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LISC wins federal grant to fuel Pay for Success implementation

NEW YORK (May 10, 2016)—The Local Initiatives Support Corporation (LISC) has been awarded \$1.3 million to implement a program that connects government funding for health, youth and employment services to positive outcomes for people who access them.

Through a new grant from the federal Social Innovation Fund (SIF), a program administered by the Corporation for National and Community Service, a federal agency, LISC will help social service providers design programs, raise private capital and produce the metrics needed to demonstrate results.

Known as Pay for Success (PFS), this model to more efficiently use taxpayer money is being tested around the country. It works by tapping private capital to provide upfront financing for social programs, with the promise that city, state or federal funding will pay back those investors once there is evidence that people have been helped.

In practice, PFS might apply to an employment agency that hits benchmarks for the number of people who find jobs or a nonprofit with a program to reduce recidivism among troubled youth or a health provider working to combat asthma among low-income children. Evidence of success triggers government funding for the services.

"LISC has a long track record of revitalizing distressed neighborhoods, including working with SIF on high-impact programs," said Damian Thorman, director of the Social Innovation Fund, a program of the Corporation for National and Community Service, which also operates AmeriCorps and other national service programs. "This new grant will help leverage LISC's expertise in transaction structuring, project management and financing so that hundreds of struggling families can build a stronger, healthier future."

Michael Rubinger, LISC president and CEO, said SIF's support builds on the kind of outcomes analysis that philanthropic and private funders already incorporate in their work.

"SIF is helping further engage the private sector in places that are starving for new opportunities, while making government funding for those efforts more efficient and effective,"

he said. “It’s a wonderful complement to SIF’s other programs that help nonprofits bring promising new efforts to scale.”

In the coming months, LISC will match SIF funding with private dollars to move forward with several service providers. The LISC grant is part of \$6.1 million in new SIF funding announced today, which also includes grants to the Harvard University Government Performance Lab and the University of Utah’s Sorenson Impact Center, in partnership with Social Finance, Inc.

In 2009, President Barack Obama authorized the creation of the Social Innovation Fund to find solutions that work, and make them work for more people – by proving, improving and scaling effective models. SIF and its non-federal partners have invested nearly \$900 million in effective community solutions since the program’s inception. Launched in 2014, the SIF Pay for Success (PFS) program is designed to help cities, states, and nonprofits develop Pay for Success projects where governments pay service providers only when there are demonstrable results.

About LISC

LISC equips struggling communities with the capital, program strategy and know-how to become places where people can thrive. It combines corporate, government and philanthropic resources. Since 1980, LISC has invested \$16 billion to build or rehab 350,000 affordable homes and apartments and develop 55 million square feet of retail, community and educational space. For more, visit www.lisc.org.

About the Social Innovation Fund

The Social Innovation Fund is a program of the Corporation for National and Community Service, a federal agency that engages millions of Americans in service through its AmeriCorps, Senior Corps, Social Innovation Fund (SIF), and Volunteer Generation Fund programs, and leads the President's national call to service initiative, United We Serve. For more information, visit NationalService.gov.