

# Ventura County Project to Support Reentry

## FACT SHEET

The County of Ventura (the “County”) and the State of California have made effective offender reentry and reducing recidivism priorities for community safety. The Ventura County Project to Support Reentry establishes an innovative strategy for expanding evidence-based services to men and women on formal probation. Individuals gain access to services that support them in leading healthy and productive lives in Ventura County.



### PROJECT OVERVIEW

The Ventura County Project to Support Reentry is a collaborative **Pay for Success (PFS) project** between the County, Interface Children & Family Services (Interface), and Social Finance **to reduce recidivism, improve public safety, and promote family stability and economic opportunity for those on formal probation.** Through this public-private partnership, private funders initially fund program costs, and will be repaid by the County if project outcomes are successfully achieved.

Through the project, **Interface will serve 400 individuals over four years.** A customized program, Interface Reentry Services, will provide a suite of services focused on understanding and responding to each client’s individual needs for successful reentry.

- **In California, recent changes in the criminal justice system have led to efforts to reduce the state’s high levels of recidivism.** Across the state, approximately one of every 100 adults is on probation<sup>1</sup> and more than two-thirds of probationers return to prison within three years.<sup>2</sup> Recidivism and community supervision generate significant costs for the state of California and Ventura County; in 2014, California counties spent \$1.5 billion on probation services. Recidivism also imposes significant costs on the community, victims, families, schools, hospitals, businesses, and public entities.
- **The project’s target population is not currently served by other funding sources.** The PFS project will serve medium-to-high risk<sup>3</sup> adults on formal probation.
- **The impact of the project will be measured by an independent evaluator using administrative data and a randomized controlled trial (RCT).** The project will evaluate its success in reducing recidivism by: 1) measuring the number of quarters in which each enrolled client is not arrested based on the County’s Data, and 2) measuring the reduction in recidivism over a 12-month period, compared to a control group, via an RCT. The RCT will be conducted by Dr. David Farabee of the University of California, Los Angeles.
- **Interface is a nonprofit social services agency which has served Ventura County for more than 40 years.** Interface has a strong partnership with Ventura County Probation Agency. In 2014, the County and Interface jointly developed a program to provide case management and reentry-focused services. Interface Reentry Services

<sup>1</sup> Public Policy Institute of California, “Probation in California”

<sup>2</sup> California Innocence Project, “Recidivism Rates.” January 2015

<sup>3</sup> As identified through the Ohio Risk Assessment System

builds off this successful partnership. Clients will receive a combination of Moral Reconciliation Therapy, trauma therapy, relationship-building classes, and employment support.

- **Social Finance raised \$2.6 million to fund the project.** Investors include Reinvestment Fund, Nonprofit Finance Fund, Blue Shield of California Foundation, and the Whitney Museum of American Art. In addition to philanthropic and private capital, Social Finance and Interface will defer a portion of their service fees until the project demonstrates outcomes, and will be repaid these deferred fees only if positive results are achieved, after repayment of the funders' capital.
- **This project was developed with the support of the CA PFS Initiative,** funded by the James Irvine Foundation and administered by the Nonprofit Finance Fund.

## PAY FOR SUCCESS OVERVIEW

Pay for Success (PFS) projects provide a tool for results-based government financing, leveraging private capital to fund experienced service providers and enable government and society to respond to chronic social issues.



- **PFS is a public-private partnership that funds social services through a performance-based contract.** Many high-impact service providers do not have access to funding needed to scale-up their services. In addition, government support for social programs is often not tied to results.
- **PFS helps address these challenges by engaging impact investors to cover the upfront costs and take on the risk of scaling promising programs, and establishing performance goals that allow government, impact investors, and project partners to measure outcomes and track success.** If, following an independent evaluation, the program achieves predetermined outcomes that benefit society and generate value for government, then government will make outcomes payments which are used to repay investors. However, the government pays only at the level of outcomes achieved.
- **The first Pay for Success project launched in Peterborough, U.K. in 2010. As of November 2017, there are 92 Pay for Success projects in 19 countries, with 20 projects in the U.S.**
- **PFS projects in the United States have addressed a range of social issues,** including recidivism, juvenile justice, homelessness, child welfare, maternal and children's health, education, and workforce development.
- **In the Ventura County Project to Support Reentry, the funders will only be repaid if Interface demonstrably reduces recidivism measured as set forth in the project documents.** This is the first PFS project in Ventura and is one of three PFS projects supported by the California Board of State and Community Corrections.

## PROJECT PARTNERS

**Ventura County Executive Office:** The County Executive Office (CEO) is responsible for the development and monitoring of an annual budget of more than \$2 billion. CEO is the administrative arm of the Board of Supervisors and executes the County's mission and strategic plan. CEO exercises administrative oversight for 25 agencies (including six elected positions) and departments employing nearly 9,000. CEO coordinates community-wide projects and supports agencies and departments through such divisions as Community Development, Human Resources, Labor Negotiations, Risk Management Service Excellence and Finance. To that end, CEO embraces service excellence, sound fiscal management, and strict adherence to policies that promote operational and budgetary stability as reflected by Moody's and Standard and Poor's highest bond ratings of Aaa and AAA, respectively. The office manages special initiatives around entrenched social problems and is well-positioned to effectuate long-term change across jurisdictional and program boundaries.

