



PAY FOR SUCCESS &
MONEYBALL FOR GOV'T

OVERVIEW

WHAT
IS IT?

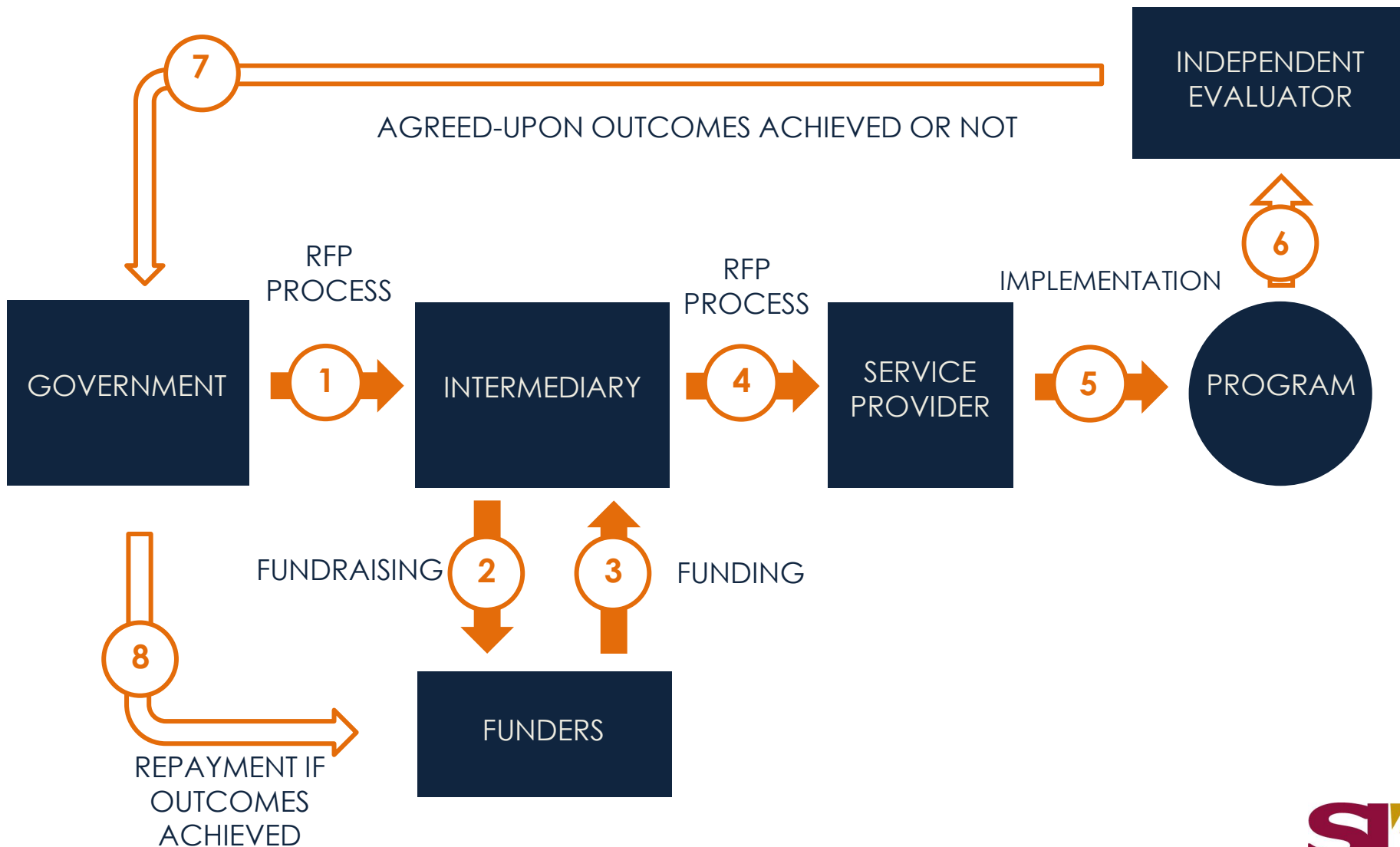
PAY FOR SUCCESS

A NEW FINANCIAL MODEL THAT SHIFTS THE RISK FROM THE COUNTY TO PRIVATE FUNDERS WHILE ACHIEVING SUBSTANTIAL SOCIAL OUTCOMES THROUGH PERFORMANCE-BASED PROGRAMS

“[Pay for Success is] an arrangement between one or more government agencies and an external organization where the government specifies an outcome and promises to pay the external organization a pre-agreed sum if it is able to accomplish the outcome.”

