 (Phase 1 payment calculated)		
<b>Legislation for Appropriation Risk</b>	No		

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## Santa Clara Project Welcome Home

<b>Policy Area</b>	Homelessness
<b>Policy Problem</b>	Studies have shown that people experiencing chronic homelessness are significant and disproportionate users of high-cost public services including emergency room visits and jail time that only provide short-term respite from homelessness. A “Housing First” approach that provides housing as a first step towards stability (without requiring sobriety) and then provides long-term supportive services as needed has been shown to be effective at reducing homelessness and helping clients achieve stability.
<b>Jurisdiction (implementation sites)</b>	County of Santa Clara, California
<b>Who is paying for the outcomes?</b>	County of Santa Clara, California
<b>Organization(s) Delivering Services</b>	Abode Services
<b>Intervention</b>	<ul style="list-style-type: none"> <li>• Permanent housing through a “Housing First” approach</li> <li>• Assertive Community Treatment (ACT) that identifies, coordinates and delivers appropriate supports, including: intensive case management, crisis intervention, substance use counseling, mental health treatment, and primary care referrals.</li> </ul>
<b>Approximate Program Cost per Participant</b>	<p>In addition to \$6.9 million in PFS funding, the project will utilize county support through Medi-Cal and rental housing support.</p> <p>As the permanent supportive housing intervention does not have a define time frame, it is difficult to determine an total cost per participant. The estimated annual cost per participant is \$30K-\$40K including housing, County Medi-Cal contribution, and supportive services.</p>
<b>Intermediary: Coordinator &amp; Borrower</b>	None (Abode and Santa Clara County providing some coordination services, but no formal project intermediary. Miles & Stockbridge provided counsel and coordinated the funding agreements.)
<b>Program Evaluator</b>	University of California San Francisco School of Medicine
<b>Validator</b>	None

<p><b>Outcome Metric(s)</b></p>	<p>Number of months (“thirty-day periods”) of continuous stable tenancy achieved by project participants. Continuous stable tenancy is defined as a project participant holding a valid lease or sublease and being allowed to enter the unit. A month cannot count towards the success measure if the program participant:</p> <ul style="list-style-type: none"> <li>• Spends more than 14 days of the month, or on more than two occasions within the month, incarcerated or in a psychiatric institution. In this situation, previous months of stable housing do count towards the total; however, if institutionalization lasts 90 days or more, the success month count is reset to zero. Non-psychiatric hospitalizations do not count against the success total.</li> <li>• Does not have a lease or sublease and instead is housed other temporary housing other than shelter for less than/equal to 30 days.</li> <li>• Slept at a shelter or on the street for more than seven consecutive nights of a month; the success measurement is reset to zero.</li> <li>• Abandons the unit as specified</li> </ul>
<p><b>Evaluation Design</b></p>	<p>Success payments are determined based on duration of stable tenancy for the intervention group. There is also a Randomized Control Trial that will not be used to determine payment but will evaluate other intervention outcomes, including utilization of other County services and mortality. Project participants’ outcomes will be compared to those of a control group of similarly situated individuals referred by the County of Santa Clara Office of Supportive Housing.</p> <p>Evaluation will use an “Intention to Treat” analysis, which considers all those assigned to the “intervention” group to be part of the intervention, whether they receive housing or not. This often returns more conservative results, as it avoids inflated outcome measures caused by non-compliant participants being removed from the intervention group.</p>
<p><b>Target Population (criteria and size)</b></p>	<ul style="list-style-type: none"> <li>• 150-200 persons experiencing chronic homelessness, identified as high-cost users of county services using a predictive screening tool that assesses historical utilization data (serving up to 112 program participants at one time)</li> <li>• A chronically homeless person is defined as an adult, or a family with at least one adult member, with a disabling condition, such as substance abuse or mental illness, who has been continuously homeless for one year or more and/or has experienced four or more episodes of homelessness within the past three years</li> </ul>
<p><b>Size of Investment</b></p>	<p>\$6.9 million</p>
<p><b>Total Payments Possible (investment and return)</b></p>	<p>\$8 million</p>
<p><b>Term / Timeframe (intervention and evaluation)</b></p>	<ul style="list-style-type: none"> <li>• Intervention: 6 years</li> <li>• Success Payments Evaluation: 6 years</li> <li>• Final RCT Evaluation: 90 days after end of Year 6</li> </ul>

