Winning Social Innovation Fund Applications Suggest Substantial Growth Ahead for Pay-for-Success Funding

By Patrick Lester

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A review of the Social Innovation Fund’s eight winning pay-for-success grant applications, now publicly available for the first time, reveals that the field is experiencing strong growth and seems likely to continue this growth over the next few years.

The Social Innovation Fund (SIF) is a relatively small program, housed within the Corporation for National and Community Service, and it constitutes a tiny fraction of overall federal funding of social services. Moreover, its $12 million in pay-for-success grants represents just a small fraction of SIF’s funding.

However, because these grants are tightly focused on conducting feasibility assessments, developing new pay-for-success agreements, and related technical assistance, SIF appears to be playing a substantial catalytic role. SIF’s claim that its $12 million investment will generate nearly 100 new project sub-grants, which itself would represent a significant jump in the number of projects nationwide, appears to be validated by this independent review of the applications.

Moreover, the applications reveal other activities, some of which are taking place independent of SIF’s involvement, including the following:

- Major incumbent organizations involved in pay-for-success initiatives nationwide — such as Third Sector Capital Partners and the Harvard Kennedy School SIB Lab — are developing deeper knowledge bases and growing their client pipelines;
- New intermediaries are emerging with substantial expertise and contacts in specific fields, such as asthma prevention, early childhood programs, child welfare, juvenile justice, mental health services, and supportive housing;
- New potential sources of outside investment are emerging, including Community Development Financial Institutions, United Ways and other community-based funders, and managed care organizations; and
- Associations of state and local governments, like the National Governor’s Association, National Association of Counties, and National League of Cities, are becoming increasingly engaged.

This report reviews these overall trends, as well as common elements and highlights from the individual applications. Links to the complete application narratives, which contain additional information, are included in the individual grant profiles.

1 For more information, contact Patrick Lester, Director, Social Innovation Research Center, at (443) 822-4791 or patrick@socialinnovationcenter.org.
3 The grants are focused on one of two primary activities: (1) technical assistance to assess project feasibility and develop capacity; or (2) helping to cover the cost of structuring pay-for-success transactions.
Substantial Growth in the Pay-for-Success Field

A review of the eight winning SIF applications reveals multiple indicators of strong growth in the pay-for-success field, including the following:

**Growing Client Pipelines for the Major Existing Intermediaries:** Nationally-recognized incumbent organizations — such as Third Sector Capital Partners and the Harvard Kennedy School SIB Lab — are reporting growing client pipelines and substantial growth.

According to the Harvard SIB Lab:

One year ago there was a single $10 million PFS project delivering services in the U.S.— the New York City Rikers Island project. Today, with the Massachusetts and New York State criminal justice projects and the Utah early childhood pilot project, there are four PFS projects in the service-delivery phase that in combination are scheduled to deliver approximately $50 million in services.

In its July application, the SIB Lab projected that the national volume of U.S. pay-for-success contracts was likely to reach $200 million within the next 12 months.

Projections by Third Sector Capital Partners, which has been substantially involved with many (perhaps most) of the existing pay-for-success projects, are similar. According to its grant proposal, "We have driven over $60M in public and private financing towards outcomes-based contracts to date, with $115M additional financing clearly in sight."

**Newer, More Specialized Intermediaries:** The larger incumbent organizations are apparently now being joined by newer intermediaries, many of which are tightly focused on specific program areas and possess substantial programmatic expertise and related contacts. These include four of the SIF grantees — the Corporation for Supportive Housing, which is focused on supportive housing for the homeless, people with disabilities, and other populations; the Green and Healthy Homes Initiative, whose project is focused on asthma prevention; the Institute for Child Success, which is focusing on early childhood programs; and the National Council on Crime and Delinquency (NCCD), which is focusing on child welfare and juvenile justice issues.

In some cases, these emerging organizations are partnering with incumbent experts like Third Sector Capital Partners. In each case, they appear to see strong growth in their respective fields, although this growth may be contingent upon their ability to make their pay-for-success demonstrations work. According to the Institute for Child Success, "if we demonstrate that PFS finance works for [early childhood initiatives], the number of PFS transactions in the U.S. could explode."