**Ventura County Probation Agency:** The Ventura County Probation Agency is charged by the Courts with the direct supervision of approximately 9,000 adult offenders. Serving these offenders in the field are two divisions, Adult Field Services and Adult Safety Realignment. The Divisions are comprised of nine field supervision units committed to increasing public safety in Ventura County. Field officers administer a comprehensive risk and needs assessment to identify the appropriate level of supervision, to target criminogenic needs (risk factors that lead to anti-social/criminal behavior), identify barriers to treatment, and develop individualized case plans for those receiving intensive level services. Evidence-based case management principles, individual cognitive behavioral interventions, and referrals to collaborative agencies and community-based organizations are made to address targeted risk factors.

**Interface Children & Family Services:** Interface Children & Family Services is Ventura County's most comprehensive non-profit social service agency offering 24 distinct programs with 10 evidence-based practices. Founded in 1973, Interface works to prevent and heal the effects of child abuse, neglect and abandonment; domestic violence; family conflict and mental health issues; and administers justice involved intervention and prevention services. Interface has pioneered several programs including ranking among the first to open a domestic violence shelter in California and launching the state's first 2-1-1 call center. Currently, the agency serves approximately 35,000 local individuals annually and connects 150,000 people to a vast network of health and human services in 19 counties through operation of the 2-1-1 information and referral system helpline.

**Social Finance:** Social Finance is a 501(c)(3) nonprofit organization dedicated to mobilizing capital to drive social progress. Social Finance is committed to using Pay for Success to tackle complex social challenges, facilitate greater access to services for vulnerable populations, and direct capital to evidence-based social programs – all with the goal of measurably improving the lives of people most in need. Social Finance has deep experience in the design and implementation of Pay for Success projects, from early-stage feasibility assessment, to project development and capital formation, to post-launch performance management and investment support. Social Finance's sister organization, Social Finance UK, pioneered the first social impact bond in the world.

**Dr. David Farabee, University of California:** David Farabee, Ph.D., is professor-in-residence in the Department of Psychiatry and Biobehavioral Sciences at the University of California, Los Angeles and a principal investigator at the Integrated Substance Abuse Programs (ISAP). Dr. Farabee will serve as the independent evaluator for the Project. Over the past 25 years, Dr. Farabee, has conducted numerous randomized field experiments of offender programs including reentry programming for released jail and prison inmates. As Associate Director of BetaGov ([www.betagov.org](http://www.betagov.org)), Dr. Farabee also works with public-sector practitioners to develop simple but rigorous experimental tests of their own innovative ideas. Dr. Farabee has published in the areas of substance abuse, adult and juvenile crime, and offender treatment.

**The Board of State and Community Corrections (BSCC):** The BSCC is a multi-faceted organization that provides assistance to the counties on community corrections issues. The agency annually administers and awards millions of dollars in grants designed to reduce recidivism, sets standards for the training of local corrections officers and the operations of local corrections facilities, and administers the current lease-revenue bond process for local jail improvements.

**Jones Day:** Jones Day is a law firm with more than 2,300 lawyers on five continents that is relentlessly focused on client service. Jones Day is serving as legal counsel to Social Finance in the Ventura County Project to Support Reentry.

**Wilmington Trust:** Wilmington Trust serves as fiscal agent and custodian for this project. They provide quality service and customized solutions delivered by seasoned professionals who understand their clients' unique business needs. Wilmington Trust, N.A (NYSE:MTB) provides a comprehensive array of administrative, tax and accounting, institutional custody, investment management, agent, and trust services globally. Their competitive advantage allows them to continually invest in their business to provide solutions to their clients, while remaining flexible enough to offer tailored services to their clients' everyday needs.

## PROJECT FUNDERS

**Reinvestment Fund:** Reinvestment Fund is a catalyst for change in low-income communities and one of the most experienced PFS lenders in the United States. Reinvestment Fund integrates data, policy and strategic investments to bring high-quality grocery stores, affordable housing, schools and health centers to the communities that need better access—creating anchors that attract investment over the long term and help families lead healthier, more productive lives. Reinvestment Fund also manages and administers a \$10 million PFS Fund.

**Nonprofit Finance Fund:** Nonprofit Finance Fund® (NFF®) advances missions and social progress in underserved communities through financing, consulting, partnerships, and knowledge-sharing that empower leaders, organizations, and ideas. A leading Community Development Financial Institution (CDFI), NFF currently manages over \$310 million. Since 1980, we have provided almost \$700 million in financing and access to additional capital in support of over \$2.3 billion in projects for thousands of organizations nationwide. To learn more about NFF, visit [www.nff.org](http://www.nff.org). To learn more about Pay for Success, visit [www.payforsuccess.org](http://www.payforsuccess.org).

**Blue Shield of California Foundation:** Through its grantmaking, Blue Shield of California Foundation aims to improve lives in underserved communities by supporting innovative programs and uplifting the leaders who are working on the frontlines of health care and domestic violence prevention. Its philanthropic strategy includes funding to improve mental healthcare and substance abuse treatment for low-income patients, and facilitate the integration of these services with primary care and other social support systems. With its partners and grantees across the state, the Foundation is advancing health and equity in California's communities so that all people have the chance to thrive.

**The Whitney Museum of American Art:** The Whitney Museum of American Art is a museum devoted to American art of the 20th and 21st Centuries. The Museum collects, exhibits, preserves, research and interprets art of the United States in the broadest global, historical, and interdisciplinary contexts. As the preeminent advocate for American Art, the Museum fosters the work of living artists at critical moments in their careers. The Whitney educates a diverse public through direct interaction with artists, often before their work has achieved general acceptance. In connection with a work of art by the artist Cameron Rowland (b. 1988) which was presented in the Museum's 2017 Biennial exhibition, the Museum agreed to participate as a funder in a pay for success project organized by Social Finance, Inc.