- Center for American Progress

ORGANIZATION



STAKEHOLDERS



IDENTIFIES SOCIAL NEED & DESIRED OUTCOMES
DETERMINES INTERMEDIARY
ESTABLISHES BENCHMARKS
REPAYS FUNDERS BASED ON SUCCESS



SELECTS SERVICE PROVIDER THROUGH RFP
COORDINATES ENTIRE PROJECT
FINDS FUNDERS AND PROCURES CAPITAL



DIRECTLY IMPLEMENTS PROGRAM
REPORTS TO INTERMEDIARY

STAKEHOLDERS



INDEPENDENT FROM ALL OTHER STAKEHOLDERS
EVALUATES DATA OVER SPECIFIED TIME PERIOD
DETERMINES IF BENCHMARKS HAVE BEEN MET



FUND INITIAL CAPITAL
ASSUME RISK OF LOSS & PROGRAM PERFORMANCE



SUPPLEMENT COMMERCIAL FUNDERS' CAPITAL
PROVIDE FIRST-LOSS POSITION

BENEFITS

BENCHMARKS
ARE MET

BENCHMARKS
ARE NOT MET

TRADITIONAL
FINANCING
MODEL

COUNTY PAYS
COST OF
PROGRAM AND
RECEIVES
BENEFITS

COUNTY PAYS COST
AND RECEIVES NO
BENEFITS – COUNTY IS
OUT THE COST OF
PROGRAM

PAY FOR
SUCCESS
FINANCING
MODEL

COUNTY PAYS
COST OF
PROGRAM AND
RECEIVES
BENEFITS

COUNTY PAYS
NOTHING – LOSSES
ARE ABSORBED
COMPLETELY BY
FUNDERS

BENEFITS

SHIFTS RISK OF SOCIAL INTERVENTIONS TO PRIVATE SECTOR

POTENTIAL FOR SIGNIFICANT SHORT- AND LONG-TERM SAVINGS TO COUNTY BUDGET

PROGRAMS ARE SELECTED BASED ON STRICT DATA AND PERFORMANCE INDICATORS, INCREASING LIKELIHOOD OF ACHIEVING DESIRED IMPACT

A dark blue circle containing the text "SALT LAKE COUNTY" in white, stacked vertically.

SALT
LAKE
COUNTY

A dark blue circle containing the text "FUNDERS" in white.

FUNDERS

DIVERSIFICATION

- MULTIPLE PROJECTS LOWERS RISK

DOUBLE-BOTTOM LINE

- PROFITABILITY
- SOCIETAL BENEFIT

PFS LANDSCAPE – 2014

LAUNCHED PROJECTS

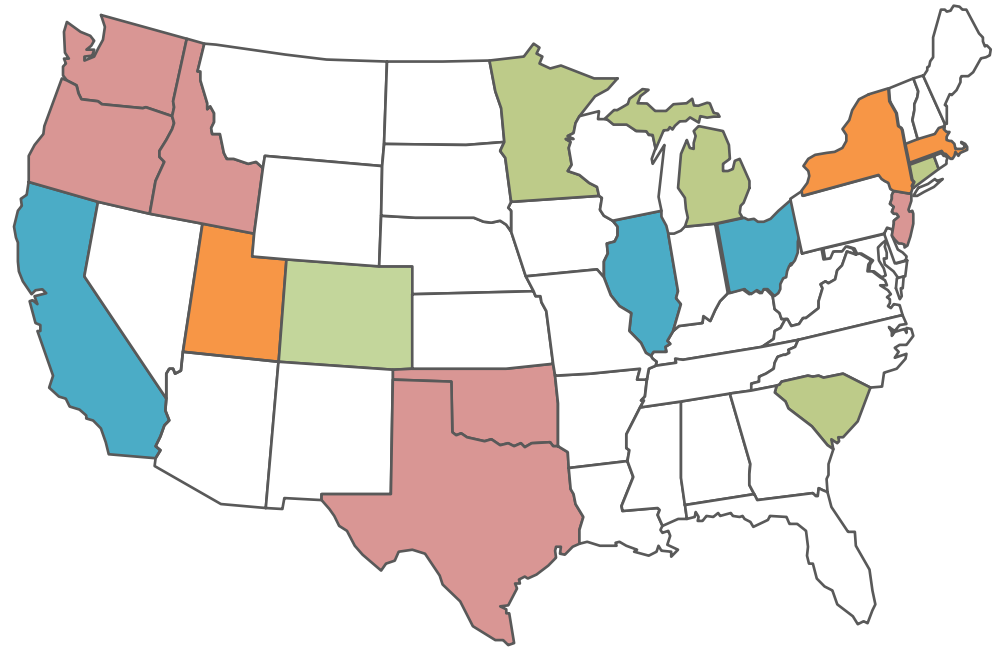
- **Massachusetts** – *Juvenile Justice*
- **New York State** – *Justice/Workforce Development*
- **New York City** – *Juvenile Justice*
- **Salt Lake County** – *Early Education*