**New Investors:** Another factor is growth in the number and types of outside investors in pay-for-success transactions. To date, many of the highest profile initiatives have included outside investments by for-profit banks like Goldman Sachs, which has made a number of investments, including the Rikers Island project\(^5\) and a more recent pre-K initiative in Chicago.\(^6\)

The SIF applications, however, reveal a broader array of investors. Two of the applicants, the Corporation for Supportive Housing and Nonprofit Finance Fund, are Community Development Financial Institutions (CDFIs), and at least one other application (Green and Healthy Homes Initiative) includes a CDFI as a major partner. The Nonprofit Finance Fund is particularly noteworthy, not only because it received the largest SIF grant, but also because it has received $1.347 million in separate funding from the federal CDFI Fund’s Core Financial Assistance Program Awards program to facilitate the development of pay-for-success transactions throughout the United States (although the organization notes that these funds are not intended to be invested in the SIF-related projects).

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The SIF applications also suggest other emerging funding sources. The application from the Institute for Child Success shows substantial involvement of the local United Way in its early childhood pay-for-success initiative. Indeed, the organization was created as a joint project of the United Way of Greenville County and the Children’s Hospital of the Greenville Health System. Given the long history of involvement in early childhood programs by United Ways nationally, including implementation of the Bank of America-funded Success-by-Six initiative, the Institute’s pay-for-success program could foreshadow increased involvement by other local United Ways across the country.

This potential shift to local funders was also reflected in the Third Sector Capital Partners proposal:

Thus far, projects at all levels of government have been primarily driven by capital from large private banks, national funders or wealthy individuals, but there has been interest from local funding infrastructure, such as community foundations, local United Ways or local banks to finance outcomes-driven service providers in their communities. In our open competition for sub-recipients, we will also give preference for compelling plans that have raised match dollars from local funders.

Another new source of investment may be found in the health care sector, as illustrated by the Green and Healthy Homes Initiative, which is exploring the use of managed Medicaid organizations and hospitals as private payors for asthma prevention.

Increased Involvement by Associations of States and Local Governments: Organizations like the National Governors Association, National Association of Counties, and National League of Cities are all showing increased interest in pay-for-success. All are partners in the Third Sector Capital Partners proposal. According to Third Sector, these organizations “not only provide us with sustainable, high quality access to their constituencies for recruiting and dissemination, they also bring us a cadre of experts in governmental structure.”

Andrew Moore, Senior Fellow at the Institute for Youth, Education, and Families at the National League of Cities, said mayors are highly interested in the pay-for-success model. "Mayors are very results-oriented," he said, "and they are always on the lookout for new financing strategies. We now have an example of a municipally-led childhood education project coming out of Chicago. Cities will be interested in lessons learned from that." 7

Maeghan Gilmore, a program director with the National Association of Counties, noted that counties are where many of the most common services targeted by pay-for-success are provided, including health, human services, and criminal justice-related programs. She said counties are watching Salt Lake County in Utah, which has been a pay-for-success leader. 8

Insights on Launching a Pay-for-Success Initiative

Because SIF’s pay-for-success grants are focused on feasibility assessments and technical assistance for new initiatives, the grant applications provide insights into what is required to launch such an initiative.

According to the Harvard SIB Lab, whose observations are substantially represented here, about half of the initial ideas it encounters can be quickly ruled out because they do not meet one or more of the various criteria for a successful project. Some of those requirements include:

- **Identifying local champions:** According to the Harvard SIB Lab, projects “have to be feasible from an operational standpoint. Before a decision in made to move forward to procure services, there needs to be an enthusiastic lead government agency that is capable of managing the project as well as a high likelihood that sufficient provider capacity and investor interest will emerge.”

- **Identifying high-cost populations where pay-for-success is economically viable:** According to the Harvard SIB Lab, “Projects are only financially viable if the payments the government is willing to make (based on budgetary savings and in some cases on other benefits) exceed costs by enough to

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7 November 3, 2014 interview.
8 November 4, 2014 interview.
compensate investors for the risk they are taking." A focus on generating savings by targeting high-cost populations was also evident in some of the other applications, including the Corporation for Supportive Housing, which focused on "super-users" of crisis resources such as emergency rooms in its proposal.

- **Identifying evidence-based, PFS-ready issue areas and interventions**: Such work typically includes literature reviews and consultation with experts, with a focus on prevention programs. More broadly, according to the Harvard SIB Lab, it involves "assessing potential interventions and providers to understand the cost of services and the likely impacts on outcomes that the interventions will produce. In some cases, there is an existing strong evaluation study that provides evidence on the likely impacts — though typically even the strongest evidence comes from services that were provided to somewhat different populations, in distant time periods, and different geographies."

