

12.7

RESOLUTION NO. 5156

December 13, 2016

A RESOLUTION OF THE SALT LAKE COUNTY COUNCIL PURSUANT TO SALT LAKE COUNTY ORDINANCE 3.71, RELATED TO THE COUNTY'S PARTICIPATION IN TWO PRIVATE ENTERPRISE PROJECTS AND A DETERMINATION OF THE VALUE THE COUNTY SHALL RECEIVE IN RETURN FOR FUNDS IF THE COUNTY COUNCIL MAKES AN APPROPRIATION TO THE PROJECTS.

RECITALS

WHEREAS, the County Council passed Salt Lake County Ordinance 3.71 entitled "County Participation in and Appropriation to a Private Enterprise Project" (hereinafter "Private Enterprise Ordinance") under the authority of Utah Code Ann. § 17-50-303;

WHEREAS, the Private Enterprise Ordinance was enacted to provide the County with a mechanism to appropriate county funds in aid of private enterprise projects that meet certain requirements and produce specified results;

WHEREAS, the Private Enterprise Ordinance allows an appropriation for a project only if the County receives value in return for the funds appropriated and if the County Council determines that the project enhances the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of county residents;

WHEREAS, before the County may appropriate funds to a project, the Private Enterprise Ordinance requires the Council to adopt by resolution a determination of the prospective value the County will receive in return for funds appropriated based on several criteria;

WHEREAS, the value received may be based on the following factors: expenditures saved, expenses foregone, intangible benefits received by the County, intangible benefits received by county residents, or other conveniences or comforts to county residents;

WHEREAS, the Private Enterprise Ordinance requires the County Council to complete a study on the proposed appropriation and private enterprise project (see Attachment 'A'), to make the study available to the public for fourteen days, and to take public comment on the study;

WHEREAS, the County completed a study, made it available to the public and held a public hearing on March 15, 2016 and passed a resolution on March 29, 2016;

WHEREAS, the County completed a second study (Attachment 'B'), made it available to the public, and held a public hearing on December 6, 2016;

WHEREAS, the County had previously issued a Request for Proposals to find providers for private enterprise projects to further its policy goals for social and criminal justice reform;

WHEREAS, the County received proposals and selected First Step House and Road Home as providers for the projects, including projects to reduce recidivism and to provide homelessness services programs, subject to meeting certain agreed upon objectives and to appropriations from the County Council;

WHEREAS, the County Council has determined that these projects will continue to contribute to the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of county residents; and

WHEREAS, the County has determined, by way of the study, that the County will receive value in return for funds appropriated to the projects.

RESOLUTION

NOW, THEREFORE, IT IS HEREBY RESOLVED, by the Salt Lake County Council that:

1. The projects will provide the County with value, as defined in state statute and the Private Enterprise Ordinance and based on the study attached hereto as Attachment A and incorporated herein by this reference, as described below:
 - a. First Step House REACH Program (“Recovery, Engagement, Assessment, Career and Housing”).
 - i. **Expenditures Saved.** The County receives value by saving money on the County’s planned expenditures. The recidivism reduction program targets areas that are a current drain on the County budget, including incarceration, police, legal, court, and victim costs. Decreasing recidivism will help decrease this drain on the County budget, saving the County money. Further, the new and rigorous evaluation standards of this program will provide the County with new information on how programs are working and successfully reducing recidivism (See Study pp. 2-5).
 - ii. **Expenses Foregone.** The County receives value by saving money on the County’s future anticipated expenses. Reducing recidivism will decrease the likelihood of future expansions to the jail, which will save the County the expense of such expansions, and the future costs of that would obtain in the absence of the program. Additionally, the program will help our residents by making it easier to keep private funds allocated for social reform projects in Salt Lake County. Keeping this money locally is of immense value to the County because, if successful, it allows these private funds to be used for programs the County would typically need to fund, and therefore saves the County money in these future expenses (See Study pp. 2-5).
 - iii. **Intangible Benefits Received by the County.** Decreasing recidivism through this process will transform reoffenders into productive, taxpaying citizens. As such, the County finds value in having productive citizens in the County, and in increasing the tax base. Further, the progress and

results of these programs will inform the County and other governmental entities of improvements that can be made to the County's and other's recidivism programs and policies, helping the County and other entities to provide more effective services (See Study pp. 2-5).

