

# Pay for Success RFI

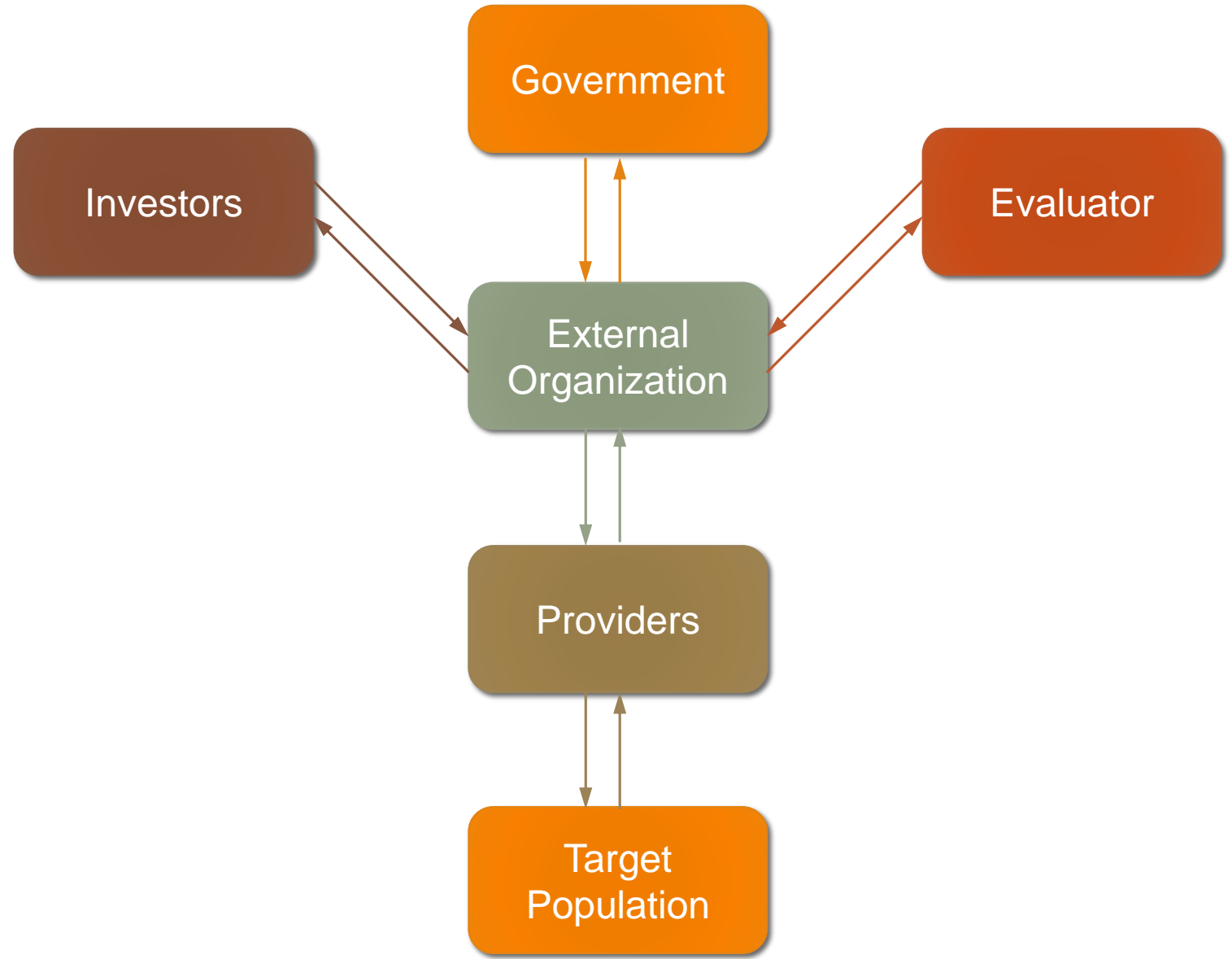
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INFORMATION SESSION

JULY 16, 2015

# Structure

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# Can be separate organizations

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“Evaluator” should be separate

Other roles can overlap

Pritzker in Utah, Bloomberg in New York City

This is not a government-issued bond

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# Pay for Success elsewhere

First deal in UK in 2010 – Petersborough Prison

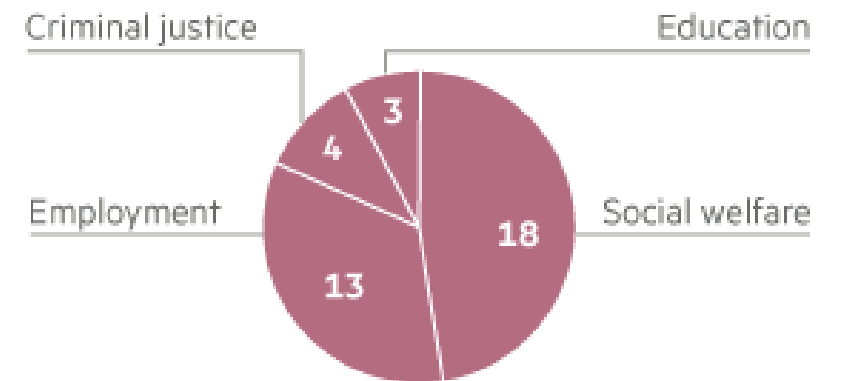
First US deal – Rikers Island prison in New York City

Today: 44 deals contracted worldwide

- Brookings Institution, “The potential and limitations of impact bonds: Lessons from the first five years of experience worldwide”

## Social Impact Bonds by impact area

Number of bonds outstanding at March 1, 2015



Source: Brookings Institution

# Petersborough Prison

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## PHASE ONE

Promised 10.0 percent reduction in reoffending rates compared to national average

Delivered 8.4 percent

## PHASE TWO

Target is 7.5 percent reduction

## PHASE THREE

Canceled by Ministry of Justice

# Rikers Island

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Five-year contract

Canceled after three years

Goldman Sachs invested \$7.2 million

Bloomberg guaranteed first \$6 million

# Process

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# Questions

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Does the response need to answer everything in ten pages?

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How many contracts will be issued?

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Are only private entities allowed to participate in these contracts?

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Do we have to demonstrate past savings,  
or can we show expected future savings?

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Can we submit just a portion? Do I need to know my partners now?

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What is the role of the federal  
government? Local government?

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# How do investors get paid?

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Cashable savings (reduced present or future payments)

Wellbeing benefits (better program outcomes)

Willingness to pay (legislative and executive priority)



# This seems risky all the way around... Is there a better way?

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If you have one...

# Other questions

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