ACTIVE DEAL CONSTRUCTION

- **Illinois** – *Dually Involved Youth*
- **Cuyahoga County, Ohio** – *Family Homelessness/Foster Care*
- **Santa Clara County, Calif.** – *Chronic Homelessness; Mental Health*
- **New York State** – *Juvenile Justice*
- **Fresno County, Calif.** – *Asthma*

ACTIVE GOVERNMENT PROCUREMENT

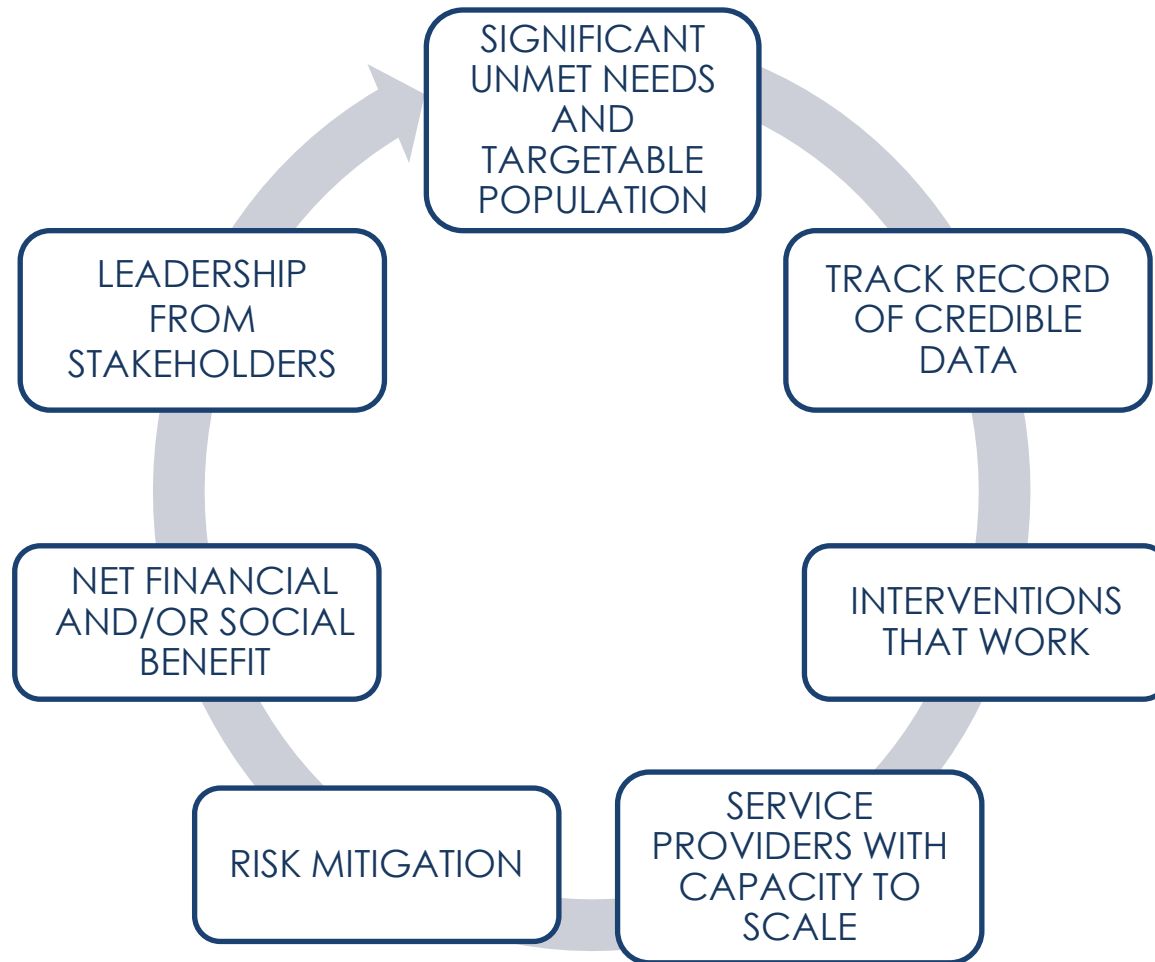
- **Request for Information (RFI)** – Denver, CO; Colorado; Michigan; Minnesota; South Carolina
- **Request for Proposals (RFP)** – Connecticut; Massachusetts; Social Innovation Fund