- iv. ***Intangible Benefits Received by County Residents.*** Decreasing recidivism through this process will transform reoffenders into productive, taxpaying citizens. County residents will receive an intangible benefit, of value to the County, by having productive neighbors and fellow citizens. Additionally, reducing recidivism is of immeasurable value, and will greatly improve the lives of those children residents of our County who have a father, mother, or other family member incarcerated. By reducing recidivism, these children residents can have more stable family environments, and will be less likely to become incarcerated in the future. If successful, this is of great value to the County, as it will improve the lives of the County's children residents as well as decrease the number of future offenders. A final intangible benefit that is valuable to county residents, is that reducing recidivism will reduce the victim costs that residents currently face (See Study pp. 2-5).

b. Road Home Homelessness Reduction Program


- i. ***Expenditures Saved.*** The County receives value by saving money on the County's planned expenditures. This program targets areas that are a current drain on the County budget relating to homelessness, including substance abuse and mental health programs, as well as incarceration, police, and victim costs that accompany persistent homelessness. Decreasing homelessness will help decrease this drain on the County budget, saving the County money on these planned expenditures. Further, the new and rigorous evaluation standards will provide the County with new information on how these programs are working and improving lives of the homeless (See Study pp. 2-3, 6-9).
- ii. ***Expenses Foregone.*** The County receives value by saving money on the County's future expenses. By reducing the number of persistently homeless individuals who become chronically homeless, the program saves the County future expenditures. It helps these residents become self-sufficient, thus decreasing the County's future spending on behavioral health and other programs for the homeless. Additionally, the program will help Salt Lake County residents by making it easier to keep private funds allocated for social reform projects in Salt Lake County. Keeping this money locally is of immense value to the County because, if successful, it allows these private funds to be used for programs the County would typically need to fund, and therefore saves the County money in these future expenses (See Study pp. 2-3, 6-9).

- iii. ***Intangible Benefits Received by the County.*** Decreasing homelessness through this program will transform the persistently homeless into productive, taxpaying residents. It is valuable for the County to have productive, taxpaying residents to work with and who can increase the tax base. Additionally, reducing persistent homelessness will reduce the use of the jail as a shelter, providing many tangible and intangible benefits to the County. Further, the progress and results of these programs will inform the County of improvements that can be made to County homelessness and behavioral health programs, helping the County to provide more effective services to its residents (See Study pp. 2-3, 6-9).
 - iv. ***Intangible Benefits Received by County Residents.*** Decreasing persistent homelessness will reduce the use of emergency shelters by these chronically homeless residents, which will allow other residents who require temporary emergency shelter better access to resources and standards of living. Another intangible benefit received by county residents is having productive neighbors and fellow citizens. Further, the program allows the County to provide more services and reach those residents whose needs are currently unmet. This will increase these residents' standards of living, and help them become a productive member of Salt Lake County (See Study pp. 2-3, 6-9).
2. The implementation and continuation of the Private Enterprise Projects shall be subject to the following requirements:
 - a. The County Mayor shall report to the Council on a bi-annual basis, prior to the opening of the county budget, the net value received by the County for funds or resources appropriated by the County Council for each project.
 - b. The reports shall include the expenditures saved; the expenses foregone; the intangible benefits received by the County; the intangible benefits received by residents; and other conveniences or comforts to county residents brought about by way of the projects.
 - c. The County Mayor shall notify the Council of payment benchmarks as set forth by the agreements for "success payments" and "performance payments" as defined by the study. The Mayor will notify the Council in the bi-annual reports whether benchmarks have or have not been reached for the projects.
3. This Resolution shall become effective immediately upon its approval and adoption by the Council and will be filed and recorded in the official minutes and records of the Council for this meeting.