- **Choosing measurable outcomes**: Measurable outcomes define the "success" in pay-for-success. These outcomes have not yet been established. Instead, they are expected to be established as part of the technical assistance process, with ongoing involvement by CNCS. However, according to the National Council on Crime and Delinquency, expressed awareness in its application of the need to be careful because poorly designed indicators can create perverse incentives: "The financial incentives tied to PFS-funded interventions should not influence service providers to engage in any behaviors that might inadvertently harm their clients. In a child welfare PFS intervention, for example, providers must avoid leaving a child in an unhealthy placement for the sake of earning success payments rather than moving the child to a safer placement. In a juvenile justice PFS intervention, jurisdictions should not be incentivized to release extremely high-risk individuals into the community simply to save money on jail space."

- **Choosing data sets**: This task includes identifying data sets that are needed to track outcomes, complying with associated state and federal regulations (including privacy protections), executing data sharing agreements, complying with Institutional Review Board requirements where applicable, instituting data quality controls, and addressing other technical issues.

- **Establishing financing**: As described earlier in this report.

- **Establishing contracts and other legal structures**: This includes drafting various financial contracts and memoranda of understanding between organizations. In some cases (although rarely), new local legislation may be needed. In several of the grant applications, the grantees suggested that these activities are becoming easier as contracts become increasingly standardized.

- **Project management**: According to Third Sector Capital Partners, simple project management is often the most critical component of a local pay-for-success initiative. The Harvard SIB Lab appears to agree: "A significant challenge in PFS projects is ensuring that government leads stay focused and committed to the project. With budget cycles, elections, and turnover of staff, one of the biggest threats to a viable PFS project is government inertia and decision paralysis."

**Individual Grant Summaries**

The following pages contain highlights from each of the eight grant applications, which were obtained through a Freedom of Information Act request submitted to the Corporation for National and Community Service in early October 2014, shortly after the grant winners were announced. The information presented here is supplemented in some cases with follow-up interviews with the grantees. In all cases, this information should be considered preliminary and subject to change. According to the Corporation, which oversees the Social Innovation Fund, all grants made under its pay-for-success competition are implemented as cooperative agreements, which allow substantial involvement of CNCS staff on an ongoing basis.

Follow-up interviews were conducted with the Institute for Child Success, National Council on Crime and Delinquency, Nonprofit Finance Fund, and Third Sector Capital Partners. The Corporation for Supportive Housing and Harvard SIB Lab also reviewed their profiles for accuracy.
According to CNCS: "This will include CNCS approval of all sub-recipient and sub-grantee selection plans. The assigned CNCS program officer will confer with the grantee on a regular and frequent basis to develop and/or review service delivery and project status, including work plans, budgets, periodic reports, evaluations, etc."

For these reasons, particularly in the case of organizations wishing to apply for a sub-grant, the listed organizations should be contacted for more up-to-date information.

**Corporation for Supportive Housing**

- **Focus of Grant:** Supportive housing programs for homeless individuals, youth and families, and people with disabilities.
- **Eligible Entities:** Government agencies and/or non-profit service providers.
- **Number of Grants:** 12 over the course of 2-3 competitions.
- **Timing of Sub-grant Announcement:** RFP released by the end of 2014. Selections expected in early 2015.
- **SIF Grant Received:** $750,000 for 3 years
- **Organizational Web Site:** [http://www.csh.org/socialimpact](http://www.csh.org/socialimpact)

The Corporation for Supportive Housing (CSH) grant will provide technical assistance for pay-for-success programs targeting supportive housing.

Supportive housing combines affordable housing with services for vulnerable populations, including homeless veterans, families, youth, chronically homeless individuals, and disabled individuals who are deemed to be inappropriately institutionalized.

According to the Corporation, supportive housing "has been repeatedly proven to be an effective intervention that improves housing stability, reduces the use of expensive crisis care (e.g., ERs, detox, hospitalization, nursing homes)." It says that without stable housing, "youth are at greater risk of physical and sexual victimization as well as mental health, and/or substance use issues" and notes that homelessness is the strongest predictor that children will be removed from families and placed in the foster care system.

Despite its benefits, however, the Corporation says that supportive housing has been chronically underfunded and this is becoming an acute problem in states facing stepped-up compliance efforts from the U.S. Department of Justice to enforce the Supreme Court's *Olmstead* decision, which gives people with disabilities a right to independent living outside of an institutional setting.

