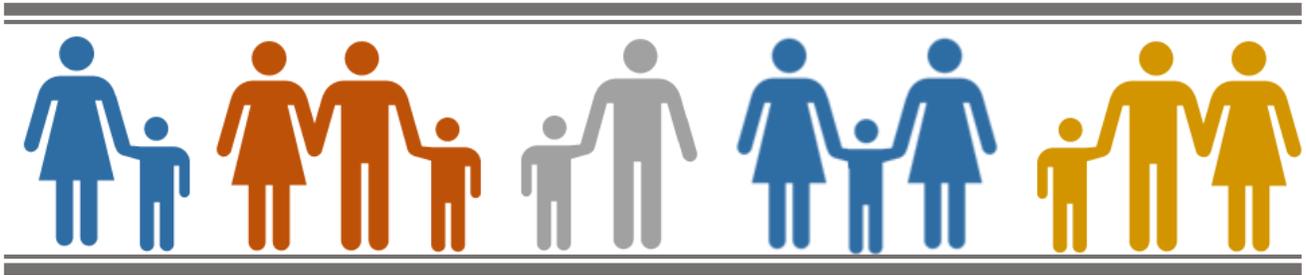


## Connecticut Family Stability Pay for Success Project FACT SHEET

**Ensuring Family Stability is a priority for Governor Dannel Malloy, Department of Children and Families Commissioner Joette Katz, and the State of Connecticut. The Connecticut 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

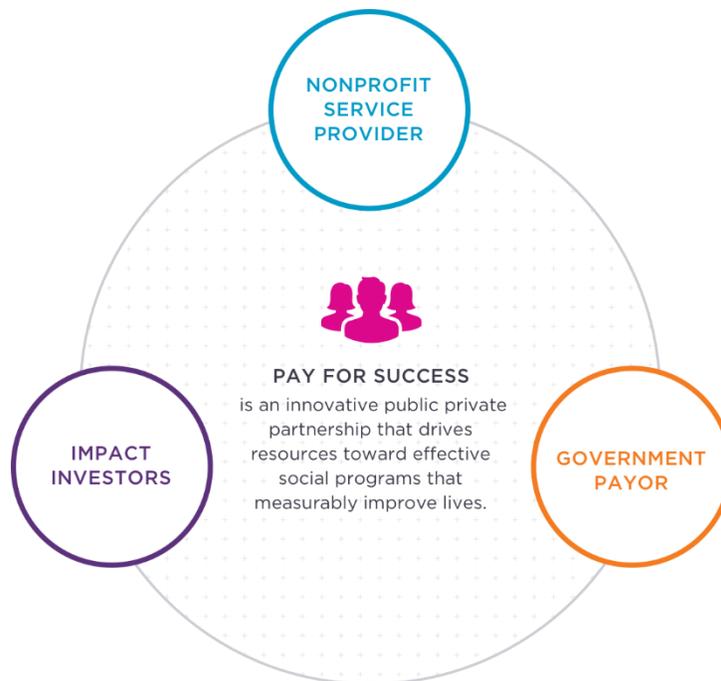
The Connecticut Department of Children and Families (DCF), Family-Based Recovery Services at the Yale Child Study Center, and Social Finance are **launching a Pay for Success (PFS) project to promote family stability and reduce parental substance use for DCF-involved families throughout Connecticut.**

The project will leverage \$11.2m of philanthropic and private capital to scale **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 Pay for Success 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 problem, 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.



- **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 of expanding 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 an independent evaluation, 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 Pay for Success 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 Pay for Success Project is the first PFS project in Connecticut.

## PROJECT PARTNERS

### Connecticut Department of Children and Families



The Department of Children and Families (DCF) has a consolidated statutory mandate which includes child welfare, juvenile justice, children's behavioral health and prevention. DCF's mission is to work together with families and communities to keep children healthy, safe, smart and strong. Since 2011, under Commissioner Joette Katz's leadership, key reforms have included: maintaining and reunifying children with families; increasing placements with relatives or non-relative families with whom children have strong bonds; reducing the use of group or "congregate" settings which are not normative environments for children; and increasing community based services for families to keep more children at home when possible. As a result of these reforms, one of DCF's prioritized areas of need relates to parent and caregiver substance use, including community-based treatment services and in-home support, which will be widely expanded to communities in need of these services as a result of the Family Stability Pay for Success Project.

