



America Forward on Pay for Success

Innovation, Flexibility, and Data-Driven Results

Pay for Success Projects December 2015

Recidivism

The first Pay for Success project in the United States was launched in August 2012 and aimed to reduce recidivism rates among adolescents at Rikers Island, New York City's main jail. With the aim of serving 3,000 16-18 year olds entering the jail a year, a targeted preventive intervention was provided to address the historic problem of over 50% of youth returning to the jail within one year.

- Through an evidence-based intervention, the Adolescent Behavioral Learning Experience (ABLE), improvement of personal responsibility and decision-making was hypothesized to lead to fewer young men returning to Riker's after release. Year One results for the project were [released](#) in the Summer of 2015 and noted a lack of impact on reincarceration rates. As a result, the project was ended, the intervention was discontinued at Rikers Island, and the end payor, the New York City Department of Corrections did not pay the private sector investors for the services provided to date.

Early Childhood Education

The first pay for success arrangement targeting early childhood education began in June 2013 in Utah's Salt Lake County area school districts. Private capital is being used to finance expansion of the Utah High Quality Preschool Program to provide early education services to up to 3,500 children over the course of the contract period.

- The Utah High Quality Preschool Program will deliver a high impact and targeted curriculum to increase school readiness and academic performance among 3- and 4-year-olds. The targeted result of the program is that children will enter kindergarten better prepared and thus fewer children will use special education and remedial services when in elementary and secondary education. This will result in cost savings for school districts, the State of Utah and other government entities. Year One results for this project were [released](#) in the Fall and identified that both the preschool intervention and the PFS funding structure was successful.

Workforce Development

In addition to a Pay for Success project in New York City, [New York State](#) has also launched a project aimed at reducing recidivism and increasing employment and engagement in transitional employment for formerly incarcerated individuals in jurisdictions across the State. Targeting recently released parolees with high risk of returning to incarceration and who have high employment needs, the State is aiming to serve 2,000 individuals over 5 ½ years to address the connection between one's inability to find employment and returning to prison.

- Center for Employment Opportunities' comprehensive, evidence-based employment intervention, Transitional Employment Model, is delivering training, transitional employment, and job placement services to participants. Using a Randomized Control Trial as the evaluation method, the State will make performance-based payments based on achievement across three goals but only if positive impact is determined.

Recidivism

The Commonwealth of Massachusetts launched the largest financial investment in a Pay for Success project in the United States. This first state-level [project](#) focuses on reducing recidivism among at-risk youth. The provider, Roca, is tasked with providing a high-impact intervention to at-risk young men aged 17 to 23 who are in the probation system or exiting the juvenile justice system. Massachusetts, using commercial and philanthropic funding, deferred service fees, state funds, and federal U.S. Department of Labor grant dollars, will repay the investors and service provider only if the services are proven to produce positive societal outcomes and savings for the Commonwealth.

- The intervention is delivered over an intensive two-year period followed by two years of follow-up engagement. The program aims to reduce recidivism and increase employment through intensive street outreach and targeted life skills, education and employment programming.

Early Childhood Education

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. As a result, [Chicago's](#) Pay for Success project aims to ensure access to high-quality early education to over 2,500 students in the Chicago Public School System using Pay for Success financing.

- Through the Child-Parent Center (CPC) model, half and full day preschool education will be delivered to three- and four-year olds as well as comprehensive family services. Chicago Public Schools are both the provider and end payor, along with the City of Chicago, and will make payments based on decrease in special education avoidance, increase in kindergarten readiness, and increase in third grade literacy.

Homelessness

In December 2014, the Commonwealth of Massachusetts launched its second Pay for Success initiative to reduce chronic individual [homelessness](#). The initiative will provide 500 units of stable, supportive

housing for up to 800 chronically homeless individuals over six years. The Commonwealth is leveraging both philanthropic and private capital investment to fund the work.

- The goals of the programs are to improve the well-being of individuals while saving taxpayer dollars by reducing the utilization of costly emergency resources like shelters and Medicaid payments. Success will be measured by stable housing for at least one year for chronically homeless individuals participating in the program.

Child Welfare and Homelessness

A Pay for Success initiative underway in [Cuyahoga County, Ohio](#) is providing a comprehensive continuum of care to homeless families whose children are in, or at-risk of entering, foster care. The aim is to reduce the length of stay in out-of-home foster care placement for 135 randomly-selected homeless families with children who are in the foster care system.

- This project is utilizing an evidence-based homelessness transition case management system, individual and family-based therapy, and is linking caregivers to housing and community support networks. Over the five years of the project, three cohorts of families will be provided services and observed for the difference in out-of-home placement days avoided between the control and treatment families.

Homelessness

California launched their first Pay for Success project in August 2015 to provide housing and supportive services to chronically homeless individuals. Studies have shown that chronically homeless individuals end up utilizing significant and disproportionate government resources. Santa Clara County has a particularly high chronic homelessness population and is using a Pay for Success structure to implement Adobe Services' supportive housing program to address this issue.

- [Project Welcome Home](#) will provide innovative housing services for 150-200 homeless individuals in Silicon Valley over six years to measurably improve their quality of life and to reduce their reliance on costly government-funded services such as emergency room care. Funders and grantors, including the service provider through deferred service fees, will only be repaid if participants' homelessness needs are addressed along with their access to physical and behavioral health services.

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