

TO: BSCC Chair and Members

DATE: April 9, 2015

**SUBJECT: Assembly Bill 1837, Social Innovation Financing
Program: Establish Executive Steering Committee (ESC),
Chair Appointment and Timeline: Requesting Approval.**

AGENDA ITEM: G

RESOURCE PERSON: Colleen Stoner

ACTION: X

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Summary: This agenda item requests approval to form an Executive Steering Committee (ESC) to oversee the development of a Request for Proposals (RFP) to award funds for the Social Innovation Financing Program (SIFP). Staff is also requesting the Board approve 1) the appointment of Scott Budnick as Chair of the ESC, 2) the stakeholder interests and subject matter expertise to be represented on the ESC, and 3) the proposed tentative timeline and activities. This item also requests that the Board delegate authority to the Chair to work with staff to name the members of the ESC, based on stakeholder interests and subject matter expertise.

Background: Assembly Bill 1837 (Atkins), attachment G-1, enacted the SIFP to be administered by the Board of State and Community Corrections (BSCC) and funded through the Recidivism Reduction Fund. SIFP projects, also referred to as “pay for success” projects, leverage private investment capital for innovative social programs with government paying a return on the investment if successful programmatic outcomes are achieved. Pay for success projects require government, service providers, and funders to agree on targeted outcomes for a societal issue. Government and project partners then enter into a multi-year contract that defines targeted outcomes, evaluation methods, and repayment terms based on reaching the targeted outcomes.

The SIFP provides approximately \$5,000,000 to award grants in amounts of not less than \$500,000 and not more than \$2,000,000 for local pay for success projects. The broad purpose of these funds is to reduce recidivism using evidence-based approaches that may address such issues as homelessness, substance abuse and unemployment. The BSCC shall select three counties to receive grant funding. Counties are required to provide a 100 percent match of the grant awarded. The program requires counties to report their progress annually to the BSCC. The BSCC is required to compile those reports annually and submit a summary report to the Governor and the Legislature. This program sunsets on January 1, 2020.

The SIFP will be administered by BSCC through a competitive-bid process. This process includes establishing an ESC to define the required elements of the program, developing and publishing a request for proposal (RFP) document, conducting bidders’ conferences to explain the grant requirements, evaluating proposals against established rating criteria, and developing funding recommendations. Due to the complexities of this project, the BSCC staff is planning a series of informational regional workshops to inform counties about the pay for success model and other similar projects in California, and to connect counties with interested investors, programs and intermediaries.

California Penal Code 6024 (c) requires the Board to seek the advice of a balanced range of stakeholders and subject matter experts to ensure that its efforts are informed by those with the most specific knowledge concerning the subject matter under consideration. This includes the participation of those who must implement and are impacted by the resulting decisions of the Board. Pursuant to AB 1837, the SIFP ESC is to be formed with members from relevant state and local agencies with expertise in areas such as public health, homelessness and housing, workforce development, economic development, and effective rehabilitative treatment for adult and juvenile offenders who can assist the board in evaluating the efficacy and viability of the proposals received. Consistent with California Penal Code 6024 (c) and AB 1837, it is recommended that representatives from the following areas form the ESC:

- Chair – Scott Budnick
- Governor's Office of Business and Economic Development*
- California Department of Housing and Community Development*
- California Workforce Investment Board*
- Office of Health Equity at the California Department of Public Health*
- Community-Based Organization delivering treatment services aimed at a reduction in recidivism
- Expert in social innovation financing
- Expert in mental health treatment
- County Sheriff
- County Probation Chief
- County Chief Administrative Officer
- CDCR, Division of Rehabilitative Programs
- Formerly incarcerated offender in adult system
- Formerly incarcerated offender in juvenile system

**Identified in AB 1837*

Staff is proposing that the ESC be chaired by board member Scott Budnick. The Chair, with support from BSCC staff, will work to establish the membership of the ESC based on the areas of representation and expertise. Once convened, the ESC will oversee the development of an RFP, establish the rating criteria and evaluation component of the RFP, read and rate eligible proposals, and make funding recommendations for grant awards to the Board based on the results of the proposal evaluations.

RFP Activities and Timeline:

Below is the proposed tentative timeline of activities necessary to administer a competitive RFP for the SIFP.

TENTATIVE TIMELINE	ACTIVITY
April 9, 2015	Present ESC agenda item to BSCC
May15, 2015	Develop curriculum and logistics needed for regional SIFP training sessions
June 11, 2015	Update to the Board on project status
July15, 2015	ESC convened - development of the RFP proposal
July 30, 2015	Regional SIFP training sessions completed -Los Angeles, Fresno, Sacramento
August 11, 2015	BSCC staff to complete the development of draft RFP based on ESC recommendations
August 18, 2015	ESC to submit edits on draft RFP to BSCC staff
August 20, 2015	BSCC final proposed RFP sent to ESC members
September 17, 2015	Present the RFP for BSCC Board approval
September 18, 2015	Release the RFP to the field
October 1, 2015	Bidders' Conference
February 1, 2016	RFP responses due to BSCC staff by noon
February 15, 2016	BSCC technical review complete
February 19, 2016	Rater training
February 22, 2016	RFP responses and rating material mailed to ESC
March 8, 2016	ESC rating of proposals
March 16, 2016	Finalize ratings
April 14, 2016	Present funding recommendations to the BSCC Board
April 15, 2016	Begin contract development process
May 1, 2016	Project begins
May 15, 2016	Project Directors Conference (if needed)
September 30, 2019	Grant period ends and grantees final report due to BSCC
January 2020	BSCC final report to the Board and Legislature

Recommendation/Action Needed:

1. Form an Executive Steering Committee (ESC) to oversee the development and release of the Social Innovation Financing Project Request for Proposals (RFP.)
2. Appoint Board Member Scott Budnick to serve as the Chair of the ESC.
3. Approve the list of stakeholder interests and subject matter expertise to be represented on the ESC.
4. Delegate authority to the Chair to work with staff to name the members of the ESC, based on stakeholder interests and subject matter expertise.
5. Approve the activities and tentative timeline associated with the ESC and RFP.

Attachment:

G-1: Assembly Bill 1837: Social Innovation Financing Program, Assembly Bill 1837 (Atkins)