



## News Release

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# Salt Lake County launches two Pay for Success projects

*Goal is to offer proven solutions to homelessness and repeat offenders*

**Salt Lake County, UT**—Salt Lake County Mayor Ben McAdams today announced the launch of two new initiatives to offer better programs to address two long-running county problems – persistent homelessness and adult men who are at high risk for repeat stays in the county jail. McAdams said the county has signed contracts with private funders for \$11.5 million in success payments in order to begin serving approximately 550 individuals in need.

McAdams said two local nonprofits – The Road Home and First Step House – will operate the programs. They were chosen through a competitive bid process and have agreed to a rigorous independent evaluation to verify that both homelessness and recidivism numbers decrease.

McAdams said minimizing homelessness and addressing numbers of repeat offenders in the county jail are top priorities. Both challenges involve people in need of help to regain stable lives and both strain the county's budget.

“Every year, government spends millions of dollars on programs designed to help our neediest citizens. In most cases, whether these programs work is anyone’s guess,” said Mayor McAdams. “We can do better for the people we’re trying to help, as well as be careful stewards of scarce tax dollars. Pay for Success is an innovative approach to give better outcomes and hold ourselves accountable for achieving those results.”

Salt Lake County Council Chairman Max Burdick said that the priorities of reducing homelessness and recidivism are priorities that the Council shares with the mayor.

“The Council agrees that true criminal justice reform will require a new look at how we approach long-standing problems. The Pay for Success initiative is one way that includes data-driven decision making, an essential component of determining how to spend taxpayer dollars,” said Burdick.

Sorenson Impact Center founder James L. Sorenson is providing significant financial support to the initiatives. He said that Utah is becoming known as a leader in offering measurably better outcomes for people served by social programs.

“This Pay for Success project—the first addressing two issues in one initiative—is an example of the tremendous power of the model to bring together stakeholders from across the government, nonprofit, academic, philanthropic and for-profit sectors to collectively problem-solve and serve individuals and families in need,” said Sorenson.

McAdams said the Homes Not Jail program will provide services to improve housing stability, criminal justice and behavioral health outcomes for the persistently homeless. These are individuals who have spent between 90 and 364 days over the previous year in emergency shelter or on the streets or other homeless circumstance. Absent a different approach, they are at clear risk of remaining homeless. McAdams said complicating factors include the long waitlist for housing programs in the county, lack of Medicaid health coverage and ineligibility for housing that goes first to the chronically homeless.

Homes Not Jail will offer 315 individuals a range of housing assistance and support services including access to behavioral health treatment and employment counseling. Rental assistance through the private rental market and intensive case management are included in the six-year project.

“Our team at the Road Home is delighted to be a partner in this collaboration. Through Pay for Success, our agency will help 80 people annually move out of our shelters and into housing. The tenants will also receive additional services from which they would not otherwise benefit. The rigorous research that will accompany this collaboration will be particularly helpful to this collaboration,” said Matt Minkovitch, Executive Director, The Road Home.

McAdams said the second program is known as REACH (Recovery, Engagement, Assessment, Career, and Housing). It will be managed by First Step House. Data

shows that 74 percent of high-risk offenders return to the criminal justice system within four years of their release. Jail alone is not a solution.

REACH will serve approximately 225 formerly incarcerated adult males who are at high risk for additional criminal charges. Currently, these individuals interact with county Behavioral Health, Adult Probation and Parole, the county's Criminal Justice Services Department and other community organizations. Many have moderate to severe substance use disorders. The program goal is to provide behavioral health treatment, housing, and case management services in order to lower the rate of recidivism, help them recover stable lives and reduce costs to taxpayers.

"We are honored to be able to partner with Salt Lake County to implement the REACH program. To our knowledge there isn't another program or project that targets the needs of this population with this comprehensive a set of interventions. This project is an opportunity for us to change the lives of people who are entrenched in the criminal justice system, struggling with addiction and, in most cases, have little hope that life can be different." Shawn McMillen, Executive Director, First Step House.

McAdams says that under the Pay for Success model, Salt Lake County only pays for results and private funders only benefit if county residents do.

"This is about improving outcomes for people who are in need and also about ensuring value for taxpayers, not only because if the programs don't measure up, we don't pay, but because it encourages investments in prevention. Just as vaccines are cheaper than treating disease; housing and job training costs less than jail," said McAdams.

McAdams thanked the funders and donors who have agreed to contribute up front for the programs to operate. He said generous support has been provided by James L. Sorenson, the Gail and Larry H. Miller Foundation, the Ray & Tye Noorda Foundation, the George S. and Dolores Doré Eccles Foundation, Synchrony Bank, Zions Bank, and Ally Bank in addition to Northern Trust, QBE Insurance Group Limited, Reinvestment Fund, and Living Cities. McAdams also thanked Sorenson Impact Center for project management, SLCO PFS 1 administered as the Community Foundation of Utah for serving as the financial and legal intermediary for both PFS projects and Dorsey & Whitney, Utah for legal assistance.

McAdams also acknowledged the county's successful partnership with Third Sector Capital Partners and thanked the team for its months' long effort to help structure the initiatives.

"We are pleased to provide investment support for First Step House and The Road Home to address urgent issues," said Connie Lindsey, Head of Corporate Social Responsibility, Diversity and Inclusion at Northern Trust. "We believe in their abilities to create sustainable positive outcomes when provided upfront capital and are happy to serve as the major investor in these Salt Lake County Pay for Success projects."

“Communities across the country are working to address homelessness and recidivism by using data to direct resources to those most in need,” said Caroline Whistler, president of Third Sector Capital Partners. “Third Sector is proud to partner with Mayor McAdams and Salt Lake County in applying outcomes-based contracting to improve the lives of individuals facing persistent homelessness. These Pay for Success initiatives allow the county to comprehensively address a growing social concern in a way that will create lasting impact for everyone involved but most importantly by providing homes and support to those that need it.”

Learn more at [www.slco.org/mayor](http://www.slco.org/mayor)

*Third Sector leads governments, high-performing nonprofits, and private funders in building evidence-based initiatives that address society’s most persistent challenges. As experts in innovative public-private contracting and financing strategies, Third Sector is an architect and builder of the nation’s most promising Pay for Success projects. A 501c (3) nonprofit based in Boston and San Francisco, Third Sector is supported through philanthropic and government sources.*