

Pay For Success Contingency Reserve

Budget Highlights

The Executive Budget includes \$69 million to continue support of Pay for Success Initiatives, unchanged from FY 2018. Under Pay for Success, up-front financing for programs is provided by private sector or philanthropic sources. Government payments are only made if the programs achieve agreed upon outcomes as verified by an independent validator and if public sector savings exceed its costs. While payments under Pay for Success contracts will generally occur several years after services are delivered, to allow time for outcomes to be measured, the Pay for Success appropriation authority is necessary to enter into the contracts. For example, the State entered into a contract with an intermediary organization to manage the Employment to Break the Cycle of Re-Incarceration project, including raising the necessary capital to support project costs in the first instance. The project is supported by private sector funds.

Program Highlights

In FY2014 the State launched the nation's first state-led Pay for Success project, Employment to Break the Cycle of Re-Incarceration, to train and employ approximately 2,000 formerly incarcerated individuals. In FY 2019 the State will seek to expand its Pay for Success portfolio with another project in one of the program areas authorized by the Pay for Success appropriation. These areas include workforce development, public safety, health care, and early childhood/child welfare.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available FY 2018	Appropriations Recommended FY 2019	Change From FY 2018	Reappropriations Recommended FY 2019
Aid To Localities	69,000,000	69,000,000	0	0
Total	69,000,000	69,000,000	0	0

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available FY 2018	Recommended FY 2019	Change
General Fund	69,000,000	69,000,000	0
Total	69,000,000	69,000,000	0

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available FY 2018	Recommended FY 2019	Change
Pay for Success Contingency Reserve			
General Fund	69,000,000	69,000,000	0
Total	69,000,000	69,000,000	0

Note: Most recent estimates as of 01/16/2018