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Board Supports Pay for Success Funding

The Los Angeles County Board of Supervisors is throwing its support behind federal legislation that would allocate \$300 million for states and local governments to launch so-called “Pay for Success” programs.

Pay for Success is a creative public/private partnership model that funds social services by establishing low interest loans from banks, investments from foundations or funding from philanthropists for programs that have proven success. The model is designed to improve outcomes and reduce government costs by requiring organizations to show results in dealing with such challenging social ills as homelessness or crime reduction.

“We have seen the Pay for Success model work,” said Supervisor Mark Ridley-Thomas. “It gives an incentive to the private sector, makes organizations more transparent, governments more accountable and helps individuals achieve success. The time is now to move on this and to implement this approach county-wide.”

Two years ago, Supervisor Ridley-Thomas initiated funding for one such program, Just-in-Reach, which targets released inmates that are at risk of re-committing crimes or are homeless. The results were overwhelmingly positive, with only 24 percent of Just-in-Reach participants re-committing crimes compared to 65 percent of the general inmate population that was released without help.

“We need to increase efforts like this county-wide and support innovative organizations that are demonstrating results,” said Supervisor Ridley-Thomas. “This is a tremendous tool to leverage private dollars and use proven approaches to solve tough social problems.”

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