Everyone housed by Pay for Success now has a roof over their heads. They sleep soundly knowing they have a place they can call home and won’t be braving the mercurial Boston weather.

- United Way Massachusetts Bay & Merrimack Valley
Agenda

- Welcome & Introductions
- Pay for Success 101
- Status of PFS in RI
- Next steps
- Questions
Pay for Success projects, also known as social impact bonds, are an innovative method that allows government to draw in greater resources to solve significant social challenges.

At its core, Pay for Success is a public-private partnership, which funds effective social services through a performance-based contract. Pay for Success projects enable federal, state, and local governments to partner with high-performing service providers by tapping private investments to expand effective programs.
Pay for Success 101

Here’s how it works:

1. **Go**vernment **P**ayer
   - Repays investment if project achieves measurable outcomes

2. **I**ntermediary
   - Develop and manage projects, mobilize capital, manage for results

3. **S**ervice **P**roviders
   - Deliver high-quality services to improve lives

4. **I**ndependent **E**valuator
   - Measure participants’ progress and social impact

5. **I**mpact **I**nvestors
   - Provide upfront funding and take financial risk

**Deliver services**

**People in need**
- With effective support, find opportunities to thrive
Pay for Success 101

Who benefits from Pay for Success?

UNDERSERVED INDIVIDUALS
who gain access to the high-quality support they need to thrive.

SOCIAL SERVICE ORGANIZATIONS
through the stability of upfront, flexible funding that enables them to scale and focus on delivering proven, outcome-focused services.

GOVERNMENTS
by providing flexibility to support preventative services that lead to reduced costs, better outcomes in the long term, and more effective data to show what works.

TAXPAYERS
who have the security of knowing that government resources are driven toward programs that produce demonstrated results for society.

FUNDERS
looking for an opportunity to invest in their communities, with a measurable social and financial return.
# PFS & Homelessness Projects

<table>
<thead>
<tr>
<th></th>
<th>Denver, CO</th>
<th>Santa Clara, CA</th>
<th>LA County</th>
<th>Massachusetts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Size</strong></td>
<td>250 PSH units</td>
<td>112 PSH units</td>
<td>300 PSH units</td>
<td>500 PSH units</td>
</tr>
<tr>
<td><strong>Intervention</strong></td>
<td>Permanent Supportive Housing (PSH)</td>
<td>Permanent Supportive Housing (PSH)</td>
<td>Permanent Supportive Housing (PSH)</td>
<td>Home &amp; Healthy for Good (HHG) low-threshold PSH</td>
</tr>
<tr>
<td><strong>Outcome Metric(s) for Payment</strong></td>
<td>(1) Housing stability (2) Reduction in jail days</td>
<td>Continuous housing stability (pmt at 3/6/9/12 months)</td>
<td>(1) Housing stability (e.g., retention) (2) Reduction in number of arrests</td>
<td>Continuous housing stability (pmt at min 12 months)</td>
</tr>
<tr>
<td><strong>Initial Private Investment</strong></td>
<td>$8.7M</td>
<td>$6.8M</td>
<td>$10M</td>
<td>$3.5M</td>
</tr>
<tr>
<td><strong>Max Investor Repayment</strong></td>
<td>$11.4M</td>
<td>$8.0M</td>
<td>$11.5¹</td>
<td>$6.0M</td>
</tr>
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In 2016, RICH and Social Finance were awarded a HUD-DOJ grant to help structure a PFS project with the state. Grant included $1M in federal funds to supplement state outcome funding.

Through the grant, SF and RICH conducted a feasibility study conducted in 2017-18. After the completion of the feasibility study, the Governor’s office and agency representatives recommended that the project move forward into transaction structuring.

Governor Raimondo allocated $500K in FY20 budget in outcome payment funding, with additional commitments to be made in subsequent years.

RICH is meeting with legislators to build support for this project, focusing on Finance Committee members & leadership in both chambers.

PFS Working Groups are meeting on a regular basis: Housing, Supportive Services, Legal. Convenes multiple agencies and stakeholders from across state government to finalize project structure and program design.
Pay for Success: Rhode Island

Point In Time Count | 2018

This data was collected on the night of January 24th, 2018. It includes counts of sheltered and unsheltered persons, regardless of whether they were covered in the CoCs Homeless Management Information System.

<table>
<thead>
<tr>
<th>Total Persons</th>
<th>Single Adults</th>
<th>Persons in Families</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,101</td>
<td>747</td>
<td>354</td>
</tr>
</tbody>
</table>

Chronically Homeless: 264

- Emergency Shelter: 247
- Transitional Housing: 0
- Unsheltered: 17
Conducted feasibility study in 2017-18 to assess the opportunity for to use Pay For Success to expand access PSH for individuals experiencing homelessness in RI.

The study findings emphasized the connection between housing, health care, and the criminal justice systems. From this we established a target population for the project: high-acuity individuals that experience chronic homelessness and incur significant costs within the criminal justice and health care (esp Medicaid & emergency room care) systems.

Our analysis found that these “high utilizers” incur on average $44,100 per person per year; $5.5M to $7M in total. By connecting these individuals with proven resources within a well-coordinated system, we can help them achieve stability and create significant value for participants, communities and the state.
Found that Pay for Success is an effective way to better serve chronically homeless Rhode Islanders.

Pay for Success will utilize 125 PHS vouchers for chronically homeless individuals that are high utilizers of the healthcare, homeless shelter, and criminal justice systems over four years.
Pay for Success: Rhode Island

By connecting these individuals with permanent housing and access to case management & other critical resources, **RI could see an estimated annual savings of $15,000-$20,000 per individual, $1.8M-$2.6M in total.**

**Outcomes**
- housing stability
- reduced prison or jail days
- reduced inpatient utilization

**PSH is expected to reduce**
- Shelter days by 70%
- DOC days by 40%, and
- Medicaid costs by 15-25%
Pay for Success: Funding Opportunities

**Leveraged Resources (50 vouchers)**

Orgs can apply to the Consolidated Homeless Fund administered by the State Office of Housing and Community Development for these resources.

**Deadlines:**

**Questions Due:** Thursday, February 28th by 4pm to [www.surveymonkey.com/r/BYWML25](http://www.surveymonkey.com/r/BYWML25)

**Answers to Questions Posted by:** March 7th, 2019 by 4pm

**Applications Due:** Monday, April 1st, 2019 by 3pm

**New Resources (75 vouchers)**

Funds for PSH services and vouchers will be released through RFP by Social Finance on behalf of the investors.

**Deadlines:**

**None yet. Would likely release RFP in late 2019, after budget is finalized by General Assembly.**
Pay for Success: Next Steps

Make your voice heard!

In order for us to implement Pay for Success, it must remain in the budget. Contact your elected officials, and urge them to support Pay for Success!

Want to get more involved? Talk to Kristina!
Questions?

Kristina Contreras Fox

kristina@rihomeless.org

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(401) 424-1635