Under the grant, CSH will be targeting high cost groups of "super-users" of crisis resources such as emergency rooms, hospitals, jails, detox facilities and homeless shelters. In Los Angeles, for example, it says that 10 percent of the homeless population accounts for 72 percent of homeless healthcare costs. The organization will identify these high-cost groups using data matching techniques and existing administrative data sets from homeless, corrections, health/behavioral health, child welfare and other institutional data systems.

The corporation is partnering with two sub-contractors to provide feasibility technical assistance: the Center for Health Care Strategies (CHCS) and Third Sector Capital Partners.

**Green and Healthy Homes Initiative**

- **Focus of Grant:** Asthma prevention.
- **Eligible Entities:** Healthcare organizations (i.e., integrated delivery networks, academic research centers, managed Medicaid organizations and hospitals) who wish to serve as a private payor in an asthma-focused PFS project in their community.
- **Number of Grants:** 5 asthma-related PFS projects. One health care entity and one service provider will be selected per site, for a total of ten project sub-recipients.
- **Timing of Sub-grant Announcement:** Uncertain, possibly late 2014.
The Green and Healthy Homes Initiative (GHHI) grant will fund five asthma prevention-focused partnerships between service providers and private healthcare organizations, which will serve as the private payors.

The projects will be significantly modeled on an existing $10 million project in Baltimore being conducted in partnership with Johns Hopkins Hospital and Healthcare Systems, which is acting as the private payor, and the Calvert Foundation, a nonprofit impact investment firm and registered Community Development Financial Institution (CDFI), which is acting as the sole investor.

According to the application, the project is "projected to accrue $15 million in savings through reduced emergency room visits, hospitalizations and doctor visits for patients of The Johns Hopkins Hospital and Priority Partners (Johns Hopkins Medicaid Managed Care Organization)."

The project includes university data partners from Johns Hopkins, Brown University, and Harvard and non-partisan health research organizations like the Hilltop Institute of the University of Maryland Baltimore County, which is analyzing state Medicaid data.

**Harvard Kennedy School Social Impact Bond Technical Assistance Lab**

- **Focus of Grant:** General pay-for-success.
- **Eligible Entities:** States and local governments
- **Number of Grants:** 10 in two cohorts in the fall of 2014 and the fall of 2015
- **Timing of Sub-grant Announcement:** Expected in November with application deadline in December.
- **SIF Grant Received:** $1,932,172 over 3 years
- **Organizational Web Site:** [http://hks-siblab.org/](http://hks-siblab.org/)

Along with Third Sector Capital Partners, the Harvard Kennedy School SIB Lab is one of the most active and prominent national players in the social impact bond space. It helped launch two of the earliest state-level initiatives in Massachusetts and New York State and, according to the organization, it has since been assisting eight states and two cities with 13 additional PFS projects.

As a research institution, the organization has chosen to focus on new, innovative uses of the pay-for-success model. According to its grant proposal:

> It is important to explore how the PFS model can be applied in other areas, such as early childhood, where benefits are manifest over a longer time frame, and in areas such as diabetes prevention, where Medicaid savings accrue to multiple levels of government and the projects require participation by multiple levels of government to achieve economic viability. Place-based initiatives that provide a menu of services procured from multiple service providers will test the PFS model's ability to engage multiple providers at once.

According to its proposal, several of the estimated 10 projects it will fund will be for consortia of governments rather than a single governmental entity. At least two will be early-childhood related and the organization hopes that at least one will focus on opportunity youth.

As part of its engagements, the SIB Lab conducts an analysis to determine if the proposed project is financially viable. According to the grant proposal:

> We offer our services to governments pro bono, and we do not take any payments associated with deal completion. Because of these arrangements, and because our senior leadership has government experience, we are able to provide governments with independent advice that protects them from entering into deals that are not in the public interest. We take just as much satisfaction from preventing governments from entering into bad transactions as we do from helping them move forward on good PFS projects.
Once a project has been judged to be feasible, the SIB Lab typically helps the local project with staffing: "Putting together and implementing a project requires a dedicated full-time person on the government side for approximately 12 to 18 months. Given the tight staffing pressures that governments face, most are hesitant to reallocate a position to this experimental contracting approach until they have experienced its benefits."

To help, the Lab commonly places fellows (typically drawn from top-level schools) with local projects. The fellow helps with feasibility analysis and implementation, coordinating with the national staff based at Harvard until local government partners are ready to hire full-time local staff to take over when the fellow's engagement has ended.

