

Connecticut Family Stability Pay for Success Project

FREQUENTLY ASKED QUESTIONS

Ensuring Family Stability is a priority for Governor Dannel Malloy, Department of Children and Families Commissioner Joette Katz, and the State of Connecticut. The Family Stability Pay for Success project is an innovative strategy to better serve families struggling with substance use by expanding an intensive, in-home treatment program to families presently involved with the Department of Children and Families.

PROJECT OVERVIEW

The Connecticut Department of Children and Families (DCF), Family-Based Recovery Services at the Yale Child Study Center, and Social Finance are **launching a Pay for Success (PFS) project to promote family stability and reduce parental substance use for DCF-involved families throughout Connecticut (the “Connecticut Family Stability Project”).**

The project will allow **Family-Based Recovery (FBR) to serve approximately 500 families throughout Connecticut over four and a half years.** Once a family enrolls with FBR, they receive services focused on understanding and responding to the child’s developmental needs and treating substance use for an average of six months.

- **Substance use is a pervasive challenge for families involved with DCF and it has persistent consequences for the State of Connecticut.** DCF spends more than \$600 million each year to address child abuse and neglect. In 2013, more than 50 percent of all cases investigated by DCF had an indication of parental substance use (18,118 out of 36,131). In addition, the Centers for Disease Control estimates that the lifetime cost associated with one incident of child maltreatment is more than \$210,000 in healthcare, child welfare, criminal justice, and special education costs and productivity losses.
- **The Connecticut Family Stability Project will pair families in need with a treatment team that provides regular visits to the client’s home to promote positive parent-child interactions, increase parental awareness and understanding of child development, and help parents maintain their recovery.** The PFS project will serve families across Connecticut that struggle with a substance use disorder, are working with DCF, and have children up to the age of 6 years old. These families will receive FBR’s proven, intensive, in-home treatment that focuses on parent-child attachment and substance use recovery.
- **FBR has a track record of success both in reducing involvement with DCF and in keeping families together through intensive support.** FBR has demonstrated statistically significant reductions in both the rate at which children were removed from the home and the rate of re-referrals to DCF compared to treatment as usual.

PAY FOR SUCCESS OVERVIEW

Pay for Success (PFS) projects, also called Social Impact Bonds, combine nonprofit expertise, private sector funding, and rigorous evaluation to transform the way government and society respond to chronic social problems.

- **At its core, PFS is a public-private partnership which funds effective social services through a performance-based contract.** Many high-impact service providers do not have access to the funds

they need to scale-up their services due to limited budgets. In addition, government support for social programs is not always tied to results.

- **PFS helps address these challenges by engaging private funders to cover the upfront costs to increase high impact programs and by establishing performance goals that allow government, funders, and project partners to measure outcomes and track success over the long term.** If, following a rigorous evaluation by an independent evaluator, the program achieves predetermined outcomes that benefit society and generate value for government, then government repays the original investment. However, if the project does not achieve its target results, government pays nothing.
- **In the Connecticut Family Stability Project, Connecticut will repay funders only if FBR demonstrably produces positive outcomes and benefits for the State.** Specifically, the project will measure the impact on four outcomes: 1) prevented out-of-home placements; 2) prevented re-referrals to DCF; 3) reduction in substance use; and 4) successful FBR enrollment.
- Existing PFS projects in the United States have addressed job training and employment, reducing recidivism, juvenile justice, homelessness, and early childhood education. The Connecticut Family Stability project is the first PFS project in Connecticut.

How is Pay for Success different from other sources of funds?

Pay for Success gives high-impact service providers access to new pools of capital outside of traditional government and philanthropic funding streams. For service providers that do not have access to the funds they need to scale-up their services, Pay for Success offers flexible, growth capital, enabling service providers to focus on program delivery, not fundraising.

How does Pay for Success support preventative programs?

Government spends significant resources on remedial programs—programs that address a social issue that is already entrenched—leaving little funding for preventative services. In addition, government support for social programs is not always tied to results.

Pay for Success helps solve these problems by tapping private funders to provide the upfront costs of scaling up the program and by establishing performance goals that allow government, funders, and project partners to measure outcomes and track success over time. The goals are set collaboratively with government and service providers to ensure they are ambitious, yet realistic performance measures that strengthen the program and the services it delivers.

Because Pay for Success projects typically focus on funding preventative services, their success creates significant value for individuals and government by helping people realize their own potential, and by saving government money by reducing its need to pay for costly remedial programs down the road.

How will Connecticut benefit from the Connecticut Family Stability Project?

