

Governor Carney Signs Pay for Success Legislation

Contracts expand ability to incentivize private funding of economic development, social impact programs

NEWARK, Del. – Surrounded by members of the General Assembly, advocates, and business leaders, Governor John Carney on Wednesday signed [Senate Bill 242](#), allowing state government to enter into Pay for Success contracts that will incentivize private funding of economic development and social impact initiatives. Under terms of the contracts, the state would protect taxpayer dollars by reimbursing private funding only if the initiatives reach stated goals, and achieve progress for Delawareans.

Governor Carney signed the legislation – *sponsored by Senator Jack Walsh and Representative Kim Williams* – at the Newark office of the Blood Bank of Delmarva. The Blood Bank is working with the Longwood Foundation, Discover Bank, and the Delaware Community Foundation on a Pay for Success initiative to increase blood donations across the state.

“Pay for Success contracts will provide the State of Delaware with another tool to create jobs, improve the quality of services provided to Delawareans, and to ensure that we’re investing taxpayer dollars wisely,” said **Governor John Carney**. “Taxpayers expect us to take care of their money, and invest in initiatives that demonstrate clear results. That’s the intent behind this new law, and I want to thank Representative Kim Williams and Senator Jack Walsh for their leadership and

their partnership on this important issue.”

“Government has to be both fiscally and socially responsible,” said **Senator Jack Walsh**. “Pay For Success gives us the best of both worlds by protecting the state’s investments without sacrificing our ambitions for economic and social progress. This is exactly the kind of innovation that Delaware needs in an environment where our challenges often grow faster than our resources. I’m grateful to all of my colleagues who helped me pass this bill, including Representative Kim Williams, Lori Palmer, and Bryan Tracy, and to Governor Carney for bringing us across the finish line.”

“We have an opportunity through the Pay for Success program to incentivize private development in a smart, responsible way,” said **Representative Kim Williams**. “By entering into Pay for Success contracts with companies, we can leverage government funds with little risk: if the company succeeds and meets its goals, they will reap the financial benefits, while Delaware will reap the benefits of jobs, improved services and more stable businesses throughout our state. I’m excited to see this program get off the ground and start producing positive results.”

“As a recent pay-for-success partnership grant recipient, we can see how beneficial this unique arrangement is for Delaware,” said **Michele Hart-Henry, Vice President and Chief Operating Officer of the Blood Bank of Delmarva**. “The Blood Bank of Delmarva will be expanding our operations while having both the expectation and the support to be accountable for our results.”

“Pay for Success is a win-win-win idea,” said **There du Pont, President of the Longwood Foundation**. “Government gets accountability for taxpayer funds and only pays for outcomes achieved. Private investors see social returns alongside financial ones, and effective nonprofits get flexible capital with which to grow.”

“Discover Bank believes in making strategic investments that help build stronger communities,” said **James Roszkowski, President of Discover Bank**. “We are thrilled to be an early investor of the Blood Bank of Delmarva Pay for Success model, along with the Delaware Community Foundation and the Longwood Foundation. We believe the investment will yield measurable results for our community and look forward to future projects that are now possible under Senate Bill 242.”

“Pay for Success gives Delaware the opportunity to create thousands of new jobs and grow the local economy with scalable enterprises without risking tax dollars,” said **Bryan Tracy, Chief Executive Officer of White Dog Labs**, a New Castle-based biotech firm. “The incentives provided through this new investment vehicle reward the private sector after new jobs have been created, and provided new revenue to the state – it pays only for success. This is a win-win for companies, local government and the state to work together and make Delaware more prosperous for all.”

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