**Institute for Child Success (ICS)**

- **Focus of Grant:** Early childhood programs.
- **Eligible Entities:** Local jurisdiction stakeholder teams that include government, philanthropy, social service providers, and academic representatives, with a focus on the South, including rural and economically distressed areas.
- **Number of Grants:** Two tiers, with 34 teams selected to participate in a March, 2015 conference; 4 jurisdictional teams selected to receive intensive technical assistance each year.
- **Timing of Sub-grant Announcement:** Notice released in October. Applications due in November.
- **SIF Grant Received:** $782,412 for 2 years
- **Organizational Web Site:** [http://www.instituteforchildsuccess.org/](http://www.instituteforchildsuccess.org/)

The Institute for Child Success (ICS) grant will focus on early childhood programs, including "family strengthening programs, child care programs, pre-kindergarten programs, home visiting programs and early detection/intervention programs for children with disabilities or developmental delays."

The grant will fund two tiers of assistance, including a conference in 2015 for 34 teams representing local jurisdictions that are interested in implementing early childhood-focused pay-for-success initiatives. The conference will be modeled on a similar 2014 conference hosted in collaboration with ReadyNation. A second tier of local jurisdiction teams will receive additional technical assistance.

According to ICS, while most early childhood initiatives produce more savings to government than they cost, the savings accrue to multiple agencies over long periods of time, which contributes to the underfunding of such initiatives overall. One of the project's goals is to find ways to address this challenge. If successful, ICS says, "the number of PFS transactions in the U.S. could explode."

The grant is also notable for its focus on the South, where the organization says it has found bipartisan support for pay-for-success initiatives, including Republican governors and legislators.

**National Council on Crime and Delinquency (NCCD)**

- **Focus of Grant:** Racial and ethnic disparities in the juvenile justice and child welfare systems.
- **Eligible Entities:** State or local units of government or nonprofit organizations.
- **Number of Grants:** 3
- **Timing of Sub-grant Announcement:** December 2014 with application deadline in January 2015. An initial informational webinar is slated for November 20.
- **SIF Grant Received:** $863,959 for 2 years

The National Council on Crime and Delinquency (NCCD) grant will provide assistance to three projects to reduce racial and ethnic disparities in the child welfare and juvenile justice systems. Grant eligibility will be restricted to organizations in Washington, DC and the 11 states with the highest rates of disparity in these systems.

To address these disparities, NCCD will focus on prevention efforts. According to NCCD's grant:
Current PFS projects in the juvenile justice arena focus on the cost of recidivism, or for purposes of cost saving are measured by a decrease in the use of jail and prison bed space. As of yet, no current PFS projects focus on the front end of the justice system: police actions, prosecutor discretion, court decision making, and government opportunities for increased violence prevention.

Kathy Park, project director for the grant, says it is focused on creating impactful change in the juvenile justice and child welfare systems, which are often complex, often constrained when taking on risk, and face substantial challenges, including those that are financial, legal/regulatory, and political in nature. She sees the project helping by bearing some of the risk and helping to drive change and innovation.

Nonprofit Finance Fund

- **Focus of Grant:** General pay-for-success.
- **Eligible Entities:** State, county, or local governments, and nonprofit providers.
- **Number of Grants:** Estimated 6 per year. Estimated 20 over three years.
- **Timing of Sub-grant Announcement:** First round application announcement expected by January 2015, with at least one application round per year (additional rounds may be administered if annual sub-grant funds are not fully allocated in each year’s initial round).
- **SIF Grant Received:** $3,600,000 for 2 years
- **Organizational Web Site:** [http://nff.org/](http://nff.org/)

The Nonprofit Finance Fund (NFF) received the largest grant, $3.6 million over two years, to provide technical assistance and direct financial assistance to support the structuring of pay-for-success projects. The organization is perhaps best known in the pay-for-success field for its Pay-for-Success Learning Hub, a large online resource containing resources on pay-for-success development across the United States, readiness assessment tools as well as numerous reports and news articles from a variety of sources.

The organization has direct experience supporting the development of pay-for-success models. In January 2014, it launched a California Pay-for-Success Initiative funded with a $2.5 million grant from the James Irvine Foundation. Under the grant, NFF selected six sub-grantees from 38 applicants from across the state to structure pay-for-success agreements over the next two years.

Another notable aspect of NFF’s application is its status as a Community Development Financial Institution (CDFI). According to its grant proposal, "beyond PFS, we have placed over $500 million in capital and made more than 700 loans to support $1.4 billion in projects for thousands of organizations nationwide." It is also administering $231 million in New Markets Tax Credits for investment in low-income communities.

