

Pay for Success



Rhode Island Coalition
for the Homeless



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

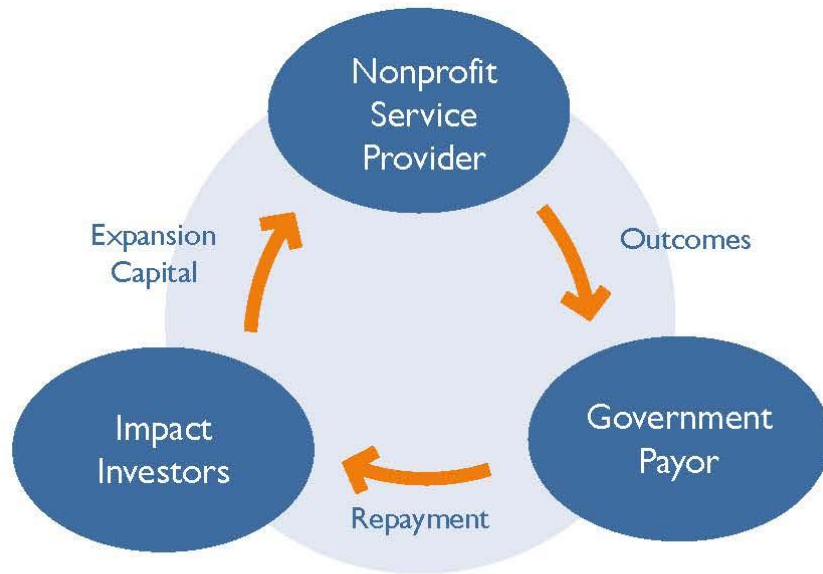
- Welcome & Introductions
- Pay for Success 101
- Status of PFS in RI
- Next steps
- Questions

Pay for Success 101

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.

What is Pay for Success?



Pay for Success 101

HERE'S HOW IT WORKS:



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

	Denver, CO	Santa Clara, CA	LA County	Massachusetts
Size	250 PSH units	112 PSH units	300 PSH units	500 PSH units
Intervention	Permanent Supportive Housing (PSH)	Permanent Supportive Housing (PSH)	Permanent Supportive Housing (PSH)	Home & Healthy for Good (HHG) low-threshold PSH
Outcome Metric(s) for Payment	(1) Housing stability (2) Reduction in jail days	Continuous housing stability (pmt at 3/6/9/12 months)	(1)Housing stability (e.g., retention) (2)Reduction in number of arrests	Continuous housing stability (pmt at min 12 months)
Initial Private Investment	\$8.7M	\$6.8M	\$10M	\$3.5M
Max Investor Repayment	\$11.4M	\$8.0M	\$11.5 ¹	\$6.0M

Pay for Success: Rhode Island

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



RHODE ISLAND COALITION
FOR THE HOMELESS

Point In Time Count | 2018

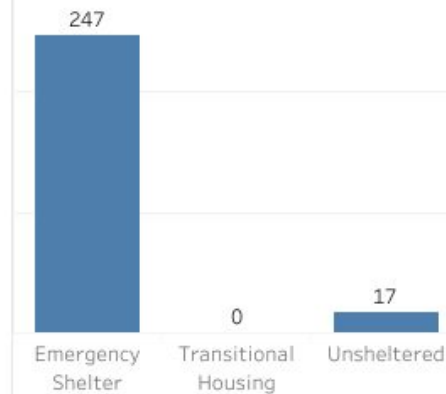
This data was collected on the night of January 24th, 2018. It includes counts of sheltered and unsheltered persons, regardless of whether they were covered in the CoCs Homeless Management Information System.



Total Persons	Single Adults	Persons in Families
1,101	747	354

Chronically Homeless

264



Pay for Success: Rhode Island

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.

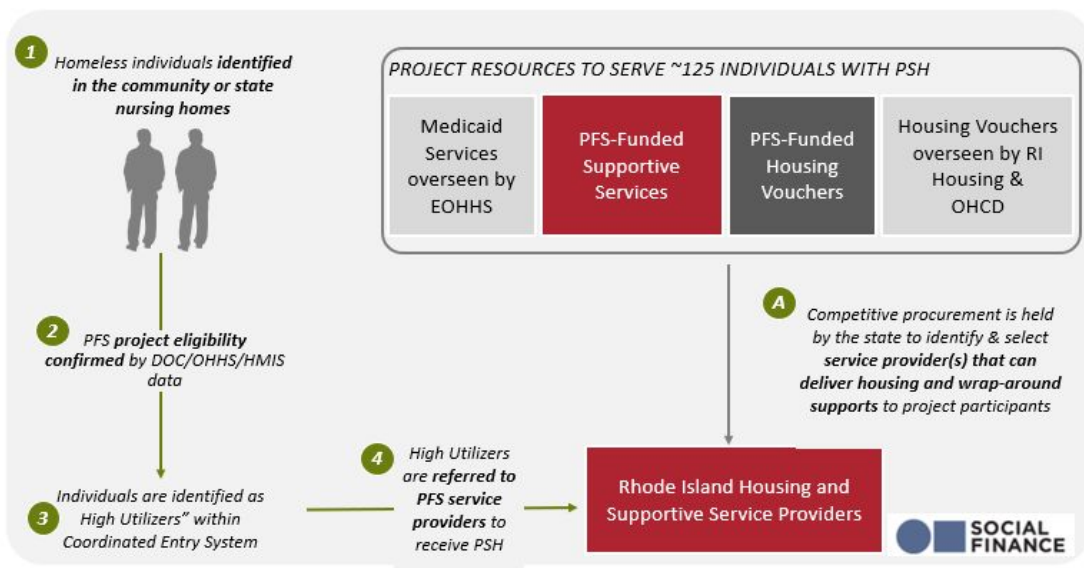


Pay for Success: Rhode Island

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.

A more coordinated system for better supporting the population of need



Pay for Success: Rhode Island

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%

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.**

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

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?

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