

Dear Daniel J. Tremble, Andre E. Cushing III, Dave S. Marshall, Penobscot County Commissioners

We are writing to request a meeting with the County Commissioners to discuss an alternative resolution to the problem of jail overcrowding. We believe this plan can save the County millions of dollars, reduce crime, and obviate the need for a new jail. The proposal is outlined in brief below. We look forward to hearing from you.

Sincerely,
The No Penobscot County Jail Expansion Group

The Problem: Jail overcrowding and the expense of a new jail

The Penobscot County jail is significantly overcrowded, taxing the capacity of the aging facility. It is designed to hold 157 incarcerated individuals and regularly holds an average of 70 more, who have to be boarded out to other jails. Most people in the jail (an estimated 88%) are held awaiting trial. One proposed solution to this problem has been building a new jail, costing tens of millions of dollars. The project, in addition to its expense, requires fighting an uphill political battle. In 2020, a proposed new jail in Bangor was canceled following significant opposition to the location. The unpopularity of the jail led the County, in 2023, to seek proposals from marketing firms to win public support. The County faces major obstacles to resolving the overcrowding by constructing a new jail.

Shortcomings of the existing diversion program

There have also been attempts to reduce the population of the jail through alternatives to incarceration. The current iteration of this effort is PACE (Purpose, Awareness, Connection, Education), a day reporting program, two days in length, in which individuals sentenced to the custody of the Sheriff participate in various life skills seminars and connect with services.

Two days of classes are unlikely to have a transformative effect on the life of someone who has reached the point of being accused of committing a crime. That is one issue with this program—its chances of reducing crime are low. The other issue is that it is available to such a limited share of those who are accused of committing crimes that it fails to make a sufficient reduction in the jail population. The only people eligible for PACE are “Non-violent individuals, sentenced to the custody of the Sheriff for 1-2 days.” The inadequacy of PACE is evident in the continued problem of overcrowding at the Penobscot County Jail.

Alternative diversion program

A third way is possible. A more robust and elaborate diversion program could address the gaps in the PACE model while doing more to reduce the burden on the existing jail and offering a substantial saving as compared to the cost of constructing a new jail. Such a program would have several features to distinguish it from the PACE program.

1. **Mandatory program participation for a minimum period of 60 to 90 days, for those who would otherwise be jailed, depending on offense class. The prosecutor can choose to extend the period of participation up to 6 months based on their perception of the complexity of the individual's case, and the extent of services necessary to prevent future justice-system involvement.** A longer period of participation will improve outcomes for all participants, including those eligible for the current PACE program. It will also make the program viable for those in need of substantial rehabilitation. Program participants will be able to live at home and work during the program, provided they maintain participation. This has the benefit of avoiding the cost of incarceration as well as maintaining participants' connections to their families and the responsibilities of civilian life.
2. **Expansion of eligibility to accused offenders who have no alleged offenses that exceed class C.** A large share of the jail population of Penobscot County is being held for alleged offenses at or below the Class C level. In Maine, class C offenses are the lowest level of felony. Those accused of crimes will still be subject to risk assessments to determine their eligibility for the program, but no one would be automatically rendered ineligible unless they were accused of at least one class B offense or above. Note that many people accused of the kinds of crimes classed as C in Maine are not subject to pre-trial incarceration in New York, New Jersey, Illinois, and Alaska. Only a program with this broad eligibility has the potential to meaningfully reduce the jail population. Both those yet to be convicted of a crime and those currently in jail awaiting trial can be diverted into this program by the Sheriff's department and the prosecutor.
3. **Structure of Program.** The program would go well beyond merely providing a handful of courses. The core of the program would be mandatory daily reporting to a case worker team. This team would develop individualized plans for participants. These plans would include referrals to other programs, such as addiction treatment, counseling, psychiatric treatment, education, and job training, as well as assistance in signing up for housing assistance, health insurance, and academic financial aid if necessary. These plans would also entail goals and deadlines for participants, including completion of drug treatment

programs, acquisition of full-time employment, and payment of restitution. Continued eligibility for the program would be conditional on daily reporting, successful completion of plans, and lack of offending.