APPROVED AND ADOPTED in Salt Lake City, Salt Lake County, Utah, this 13
day of December, 2016.


Max Burdick, Chair


ATTEST:


Sherric Swensen
Salt Lake County Clerk

Voting:

Council Member Bradley	<u>"Aye"</u>
Council Member Bradshaw	<u>"Aye"</u>
Council Member Burdick	<u>"Aye"</u>
Council Member DeBry	<u>"Aye"</u>
Council Member Granato	<u>"Aye"</u>
Council Member Jensen	<u>"Aye"</u>
Council Member Newton	<u>"Aye"</u>
Council Member Snelgrove	<u>"Aye"</u>
Council Member Wilson	<u>"Aye"</u>

APPROVED AS TO FORM:

By: 
Melanie F. Mitchell, Unit Chief
District Attorney's Office

Date: 13 December 2016

EVIDENCE- BASED INTERVENTIONS FOR CRIMINAL JUSTICE REFORM STUDY REQUIRED BY SALT LAKE COUNTY, UTAH CODE OF ORDINANCES, CHAPTER 3.71, "COUNTY PARTICIPATION IN A PRIVATE ENTERPRISE PROJECT"

This report updates a study made and adopted by Salt Lake County in March 2016. It reflects the progress made since that time and sets forth the County's policy objectives moving forward. Salt Lake County has prepared this study pursuant to Utah Code Annotated § 17-50-303 and Salt Lake County Code of Ordinances § 3.71. These provisions require that the County prepare and make available to the public a study to determine: (a) the value the County will receive in return for funds appropriated in aid of a private-enterprise project, (b) the purpose for the appropriation, and (c) whether the appropriation is necessary and appropriate to accomplish the County's policy objectives.

In 2016, Salt Lake County policy makers appropriated \$3 million, which will be held in an escrow account, to implement a Private Enterprise Project. This project will address criminal justice needs, and help implement policies to address these needs. The Council adopted a resolution setting forth contract parameters related to the expenditures saved, expenses forgone, intangible benefits received by the County and its residents, and other benefits. The Mayor's office then began contract negotiations with vendors to implement the proposed programs consistent with the parameters set by the Salt Lake County Council.

OVERVIEW

The goal of these private enterprise projects is to make a measurable impact in two criminal justice reform areas: recidivism and homelessness. The County's earlier study identified community needs; evidence-based models; the vendors selected through the procurement process; the outcomes sought; the role of private enterprise in financing; and the use of a Randomized Control Trial to measure and validate outcomes. The study also described the "Pay for Success" model that the County is using to implement these policy objectives. For more detail on these aspects of the program, please refer to the prior study. A copy is available in the office of the Salt Lake County Council Clerk, and an electronic version is available at www.slco.org/council/pay-for-successs-reports.

This new study was facilitated by the extensive collaboration involved in building these projects. Leadership and staff from the Salt Lake County Council, the Mayor's office, the Salt Lake County Sheriff and District Attorney, the Community Foundation of Utah, the University of Utah Criminal Justice Center and the Sorenson Impact Center at the David Eccles School of Business, the Department of Workforce Services, Adult Parole and Probation, the law firm of Dorsey & Whitney, local experts and Third Sector Capital Partners spent an estimated 10,000 hours developing these projects, and determining their impact and value. The rigor of the private-sector lenders' oversight also adds to this due diligence. In sum, these projects are the result of significant experience, study, analysis and collaboration. Copies of this study are available for public review and comment in the Salt Lake County offices of the Council, the Mayor, the Clerk; an electronic version is available at www.slco.org/council/pay-for-successs-reports. **A public hearing will be held on December 6, 2016, at 4:00 pm** so the Salt Lake County Council may take public comment on the information contained herein.