In 2013, the organization "received $1.347 million from the CDFI Fund’s Core Financial Assistance Program Awards, to facilitate the development of PFS transactions throughout the U.S." According to Jessica LaBarbera, Director of NFF’s project:

NFF will invest $1.15 million of the CDFI funds as subordinate debt in two to three innovative, high-impact PFS transactions. With this flexible capital, NFF’s investment will provide a level of loss protection to other potential investors as a means of leveraging the entry of additional philanthropic and traditional capital (targeted at $15-30 million) into the relatively new PFS investment arena.10

NFF’s experiences may be particularly noteworthy as an example of CDFI activity in pay-for-success projects. It is not alone, however. At least two other grantees include CDFIs (the Corporation for Supportive Housing is a CDFI and the Calvert Foundation in the GHHI proposal is also a CDFI).

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10 November 3, 2014 interview.
Third Sector Capital Partners

- **Focus of Grant**: General pay-for-success.
- **Eligible Entities**: States and local governments
- **Number of Grants**: 10 in two cohorts spread 15-18 months apart
- **Timing of Sub-grant Announcement**: unknown
- **SIF Grant Received**: $1,910,159 for 3 years for TA/feasibility studies
- **Organizational Web Site**: [http://www.thirdsectorcap.org](http://www.thirdsectorcap.org)

Third Sector Capital Partners, one of the largest national players in the pay-for-success space, is focusing its grant on technical assistance for states and local governments.

Although the organization has worked at all levels of government, federal, state, and local, it highlighted the importance of local governments in its grant proposal.

Not only do counties/cities represent by far the greatest number of PFS opportunities, but because they are where social services are most often delivered, federal government, states, service providers and local foundations all need to engage with them to address their priority issues.

The organization will focus its grant on three core areas:

1. Data systems improvements, including data collection and matching;
2. Programmatic improvements, including service delivery reviews and preparing programs and service providers for rigorous evaluation; and
3. Project management and staff capacity, including "back office" support for regulatory and legal compliance, budget and accounting, and other management systems.

Third Sector’s partners include the National Governor’s Association, National Association of Counties, National League of Cities, and America Forward. Abt Associates will be providing evaluation services. Third Sector is also partnering with two of the other grantees in their projects, the Corporation for Supportive Housing and the University of Utah.

University of Utah / Sorenson Global Impact Investing Center Pay for Success Lab

- **Focus of Grant**: General pay-for-success.
- **Eligible Entities**: Applicants in the inter-mountain western United States.
- **Number of Grants**: 5
- **Timing of Sub-grant Announcement**: Rolling, beginning January 1, 2015.
- **SIF Grant Received**: $1,150,000 for 1 year.
- **Organizational Web Site**: [http://sgiicenter.com/](http://sgiicenter.com/)

Sorenson Global Impact Investing (SGII) Center Pay for Success Lab’s grant will expand pay-for-success strategies in the inter-mountain western United States.

Partners in the lab include the University of Utah’s Policy Institute, the Sorenson Global Impact Investing Center, and Salt Lake County, which has launched pay-for-success initiatives across a variety of issue areas, including maternal health, recidivism, mental health crisis services, healthy homes initiatives (in partnership with Green and Healthy Homes Initiative, another grantee), homelessness, and cancer screening.

For example, the grant describes the county's mental health crisis services program this way:

Individuals who suffer mental health crises often end up in the emergency room or in jail, at great cost not only to the individual but to society more broadly. The average cost of an ER visit is approximately $2,000; the cost of law enforcement responding to an average crisis call is approximately $120; the cost for
paramedics to respond to such a call is approximately $240; the cost to the County jail for booking and housing an inmate are also substantial. In light of that, Salt Lake County has partnered with the Utah Neuropsychiatric Institute to provide mental health crisis outreach services to individuals in mental health crisis. Through the program, individuals are diverted from the ER and the jails to a receiving center where peer specialists and licensed clinical social workers can help the individual through the crisis. Using a PFS model, the County would broaden the reach of these services to help more people avoid costly visits to emergency rooms and jails by providing more centers and outreach teams that can intervene more effectively and at a much lower cost.

The lab is partnering with Third Sector Capital Partners in its grant.

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**About the Social Innovation Research Center:** The Social Innovation Research Center (SIRC) is a nonpartisan nonprofit research organization focused on social innovation and performance management for nonprofits and public agencies. More information about SIRC is available on the organization’s web site at [http://www.socialinnovationcenter.org](http://www.socialinnovationcenter.org).