OTHER GOVERNMENT ACTION

- **Pending Legislation** – Idaho; Los Angeles County, CA; New Jersey; Oklahoma; Oregon; Washington
- **Procurement Expected** – Ohio, Pima County, AZ
- **Federal Interest** – Treasury Department; Department of Labor; Department of Justice;

KEY CRITERIA FOR A PFS PROJECT



Proposal and Parameters

Proposal

With technical assistance from Third Sector Capital Partners, Salt Lake County would structure and implement three pay for success projects over the next 18 months

Parameters

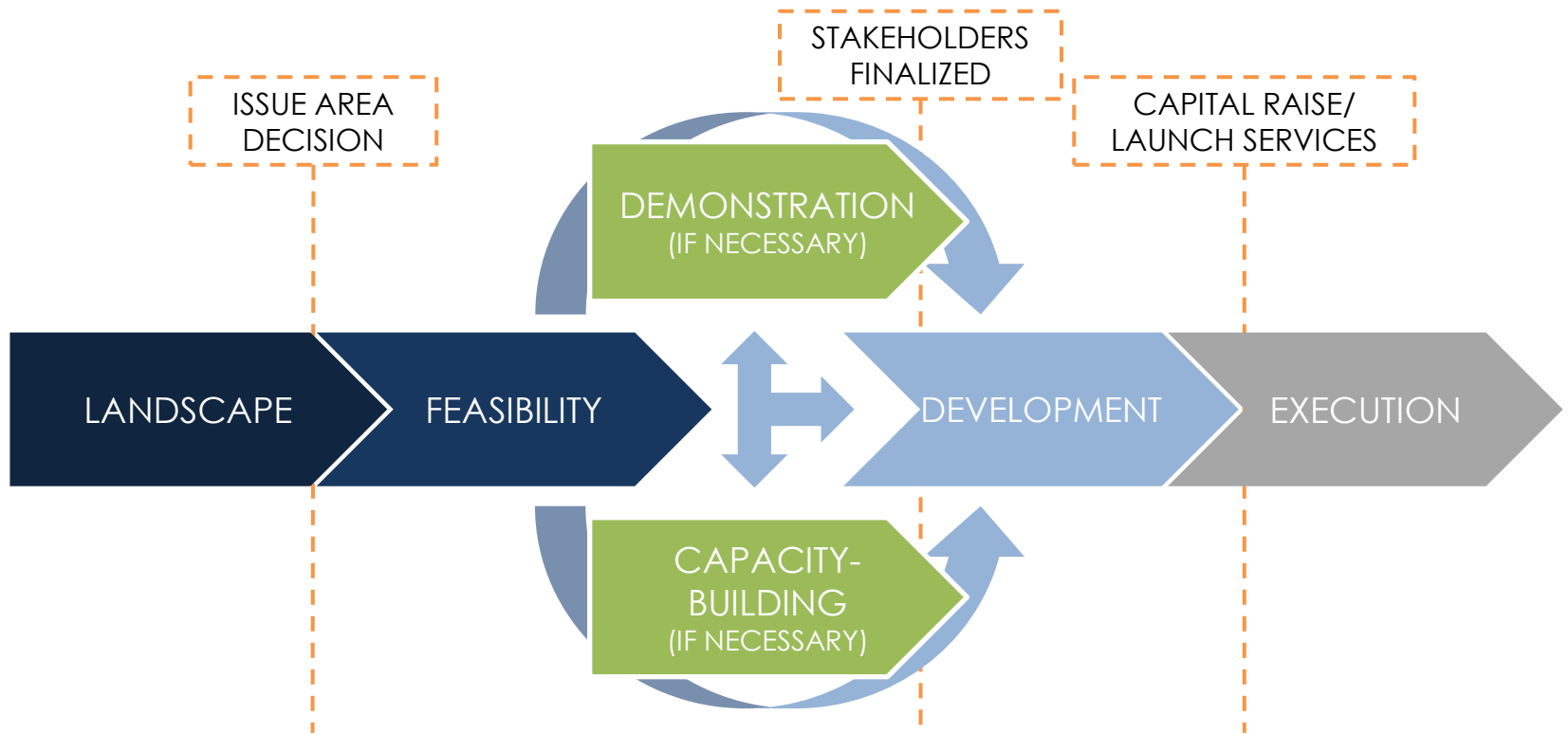
Costs for structuring the transactions paid for out of a “catalyst fund,” which is seeded with \$250,000 from Salt Lake County

Costs for approved projects would be paid for out of a combination of:

- (1) Quantifiable direct / indirect savings to the County budget
- (2) Offsets to unrelated parts of the County budget
- (3) Additional revenues from other sources, including State and Federal governments, other grants, philanthropic donations, etc.