A. THE VALUE THE COUNTY WILL RECEIVE IN RETURN FOR FUNDS APPROPRIATED IN AID OF A PRIVATE ENTERPRISE PROJECT.

Salt Lake County Ordinance § 3.71 requires that the County determine the value it will receive in return for funds appropriated in aid of a private enterprise project. The ordinance also identifies criteria by which the County will determine the value received, including tangible and intangible benefits; expenditures saved; expenses forgone; and other "comforts or conveniences to county residents."

Tangible benefits to the county include job creation, and the services these jobs provide will have a multiplier effect. Successful interventions will have a strong employment outcome for the program participants. The goals for individuals who successfully complete the PFS programs include the following: job creation, an increase in taxes paid, and an increase in the local demand for goods and services. To the extent that these programs are successful, there will be less demand for jail beds and ancillary costs, and there will be a decrease in costs associated with arrests, bookings, detoxification, and emergency room services. To the extent they are successful, the programs will decrease the societal costs of criminal activity.

The intangible benefits to the County are public health and safety externalities that are difficult to quantify. The program seeks to overcome the challenges of meeting the needs of high-risk individuals who are repeatedly arrested for behaviors related to their mental health, substance abuse, and homelessness. The program also seeks to reduce the costs to the families and children of individuals who are incarcerated, or without a home. Other intangible benefits include improvements in safety, peace and order for the citizens and businesses in areas with high criminal activity or those who are negatively impacted by the current homelessness crisis.

A third benefit is the knowledge that Salt Lake County and the nation will gain from these programs. Both programs include a Randomized Control Trial, the highest level of independent evaluation available. This is a rare occurrence in the social sector as this level of rigor is more commonly applied in the medical field. The model includes deep capacity building for two of the region's critical service providers: the Road Home and First Step House. Because these pay-for-success (PFS) programs include substantial evaluation, we will be able to measure and report tangible benefits. Successful PFS programs will allow the County and others across the United States to initiate validated programs with evidenced-based effectiveness and reduce future funding levels for programs that do not produce validated results.

B. THE PURPOSE FOR THE APPROPRIATION

The PFS funding model uses the capital of private enterprises, in this case banks, private foundations and Community Development Financial Institutions (CDFIs), to provide a nonprofit service vendor with upfront capital to tackle critical social problems. The government sets very clear and measurable outcomes for the providers. A rigorous, independent evaluation determines if the outcomes are met. This is what makes PFS unique. To the extent agreed upon outcomes are met, the County will reimburse the private foundations and banks. If the metrics are not met, the County does not re-pay the lenders.

By tapping private funding to cover the costs of new, innovative but-as-yet unproven social programs, PFS shifts performance risk towards private funders. To the extent that the projects are successful, the

County will reimburse the private investors for their project expenses plus interest and sometimes a modest profit. To the extent the private expenditures do not produce the prescribed PFS results, the private capital that is at risk. The County only reimburses the investors if the results – as determined by the randomized control trial and the contract requirements – are achieved. If the results are not achieved, then the remaining escrowed funds will be returned to the County's General Fund. The highest and best use of returned funds will be determined collectively by the County's policy makers -- the Mayor and the County Council.

In the 2016 budget, the County Council appropriated \$3 million and indicated its intent to appropriate up to a total of \$11.5 million over the course of four years to PFS contracts. (A more detailed allocation is provided in Table A). In a PFS contract, government ties payments to results. The 2017 budget provides for an additional \$3 million that will be placed in escrow. (A separate appropriation of \$250,000 will be used to continue a contract with Third Sector Capital Partners, the project advisors, through the pilot period). The following table sets forth the budget for the two private enterprise projects.