Cost Difference

The proposed program would require little direct service provision as compared to a jail or in-patient program. It simply requires employing a team of social workers sufficient to handle the cases of the typical number of people charged with class C offenses or below in Penobscot County.

In 2022, the Penobscot County Sheriff's Office made 531 arrests. These arrests include some for offenses that would not be eligible for the program. Given that not all of these arrests were for charges that would make an individual eligible for the program, but that the program will also be open to some people currently jailed, a rough estimate of the number of participants in the first year is 500. We hope to increase the precision of this estimate through dialogue with the Sheriff's Office and the prosecutor. Assuming 25 participants per caseworker (a light caseload in comparison to those typical of social workers and parole officers) this would require a team of 20 caseworkers. At a yearly salary of \$70,000 and an annual benefits package worth \$30,000 it would cost the County \$2 million annually to hire these caseworkers. Caseworkers could be recruited nationally, but the Schools of Social Work at the University of Maine, the University of Southern Maine, and the University of New England will be the focus of recruitment. With overhead costs, \$2,200,000 annually should be more than sufficient to run such a program.

Overhead costs include:

Computers

Around \$700 per computer, or a startup cost of \$14,000

Internet

Around \$100/month for business internet, or \$1,200 a year

Software

Around \$80 per user per month, or \$19,200 a year

Office Space

Based on a survey of offices in Bangor, around \$6,000 a month or \$72,000 a year

Totaling a cost of \$106,400 for the first year and \$92,400 for subsequent years

This is compared to an estimated cost of between \$65 and \$70 million for building a new jail, plus the cost of interest, which will likely double the cost over a thirty-year period. Thus, the program would not equal the cost of building a new jail until it had run for *at least* 30 years. In this time, the program will have enabled a substantial cutting of the present jail budget by diverting most accused offenders of class C and below from jail and helping reduce recidivism by addressing root causes of crime.

Method of Funding

This project can be entirely financed using the innovative Pay-for-Success Contract model. With this model, the county government contracts with private investors and philanthropists to provide loans to a private organization or company to execute a socially impactful project. The bonds are only repaid based on the savings and results generated by the project, as evaluated by a neutral outside entity based on predetermined metrics. In this case, the primary metrics would be a reduction in the incarcerated population, a reduction in expenses generated by the County jail, and a reduction in recidivism. The county only pays when the project achieves the benchmarks desired by the county. The county is at liberty to determine the method for evaluating results. Pay-for-Success Contracts harness the power of the market to cut government costs, improve the efficiency of services, and hold service providers accountable.

For example, as detailed in the supplementary document, our investing partner Maycomb Capital loaned 4.5 million on a 6-year term to Pathways to Economic Advancement, a workforce development project in Massachusetts, helmed by JVS Boston. Maycomb Capital was repaid by the Massachusetts Commonwealth with interest once the project demonstrated success in increasing the annual earnings of participants in the program's occupational skills component by an average of \$20,000 and increasing college registration of participants in the college prep component by 89% among other benchmarks.

Conclusion

We believe this efficient, humane, and cost-effective solution to the jail overcrowding problem in Penobscot County is the best option available to the County. As the County need only pay for the program if it is successful, it is also a low-risk option, with significantly fewer political and financial costs compared to building a new jail. We look forward to moving ahead with discussions of this innovative proposal.

Community Outcomes Strategy

A flexible loan facility providing outcomes-aligned financing to mission-driven organizations that deliver effective solutions for underserved communities.