<p><b>Investors: Deal Structure/ Capital Stack (annual return if available)</b></p>	<p><b>Senior Debt:</b> \$500,000 The Reinvestment Fund (5%) \$500,000 Corporation for Supportive Housing (5%)</p> <p><b>Subordinate Debt:</b> \$1.5 million, The Sobrato Family Foundation (2%) \$1 million, The California Endowment (2%) \$1 million, The Health Trust (0%) \$300,000 The James Irvine Foundation (0%) \$500,000 Google.org (recoverable grant)</p> <p><b>Other PFS project funding:</b> \$500,000, deferred service fees to Abode Services over six years \$1 million, Laura and John Arnold Foundation, support for evaluation-related project costs</p>														
<p><b>Payment Terms - Risk Sharing Structure</b></p>	<p>100% of the risk is shifted to the investors in that no payment is made unless individuals achieve stable housing. However, there is no threshold that must be reached for the investors to receive payment; payment is received for each individual who achieves the outcome.</p>														
<p><b>Payment Terms - Details on Payment per Outcome, Payment Period</b></p>	<table border="1"> <thead> <tr> <th data-bbox="544 968 812 1052"><b>Success Payment per Participant</b></th> <th data-bbox="812 968 1427 1052"><b>Participant Milestone</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="544 1052 812 1094">\$1,242</td> <td data-bbox="812 1052 1427 1094">3 months of continuous tenancy</td> </tr> <tr> <td data-bbox="544 1094 812 1136">\$1,863</td> <td data-bbox="812 1094 1427 1136">6 months of continuous tenancy</td> </tr> <tr> <td data-bbox="544 1136 812 1178">\$2,484</td> <td data-bbox="812 1136 1427 1178">9 months of continuous tenancy</td> </tr> <tr> <td data-bbox="544 1178 812 1220">\$6,831</td> <td data-bbox="812 1178 1427 1220">12 months of continuous tenancy</td> </tr> <tr> <td data-bbox="544 1220 812 1283"><b>\$12,420</b></td> <td data-bbox="812 1220 1427 1283"><b>Cumulative payment through 12 months of continuous tenancy</b></td> </tr> <tr> <td data-bbox="544 1283 812 1377"><b>\$1,035</b></td> <td data-bbox="812 1283 1427 1377"><b>Each month after the first year of stable tenancy</b></td> </tr> </tbody> </table>	<b>Success Payment per Participant</b>	<b>Participant Milestone</b>	\$1,242	3 months of continuous tenancy	\$1,863	6 months of continuous tenancy	\$2,484	9 months of continuous tenancy	\$6,831	12 months of continuous tenancy	<b>\$12,420</b>	<b>Cumulative payment through 12 months of continuous tenancy</b>	<b>\$1,035</b>	<b>Each month after the first year of stable tenancy</b>
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<p><b>Date Announced</b></p>	<p>August 13, 2015</p>														
<p><b>Implementation Start</b></p>	<p>July 1, 2015</p>														
<p><b>Interim Outcome Dates</b></p>	<p>Success payments calculated annually starting June 30, 2016 and ending June 30, 2021</p> <p>RCT evaluation years 1-3: Oct 1, 2018</p> <p>RCT evaluation years 4-6: Oct 1, 2021</p>														
<p><b>Legislation for Appropriation Risk</b></p>	<p>None; in the PFS Contract, the County must appropriate \$2 million each year for the project. If not, Abode can terminate the contract for cause.</p>														

**Other Notes**

**Ramp-up phase:** Three months starting April 2015

**Outside PFS support through Medi-Cal:** Santa Clara County contracts with Abode to deliver mental health services that are partially reimbursed through Medi-Cal (California's Medicaid program)

**Reinvestment Pledges:** Google.org will reinvest repaid grant into Abode for capacity building. Laura and John Arnold Foundation will reinvest repayments to support of Santa Clara County initiatives

**Project Construction Support:** Third Sector Capital Partners, Inc. acted as an advisor to Santa Clara County and transaction coordinator

**Feasibility Analysis:** Starting in 2013, Santa Clara County with support from the Health Trust and operated through Catholic Charities of Santa Clara County's project Step Up Silicon Valley, worked with a collaboration of foundations including the project financiers as well as the Silicon Valley Community Foundation. Their work is detailed in, From Idea to Action, available at: [http://www.thirdsectorcap.org/wp-content/uploads/2015/02/131118.Third-Sector-Capital-Partners\\_Santa-Clara-Case-Study.pdf](http://www.thirdsectorcap.org/wp-content/uploads/2015/02/131118.Third-Sector-Capital-Partners_Santa-Clara-Case-Study.pdf)