TABLE A. PFS Budget as of 19 October, 2016		
Criminal Justice "REACH" program at First Step House		
Services	\$ 5,180,190	Services provided to 225 individuals, includes evaluation
Project Costs	\$ 647,500	Includes program management, legal, and other PFS overhead
Interest Costs	\$ 443,897	2% interest rate for Impact Lenders and 5% interest rate for Senior Lenders over 5 year period. Amount may change subject to final mix of senior/junior lenders.
Subtotal	\$ 6,271,587	
Homelessness "Homes Not Jails" program at The Road Home		
Services	\$ 4,664,037	Services provided to 315 individuals, includes evaluation
Project Costs	\$ 647,500	Includes program management, legal, and other PFS overhead
Interest Costs	\$ 371,078	2% interest rate for Impact Lenders and 5% interest rate for Senior Lenders over 5 year period. Amount may change subject to final mix of senior/junior lenders.
Subtotal	\$ 5,682,615	
Total Combined Costs		
Services	\$ 9,844,227	
Project Costs	\$ 1,295,000	
Interest Costs	\$ 814,975	
Total	\$ 11,954,202	County Success Payments are capped at \$11.5 million. Non-recoverable private philanthropy will account for some of the difference.

C. THE APPROPRIATION IS NECESSARY AND APPROPRIATE TO ACCOMPLISH SALT LAKE COUNTY'S POLICY OBJECTIVES.

The goals of the programs are as follows. Pay-for-success is an evidence-based model that encourages broad community investment and evaluation to determine whether the goals of the PFS programs are being met. In the earlier study, the County identified and described two core goals: 1) serve high-cost individuals more effectively and with greater cost efficiency and 2) address system gaps. The County updates its desired outcomes in this new study.

1. Criminal Justice: The REACH Program

Population Served and Program

The REACH program, an acronym that stands for Recovery, Engagement, Assessment, Career and Housing, will serve approximately 225 formerly incarcerated adult males who are at high risk of reengaging in criminal behavior. Participation in the program will be restricted to formerly incarcerated individuals who have finished serving sentenced jail time, have moderate to severe substance use disorders, and are being supervised by Adult Probation and Parole (AP&P). The REACH program is designed to treat those who have co-occurring mental health disorders; however, individuals with extreme mental health conditions are excluded from REACH.

The REACH program, which will be delivered by First Step House, applies evidence-based principles to reduce recidivism and includes services and treatments to address criminogenic needs (such as substance use disorder treatment and employment support) and non-criminogenic needs. Non-criminogenic needs include ongoing recovery support and, as appropriate, housing assistance. .

The program's design is based upon a large body of research that has examined what works to reduce recidivism, treat substance use disorders, and develop transformative therapeutic relationships. It's foundation is built upon (1) the Risk-Need-Responsivity model, (2) addressing non-criminogenic needs that serve as barriers to treatment and prosocial change, (3) enhancing and maintaining recovery engagement, and (4) ensuring program fidelity (i.e., how well the program adheres to its design and delivers evidence-based interventions).

REACH is designed to provide employment support and to help participants become self-sufficient. The REACH employment program assesses each participant's employment and education history, needs, and goals. This assessment will identify the specific criminogenic factors impacting employment-related domains, and will be used by REACH case managers to create a comprehensive career development plan for each individual. Employment domains that will be addressed by the REACH program include: (1) job placement; (2) job readiness and skills training; (3) connecting participants with education and vocational training; (4) ongoing coaching; and (5) employer coordination and collaboration. Employment-related criminogenic needs will be addressed during needs-based skills groups, individual sessions, and employment-skills groups to help individuals develop prosocial workplace skills. Finally, case managers will work with targeted employers to help in this process.

REACH Program Metrics and Success Outcomes

The primary success metrics for the REACH program are reductions in the number of arrests and of days incarcerated. Baseline data indicates that, over four years, 74% of this high-risk, high-need population in Salt Lake County will be re-arrested. On average, they will be arrested 2.8 times and spend 336 days incarcerated. As an early indicator of success, the project will also measure participant engagement in treatment, as determined by the number of hours of services received within a specified timeframe. In addition, the REACH program also measures each participant’s employment gains to determine the impact of the model’s comprehensive wrap-around services. The following table provides details on REACH’s four payable success metrics.