TYPICAL SIZE

\$1M – \$10M

TERM

<7 years

PRIORITY

Senior Lender

BORROWER BENEFITS

- Access to flexible, mission-aligned working capital at a scale that enables long-term strategic business building
- Interest and principal repayment schedule tied to the timing of the earnings from outcomes-based contracts
- Support to achieve a sustainable business model by enticing or sustaining government funding or other large contracts
- Arm-in-arm partnership with Maycomb Capital that leverages national expertise and a strong network of likeminded investors and leaders

HOW WE WORK

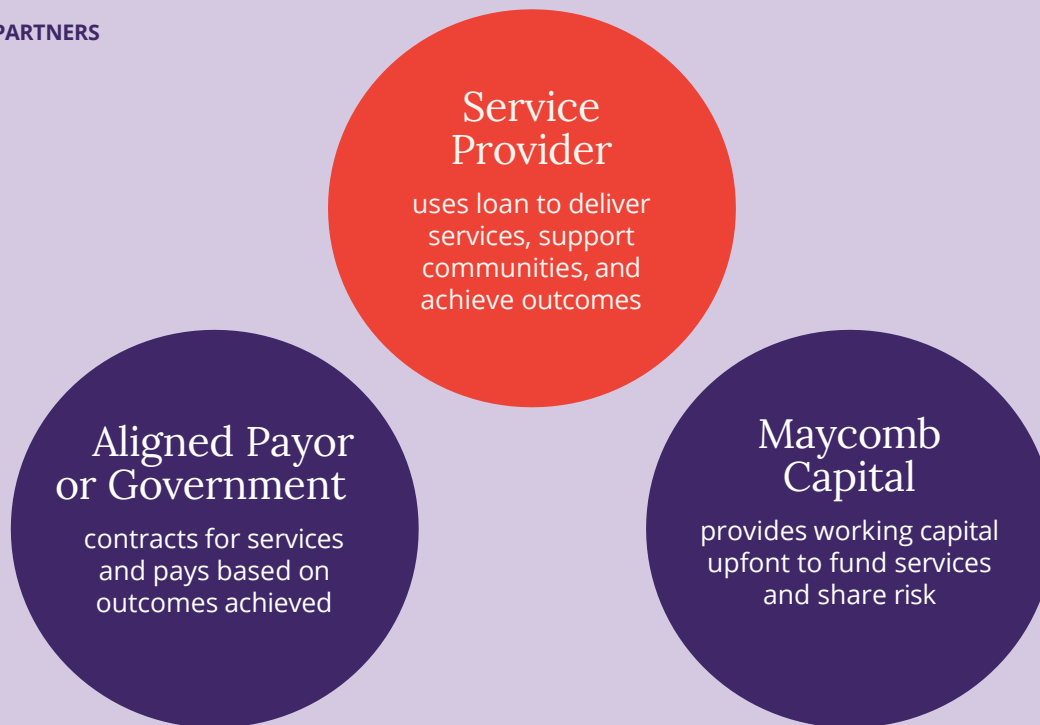
- Develop financial plan in partnership with Borrower to reflect expected outcomes, timing, and payments
- Collaborate and advise on data development, reporting, and budgeting
- Typically loan 80% or more of the project costs
- Fund in multiple tranches to align with operational needs and avoid unnecessary interest accrual by the Borrower
- Lend against outcomes-aligned contracts or funding streams

About Maycomb Capital

Across the country, game-changing social enterprises are improving education, health, and economic outcomes in their community. Yet, organizations are rarely funded based on their impact. Maycomb Capital's Community Outcomes strategy provides outcomes financing—flexible debt that equips service providers with the resources they need and aligns all stakeholders around achieving impact in their community.

Maycomb launched its Community Outcomes work in 2018 and to date has committed over \$60 million across 15 projects in 12 communities. The projects underway are in partnership with a variety of human services providers—both non-profit and for-profit—and public sector entities, including school districts, cities, counties, states, and health systems.

KEY ROLES AND PARTNERS



ILLUSTRATIVE PROJECT

MA Pathways Project – Boston, MA



Loan Details

- **Loan Size:** \$4.5 million, provided over three years in semi-annual tranches
- **Repayment Term:** Six-year repayment term, rolling based on outcome achievement across diversified metrics
- **Services:** English language classes contextualized for employment, alongside rapid employment services and vocational skills training, college prep courses, and wraparound supports
- **Population:** Refugees and immigrants in the Greater Boston area

Outcome Details

\$20K increase in average annual earnings for those receiving occupational skills training

89% average college registration rate for participants in college prep courses, exceeding historical performance

1,800+ immigrants and refugees engaging in economic advancement pathways