**Technology Partner:** Palantir Technologies

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## South Carolina Nurse–Family Partnership Pay for Success Project

<b>Policy Area</b>	Maternal and child health
<b>Policy Problem</b>	More than half of babies are born to low-income mothers who qualify for Medicaid in South Carolina. Growing up in poverty can be harmful to a child's cognitive development, health, school performance, and social and emotional wellbeing. Mothers struggling with poverty are at higher risk for poor birth outcomes such as delivering premature babies or those who weigh too little. Research on brain development has shown that giving children a strong start in life begins before they are born, during a mother's pregnancy.
<b>Jurisdiction (implementation sites)</b>	29 of South Carolina's 46 counties
<b>Who is paying for the outcomes?</b>	South Carolina Department of Health and Human Services
<b>Organization(s) Delivering Services</b>	Nurse–Family Partnership
<b>Intervention</b>	The Nurse–Family Partnership program pairs vulnerable first-time parents with specially trained nurses. During home visits from early pregnancy through the child's second birthday, the nurses support first-time moms to have healthy pregnancies, become knowledgeable and responsible parents, and give their babies the best possible start in life.
<b>Approximate Program Cost per Participant</b>	
<b>Intermediary</b>	Social Finance, US and Nurse–Family Partnership National Service Office
<b>Program Evaluator</b>	J-PAL North America (a research center at the Massachusetts Institute of Technology)
<b>Validator</b>	None
<b>Outcome Metric(s)</b>	<ul style="list-style-type: none"> <li>• Reduction in preterm births</li> <li>• Reduction in child hospitalization and emergency department usage due to injury</li> <li>• Increase in healthy spacing between births to 24 months</li> <li>• Increase the number of first-time moms served in predetermined ZIP codes with high concentrations of poverty</li> </ul>
<b>Evaluation Design</b>	A randomized controlled trial
<b>Target Population (criteria and size)</b>	3,200 first-time mothers
<b>Size of Investment</b>	\$30 million (including \$17 million from private funders plus \$13 million from SC Medicaid)

<b>Total Payments Possible (investment and return)</b>	\$7.5 million Outcome payments will occur at the end of project year 4 and project year 5. The philanthropic funders have agreed to reinvest 100 percent of South Carolina’s outcome payments, based on NFP’s impact as measured by the evaluator, to fund NFP to continue services in South Carolina.
<b>Term / Timeframe (intervention and evaluation)</b>	4 years of enrollment, 6 years of services (4 years enrollment + 2 years of services), 6.5 years of data collection. The evaluation follows each mother/child pairing for 2 years after the child’s birth.
<b>Investors: Deal Structure/ Capital Stack</b>	Philanthropic Funders: <ul style="list-style-type: none"> <li>• BlueCross BlueShield of South Carolina Foundation (\$3.5 million)</li> <li>• The Duke Endowment (\$8 million)</li> <li>• The Boeing Company (\$800,000)</li> <li>• Greenville First Steps (\$700,000)</li> <li>• Consortium of private funders (\$4 million)</li> </ul> SC Medicaid will fund approximately \$13 million via a 1915(b) Medicaid Waiver
<b>Payment Terms - Risk Sharing Structure</b>	Risk 100% shifted for the \$17M from private funders; State and federal government bear the risk for the portion of the program funded by Medicaid.
<b>Payment Terms - Details on Payment per Outcome, Payment Period</b>	<p><b>Trigger for partial payment:</b> 1) Preterm birth: 13.5% reduction; 2) Healthy birth spacing: 18% reduction; 3) Child injury: 23.4% reduction; 4) Coverage in low income zip codes: 65% of mothers enrolled</p> <p><b>Threshold for enhanced payment:</b> 1) Preterm birth: 15% reduction; 2) Healthy birth spacing: 20% reduction; 3) Child injury: 26% reduction; 4) Coverage in low income zip codes: 65% of mothers enrolled</p>
<b>Date Announced</b>	February 16, 2016
<b>Implementation Start</b>	April 1, 2016
<b>Interim Outcome Dates</b>	not applicable
<b>Legislation for Appropriation Risk</b>	None
<b>Other Notes</b>	Technical assistance provided by Government Performance Lab, Harvard Kennedy School

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## Utah High Quality Pre-School Initiative