Metric	Definition/Description	Measurement Details	Why?	Target Success Rates + Details	Success Payment
Arrests	Reduction in statewide arrests.	Comparative, measured using jail and prison data; evaluated 4 years post-randomization.	The target population has a high risk of reoffending. Project analysis indicates this population has a high risk of multiple re-offenses.	The REACH program expects to reduce 4-year arrests for enrolled participants by 35%, from 2.8 to 1.8 arrests. This impact translates to a nearly 30% reduction for everyone referred to the program.	\$250/arrest avoided
Days Incarcerated	Reduction in days incarcerated in Salt Lake County jail and Utah State prisons	Comparative, measured using jail and prison data; evaluated 4 years post-randomization.	Each jail day costs about \$95 – without regard to police and court costs associated with arrest and adjudication.	The REACH program expects to reduce 4-year incarcerated days for enrolled participants by 35%, from 336 days to 218 days. This impact translates to a nearly 30% reduction for everyone referred to the program.	\$200/day avoided
Employment Quarters	Improvement in number of employment quarters, defined as an individual having earned at least \$850	Comparative, measured using Department of Workforce Services wage data; evaluated 2 years beginning quarter post-randomization.	Employment is a criminogenic need and a priority of Salt Lake County.	The REACH program estimates that it can improve employment quarters on enrolled participants by 25%.	\$450/quarter employed
Treatment Engagement	Number of individuals engaging in 200 hours of treatment within 6 months of enrollment	Absolute metric measured using REACH data; evaluated 6 months post enrollment.	Research suggests that 200 hours of treatment provides substantial reductions in recidivism for high-risk offenders.	The REACH program estimates that about two-thirds of individuals enrolled will engage in 200 hours of treatment within 6 months.	\$5,800 per person (total payments capped at \$500,000)

2. Homelessness: Homes Not Jail Program

Population Served and Program

The goal of the Homes not Jail (HNJ) program is to provide services to improve the housing stability, criminal justice outcomes, and behavioral health outcomes of the persistently homeless. The persistently homeless are those who have spent between 90 and 364 days over the previous year in emergency shelters, on the streets, or otherwise tracked as being homeless.

These individuals spend long periods in emergency shelter and are historically booked into jail for low-level crimes related to homelessness. Analysis of this population demonstrates that without support the persistently homeless are at clear risk of remaining homeless. Despite the clear need for intervention, these individuals are highly unlikely to receive public services for several reasons:

- These individuals do not meet the strict federal definition of chronically homeless, and therefore are not prioritized for the limited permanent supportive housing units available in Salt Lake County.
- Other short-term housing programs in the County either are prioritized for different populations such as families or veterans, or have highly limited funding. Limited funding means that only 19% of the persistently homeless population can be served through current programs.
- Persistently homeless individuals are highly unlikely to qualify for Medicaid and associated services.
- The waitlist for County and City Housing Authority programs stretches six years.

The HNJ program, as delivered by The Road Home, is intended to move individuals from homelessness to stability and self-sufficiency in housing. Currently, these individuals are warehoused in jails and shelters until they become chronically homeless and, thus eligible for costly permanent supportive housing.

The County currently has 1,929 permanent supportive housing beds that are entirely utilized by the chronically homeless population. The Community Triage Group in Salt Lake County is responsible for identifying open permanent supportive housing beds and then assigning them to the most vulnerable individuals experiencing chronic homelessness. If permanent supportive housing were used for the persistently homeless population, the cost would be prohibitive. Given that there are more than 1,000 persistently homeless individuals in the County, the increase in funding to adequately address the problem would exceed 50 percent. While the State and the County are working to build more housing units, locations are limited and these units require large investments of time, resources and infrastructure. Additionally, these persistently homeless individuals may not need permanent housing. Because they are not chronically homeless, it is less likely that this population has disabling conditions such as serious physical and behavioral health issues.