Projects will be within the County’s set of core responsibilities

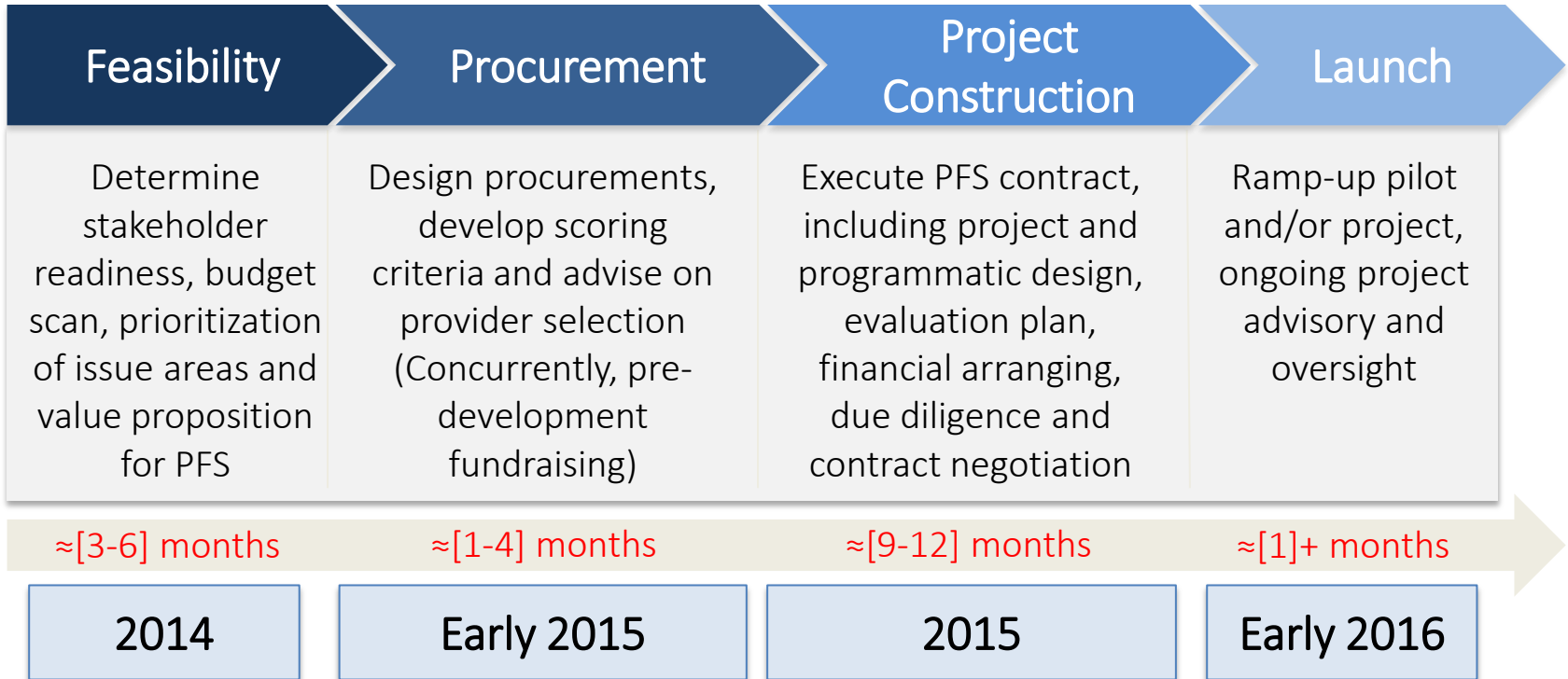
PATHWAY TO COMPLETED PROJECTS



KEY ACTIVITIES



Approximate Project Timeline



POTENTIAL PROJECTS

Currently exploring cost-saving opportunities for the County and potential benefits to the community in each of the following areas:

BEHAVIORAL
HEALTH

RECIDIVISM /
CRIMINAL
JUSTICE

PUBLIC HEALTH