



**FOR IMMEDIATE RELEASE**

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**Georgia Appleseed and DLA Piper to Assess “Social Impact Bonds”:  
Can They Work in Georgia?**

**Return on private investment tied to program success**

*Atlanta, Georgia – December 8, 2015* – Despite the improving economy, Georgia’s executive and legislative leadership are struggling to find adequate public revenues to support vitally needed improvements to our public education system, to pay for critical transportation infrastructure, and to address the large number of social ills that plague our state such as homelessness, overcrowded prisons, and the juvenile school to prison pipeline. Social Impact Bonds (“SIBs”) may offer a way that *private* investment can be harnessed to help meet these challenges.

The Georgia Appleseed Center for Law & Justice, with the support of volunteer lawyers for the Atlanta office of DLA Piper LLP (US), today announced an effort to assess how SIBs and other similar private social enterprise financing mechanisms might be used in Georgia.

How do SIBs work? A government entity enters into a contract with an intermediary organization to obtain social services. Typically, the services would be focused on preventative interventions so as to avoid future, much higher cost, remedial measures. For example, job training and placement services for convicted persons could be funded with a goal of avoiding future incarceration costs associated with high levels of recidivism. The government and the intermediary agree upon specific program outcomes that will trigger future government payments. The intermediary will retain highly qualified contractors to provide the services

The intermediary raises funds to pay for the contracted services from private investors who provide upfront capital in exchange for a share of the government payments disbursed when performance targets are met or exceeded, as determined by an independent auditor. This type of financing method has been termed “**pay for success**” since the investors will only see a return on investment if agreed upon performance success measures are achieved. The government is relieved of the burden of making a major upfront expenditure from tax dollars and will only be called upon to pay for successful efforts.

Over the past several years, states and municipalities around the country and around the world have begun to use SIBs for projects addressing challenges including prisoner recidivism, homelessness, unemployment, early childhood education, and public health. An early SIB program involved the funding of a behavioral therapy program at New York City's Rikers Island prison. Another program involved the funding of early childhood education programs in Salt Lake City. A third program in Boston addressed a work and life-skills training program for men leaving prison.

Rob Rhodes, Director of Projects for Georgia Appleseed stated: "While preliminary results for SIB projects are encouraging, we believe that it is important to assess objectively the viability of this funding mechanism and other similar means of harnessing private dollars for social good taking into account Georgia law and the level of interest among state and local government representatives and potential investors in this state. We are pleased that DLA Piper has agreed to work with us, and we also appreciate the willingness of our expert Advisory Committee to engage in this effort."

As of December 2015, Advisory Committee members for Social Impact Bonds project include: Doug Ammar, Executive Director, Georgia Justice Project; Ernest Brown, Jr., Senior Associate Consultant, Triage Consulting Group; Jerome Deutsch, Marketing Consulting Contractor, Advisor Products, Inc. Rich McCline, Senior Fellow, J. W. Fanning Institute, University of Georgia; Jon Pannell, Esq., Gray, Pannell & Woodward, Savannah; and Jim Pierce, Director, Treasury Services, Georgia Institute of Technology.

#### **About Georgia Appleseed Center for Law & Justice**

Georgia Appleseed is a nonprofit legal services center founded in 2005, with offices in Atlanta and Columbus, Georgia. The mission of Georgia Appleseed is to increase justice in Georgia through law and policy reform. For more information about the organization, visit [www.GAppleseed.org](http://www.GAppleseed.org).

#### **About DLA Piper**

DLA Piper, the biggest provider of pro bono legal services in the world, is a global law firm with lawyers located in more than 30 countries throughout the Americas, Asia Pacific, Europe and the Middle East, positioning it to help companies with their legal needs anywhere in the world. For more information about its pro bono practice, please visit [www.dlapiperprobono.com](http://www.dlapiperprobono.com).

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