As a result, the County and its partners will use a Rapid Rehousing approach (RRH) to serve persistently homeless individuals through the HNJ program. Several studies have indicated that individuals in RRH programs are less likely to return to homelessness and that it is more cost-effective than remaining in emergency shelter. As a result, several federal agencies have increased their support and available resources for RRH as a promising and innovative program model to improve housing stability. The HNJ

project will more rigorously evaluate the effectiveness of RRH in improving housing and criminal justice outcomes as a lower-cost alternative for the persistently homeless population.

RRH reconnects individuals with housing as quickly as possible, and provides limited rent and move-in assistance as well as case management in order to achieve housing stability. The duration of financial assistance for housing usually ranges from four-to-six months in order to stabilize an individual. The HNJ program has three phases that incorporate core components of the RRH model: 1) engagement, (2) housing search and placement in appropriate, stable accommodations for long-term self-sufficiency, and (3) case management and rental and move-in assistance. During each of the three phases HNJ staff provides: (1) Comprehensive housing assistance that includes locating housing; (2) Rental and move-in assistance; and (3) Wrap-around services that focus on creating a case management plan to address an individual's health, income and employment needs.

Immediately after entering – through a randomized selection process -- into the HNJ program, a case manager will begin engagement with the individual, helping to guide him or her through the housing-access phase and provide information and education about the program. During this period, individuals may remain in shelter beds specifically designated for HNJ participants. The primary focus of this phase, which lasts up to 14 days, is to introduce the individual to the program and to HNJ staff and to conduct behavioral health assessments.

Once engaged, the next step is to help the individual find housing. During this phase, the individual will have close and persistent contact with HNJ staff. All staff members will be trained in Critical Time Intervention as well as Trauma Informed Case-and-Motivational Interviewing. The training and persistent contact is designed to identify the clients' needs during the transition, and to ensure the individual is motivated and ready to transition to long-term housing. The services in this phase are anticipated to take an average of one month. These services include: Housing Assistance, Wrap-around Case Management Services, Development of a Case Management Plan, and Interim Group Services

The Road Home anticipates the average duration of rental assistance will be 4.7 months. Throughout this time, participants will remain engaged with the program through case management and rental assistance.

Program graduation will be based on a progressive engagement model and the Housing Stability Conversation Guide discussed above. The majority of clients will graduate out of rental subsidy and case management services simultaneously, but some individuals may maintain case management after rental assistance ends. This will help them resolve other issues related to housing stability.

Several program partners are a part of the program:

- Volunteers of America (VOA) will hire a Behavioral Health Clinician for the project. VOA provides programs including adult detoxification, mental health counseling, and housing services.
- 4th Street Clinic, the Cornerstone Clinic, Valley Behavioral Health and other Salt Lake County behavioral health providers will provide behavioral health services for program participants who need more-intensive interventions.
- The Department of Workforce Services and Advantage Services will provide supportive employment services and job training classes. Advantage Services is a non-profit employment

agency that hires people with disabilities who are experiencing homelessness. These individuals, once trained, are used to fulfill contract services. Advantage Services also provides job training classes and supportive employment services

HNJ Program Metrics and Success Outcomes

A central consideration in measuring the effectiveness of RRH is data availability: if an individual graduates from a RRH program to unsubsidized housing, it is a challenge to accurately track whether that individual is accommodated. The HNJ metrics will exist well beyond graduation from the program. The participants' behavioral health enrollments will be measured to determine whether the innovative methods to reduce barriers and to provide access to assessment and treatment in HNJ are effective. Long-term recidivism rates will be compared as detailed in the following table.