The Connecticut Family Stability Project offers numerous benefits to both the families that participate directly in Family-Based Recovery as well as the citizens of the state. The project will provide upfront funding to scale Family-Based Recovery for DCF-involved families and addresses a DCF service gap by expanding the program to serve vulnerable families with children age 0 to 6. Five hundred families across Connecticut will get the benefit of a proven, intensive, in-home treatment that focuses on parent-child attachment and substance use recovery.

In addition, the Connecticut Family Stability Project will help bring accountability to the taxpayers of Connecticut. The State will only repay the upfront funding should pre-determined performance measures be achieved over the course of the project.

What prompted Connecticut to focus on a Pay for Success project focused on Family Stability?

Children involved with DCF are some of Connecticut's most vulnerable citizens. Despite many challenges in their family circumstances, we know that keeping kids with their families by addressing the root cause of child welfare involvement—parental substance use and child maltreatment—gives children the best chance at both short- and long-term success in life. Children who are subject to maltreatment and removed from their homes experience higher rates of criminal justice involvement, special education, mental health problems and healthcare utilization, and earn substantially less over the course of their lives than their peers who are not removed from their homes.

This comprehensive program, which focuses on the family unit, seeks to break the multi-generational cycle that impacts families involved with DCF.

The Connecticut Family Stability Project also builds on key reforms instituted under Commissioner Katz. The key reforms include:

- 1) Maintaining and re-uniting children with families;
- 2) Expanding the use of relatives and kin for those children who must be in state care;
- 3) Reducing the use of group settings; and
- 4) Improving the overall child welfare system in Connecticut.

How does Family-Based Recovery help families?

FBR is an intensive, in-home parent-child attachment program for families with young children at risk for abuse and or neglect, poor development outcomes, and/or removal due to parental substance use. Clinicians conduct three home visits (with a toxicology screen) per week, for an average of six months to provide clinical support to clients, promote positive parent-child interactions for secure attachment, keep families together, and help parents achieve and maintain abstinence.

Why was FBR chosen as the intervention in this Pay for Success project?

DCF, in collaboration with Social Finance and the Harvard Kennedy School Government Performance Lab, analyzed potential evidence-based programs that address substance use and serve families with children involved with DCF. The partners identified FBR as the most appropriate program based on (1) its existing evidence base and history of reducing the number of out of home placements and re-referrals to the department, and (2) its ability to scale service delivery and serve Connecticut's most vulnerable families through Pay for Success.

FBR has a track record of success both in reducing involvement with DCF and in keeping families together through intensive treatment. FBR has demonstrated statistically significant reductions in both the rate at which children were removed from the home and the rate of re-referrals to DCF compared to treatment as usual.

What happens if a parent receiving FBR is not making positive progress or has a relapse?

Relapse is a normal part of the recovery process and FBR supports families on their path to recovery. FBR will work with families to decrease the risk of continued use and to meet program goals of abstinence. When an alternative (e.g. inpatient) program is needed, the client, treatment team and DCF collaborate to connect the client to the appropriate provider.

What is the role of Social Finance and the Harvard Kennedy School?

Social Finance is a 501(c)(3) dedicated to mobilizing investment capital to drive social progress. It works collaboratively with public and private partners (including governments, social service organizations, and funders) to develop, structure, finance and manage high-quality Pay for Success projects.

The Harvard Kennedy School's Government Performance Lab provides pro bono technical assistance to state and local governments interested in pursuing Pay for Success and Social Impact Bond contracts.

How many Pay for Success projects exist today?

As of January 2016, nine projects have been announced in the United States:

- 2012 **New York City** announced the first U.S. project aimed at reducing youth recidivism.
- 2013 The **State of New York** began a project to support workforce development and reduce recidivism.
Salt Lake County, Utah undertook a program to expand early education.
- 2014 The **Commonwealth of Massachusetts** launched a project to support workforce development and reduce recidivism for young adults.
The **City of Chicago** launched a project to increase the provision of pre-kindergarten.
Cuyahoga County, Ohio launched a project to address homelessness and improve child welfare.
The **Commonwealth of Massachusetts** launched a project to reduce chronic individual homelessness.
- 2015 **Santa Clara County, California**, launched a project to provide housing and supportive services for chronically homeless individuals.
- 2016 **Denver, Colorado** announced a project to provide housing and supportive services for chronically homeless individuals.

In the coming years, additional projects will potentially launch in California, Ohio, South Carolina, Illinois, Michigan, New York, Massachusetts, Maryland, and Pennsylvania.

More than 50 projects have been launched in countries worldwide, including the United Kingdom, Australia, Canada, Belgium, Germany, Portugal, Finland, the Netherlands, India and Israel. Additional projects are in development in these countries and many others worldwide.

Further details of the project will be released when finalized and preceding launch of services this summer.