<b>Policy Area</b>	Education / Early Childhood
<b>Policy Problem</b>	Research shows that children who receive high-quality early education are more likely to succeed in school and less likely to need special education services.
<b>Jurisdiction (implementation sites)</b>	Salt Lake County, UT (Granite School District) Park City, UT
<b>Who is paying for the outcomes?</b>	United Way of Salt Lake, Salt Lake County (first year proof of concept cohort) State of Utah
<b>Organization(s) Delivering Services</b>	Granite School District, Park City School District, Guadalupe School, YMCA of Northern Utah, Children's Express, Lit'l Scholars
<b>Intervention</b>	High-Quality Preschool Program, developed by Granite School District. This program serves 3- and 4-year-olds and lasts 1 or 2 years.
<b>Approximate Program Cost per Participant</b>	
<b>Intermediary: Coordinator &amp; Borrower</b>	United Way of Salt Lake (with Park City Community Foundation for first year proof of concept cohort)
<b>Program Evaluator</b>	Utah State University's Early Intervention Research Institute
<b>Validator</b>	School Readiness Board
<b>Outcome Metric(s)</b>	Decrease in utilization of special education services among children who score at or below 70 on PPVT at beginning of preschool. Students who score 70 or below at the beginning of pre-school are tracked through 6th grade to determine whether they receive special education services at any point during the year. They are also given a post-test by an outside evaluator at the end of preschool
<b>Evaluation Design</b>	The PPVT cutoff point of a standard score of 70 or lower was based on normative data (only 3% of children score this low) and research supporting the relation of the PPVT with later school and special education outcomes. This link between low PPVT scores and later special education placement was supported by educators and with staff in national educational organizations. Comparisons of children participating in an evidence-based preschool program with matched children who did not receive the preschool program supported this link. Using this approach, a contemporaneous control group is not necessary.
<b>Target Population (criteria and size)</b>	4 cohorts of 3- and 4-year-old children eligible for free lunch (2,600 total). The PFS program pays for preschool for children who meet these criteria but outcomes are tracked and payment is made only for those children who score 70 or below on the PPVT.
<b>Size of Investment</b>	\$7 million
<b>Total Payments Possible (investment and return)</b>	

<b>Term / Timeframe (intervention and evaluation)</b>	8-9 years for each cohort; 12 years for all 4 cohorts. Intervention is 1 or 2 school years (depending on whether the child entered at age 3 or 4). Students are tracked through 6th grade. Analysis after each school year and final report 4 months after the last cohort completes.
<b>Investors: Deal Structure/ Capital Stack (annual return if available)</b>	<ul style="list-style-type: none"> <li>•Senior Debt - \$4.6 million, Goldman Sachs (5%)</li> <li>•Subordinate Debt - \$2.4 million, JB Pritzker (5%)</li> </ul>
<b>Payment Terms - Risk Sharing Structure</b>	100% of risk is shifted in that no payment is made unless children achieve the specified outcome. However, there is no threshold that must be reached for the investors to receive payment; payment is made for each child who achieves the outcome.
<b>Payment Terms - Details on Payment per Outcome, Payment Period</b>	Success payments equal to 95% of the avoided special education costs per year from K through 6th grade (for the first year proof of concept cohort this equals \$2,470); \$1,040 “success fee” per child per year for special ed avoided after principle and interest paid.
<b>Date Announced</b>	June 13, 2013
<b>Implementation Start</b>	September 2013
<b>Interim Outcome Dates</b>	Summer 2015 & after every school year thereafter
<b>Legislation for Appropriation Risk</b>	Yes, HB96, effective September 2014
<b>Other Notes</b>	Students will not be denied any services because of this initiative. Teachers/ program staff do not know whether individual children are in the program.

# i(cs)

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102 Edinburgh Court • Greenville, SC 29607  
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The Institute for Child Success is fueled by BlueCross BlueShield of South Carolina, an independent licensee of the BlueCross and BlueShield Association, and by the Mary Black Foundation.

Headquartered in Greenville, South Carolina, the Institute for Child Success (ICS) is an independent, nonpartisan, nonprofit research and policy organization dedicated to the success of all young children. ICS pursues its mission in four primary ways:

- Proposing smart public policies, grounded in research.
- Advising governments, nonprofits, foundations, and other stakeholders on strategies to improve outcomes.
- Sharing knowledge, convening stakeholders, embracing solutions, and accelerating impact.
- Fostering the next generation of leaders.