Metric	Definition/Description	Measurement Details	Why?	Target Success Rates + Details	Success Payment
Months without any Shelter or Jail	Number of months in which an individual does not reside in any emergency shelter in the State or in the Salt Lake County jail.	Comparative metric measured using State HMIS and Salt Lake County jail data; evaluated 2 years.	A proxy for whether someone has successfully stabilized and remained out of jail in the longer term as a result of the PFS program. A single day of shelter or jail therefore disqualifies a given month of success.	The HNJ program estimates it can improve months without shelter/jail for placed participants by 30%, from 16 months to 21 months.	\$3,500/month
Graduations to Permanent Housing Location	Number of participants who graduate to a permanent housing location (as defined by HUD).	Absolute metric measured using locations reported and verified by case managers using Housing Stabilization Guide; evaluated at program completion.	The graduation outcome complements the months without shelter/jail outcome to track participants' housing situation at graduation.	The HNJ program estimates that 80% of placed participants will graduate to a permanent housing location.	\$2,300/ graduation (capped at \$500,000 in total payments)
Mental Health Service Enrollments	Number of enrollments into mental health services.	Comparative metric measured using Salt Lake County Behavioral Health Services UWITs database; each enrollee will be observed for	Many individuals experiencing persistent homelessness do not stay engaged long enough to make it to the end of the waiting list for behavioral health services. This outcome will	The HNJ program estimates it can improve mental health enrollments for placed participants by 100%, from 12% to 24%.	\$5,000/ enrollment

		two years.	monitor if housing and case management services help participants stay engaged.		
Substance Abuse Disorder Service Enrollments	Number of enrollments into substance abuse services (excluding detox) after randomization.	Comparative metric measured using Salt Lake County Behavioral Health Services UWITs database; each enrollee will be observed for two years.	Many individuals experiencing persistent homelessness do not stay engaged long enough to make it to the end of the waiting list for behavioral health services. This outcome will monitor if housing and case management services help participants stay engaged.	The HNJ program estimates it can improve mental health enrollments for placed participants by 100%, from 10% to 20%.	\$5,000/enrollment

CONCLUSION

The County Council has determined that an appropriation of \$3 million in 2017, the same amount as appropriated in 2016, is necessary and appropriate for the County to continue to accomplish its goals and objectives of making a measurable impact in the criminal justice reform areas of recidivism and homelessness. By tapping private funds to cover the costs of new, innovative but-as-yet unproven social programs, PFS shifts performance risk towards private funders. To the extent the projects are successful, the County will reimburse the private investors for their project expenses plus interest and sometimes a modest profit. If the private expenditures do not produce the prescribed PFS results, Salt Lake County’s financial exposure is reduced accordingly. Success payments will be determined by contracts currently being negotiated by Salt Lake County and other stakeholders. But they will only occur after an independent evaluation -- using a Randomized Control Trial and rigorous, databased, real-time analysis -- determines that the outcomes specified in the contract have been satisfied. Given a successful scenario and pursuant to this study, the Council finds that Salt Lake County will receive a value for its appropriations in the form of tangible and intangible benefits. The County has committed to appropriate \$11.5 million over the four years ending December 2019.

Attribution and Contact Information

This report was prepared, edited, and reviewed by the following individuals. To comment on the report, please email payforsuccess@slco.org.

- Dave Delquadro, Council Fiscal Manager, Salt Lake County Council
- Darrin Casper, Chief Financial Officer, Salt Lake County Mayor's Office
- Amber Liechty, Administrative Coordinator, Salt Lake County Council
- Fraser Nelson, Director of Data and Innovation, Salt Lake County Mayor's Office
- Jason Rose, Legal Counsel to the Salt Lake County Council

The project-specific financing and program cost figures presented in the study have been independently verified by Third Sector Capital Partners, Inc., an independent group who provides technical assistance in the development of Pay for Success projects nationwide. Readers may learn more about the expertise of this group at [http:// www.thirdsectorcap.org](http://www.thirdsectorcap.org).