### Family-Based Recovery, Yale Child Study Center



Yale University  
School of Medicine

Family-Based Recovery (FBR) is an in-home parent-child attachment and substance use treatment program for mothers and fathers who are actively parenting a child younger than 36 months. The program aims to eliminate substance use among parents, prevent the risk of child neglect and disruption of primary relationships, and promote healthy child development. To qualify for FBR services, caregiver(s) demonstrate the need for substance use treatment by producing a positive toxicology screen or by self-report of use within 45 days of referral to the program. The mission of FBR is for children to be raised in substance-free, safe and stable homes with their parent(s). Community-based behavioral health providers deliver FBR within local communities, and FBR Services, operating within the Yale Child Study Center, oversees the implementation and delivery of FBR throughout Connecticut.

### FBR Implementing Agents, Community Health Centers



In addition to Yale Child Study Center, FBR teams will be managed at three different local community health centers: United Child and Family Services, Community Mental Health Affiliates, and Community Health Resources. All three organizations were selected based on their track record of implementing FBR and their fit with project goals.

### Social Finance



Social Finance is a 501(c)(3) nonprofit organization dedicated to mobilizing capital to drive social progress. Social Finance is committed to using PFS to tackle complex social challenges, facilitate greater access to services for vulnerable populations, and direct capital to evidence-based social services – all with the goal of measurably improving the lives of people most in need. Social Finance was one of the first organizations in the United States dedicated to providing PFS intermediary services. Social Finance has successfully designed and implemented all aspects of PFS projects, including: program design, evaluation structure, economic and financial modeling, and contract development. Social Finance's sister organization Social Finance UK pioneered the first Social Impact Bond in the world in 2010.

### UConn Health



UConn Health is the independent evaluation entity responsible for implementing an outcome evaluation to measure the impact of the FBR programs. The UConn Health team is led by Dr. Jane Ungemack in collaboration with Dr. Kathryn Parr from the School of Social Work. The Project will be evaluated via Randomized Controlled Trial, the gold standard for a rigorous evaluation.

## Harvard Kennedy School Government Performance Lab



The Harvard Kennedy School Government Performance Lab (GPL) conducts research on how governments can improve the results they achieve for their citizens. An important part of the GPL research model involves providing pro

bono technical assistance to state and local governments on projects related to Pay for Success contracts and other outcomes-based procurement strategies. Formerly the Social Impact Bond Technical Assistance Lab (SIB Lab), the GPL has been at the forefront of the Pay for Success movement since 2012 and has advised 8 out of the 12 PFS projects launched in the United States to date. The GPL has been working with Connecticut since 2013, and has provided assistance to DCF through all stages of the project, including policy area selection, project design, procurement, data analysis strategy, and contract negotiations.

## Jones Day



Jones Day is a law firm with more than 2,400 lawyers on five continents that is relentlessly focused on client service. Jones Day is serving as legal counsel to Social Finance in the Connecticut Family Stability Pay for Success project.

## Project Funders

### BNP Paribas



#### BNP PARIBAS

BNP Paribas is a leading bank in Europe with an international reach. It has a presence in 75 countries, with more than 189,000 employees, including more than 146,000 in Europe. The Group has key positions in its three main activities:

Domestic Markets and International Financial Services (whose retail-banking networks and financial services are covered by Retail Banking & Services) and Corporate & Institutional Banking, which serves two client franchises: corporate clients and institutional investors. The Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporate and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance. In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the leader in consumer lending. BNP Paribas is rolling out its integrated retail-banking model in Mediterranean countries, in Turkey, in Eastern Europe and a large network in the western part of the United States. In its Corporate & Institutional Banking and International Financial Services activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific.

### QBE Insurance Group Limited



QBE Insurance Group, headquartered in Sydney, is one of the world's leading general insurance and reinsurance companies, employing around 14,500 people across 37 countries. QBE's strategic vision is to be the insurer that builds the strongest

partnerships with customers. This helped to inspire QBE's activities in impact investment through Premiums4Good. Premiums4Good is a new initiative from QBE, using everyday insurance spending to grow awareness of impact investments by directing a percentage of everyday insurance premiums into investments with an additional social or environmental impact. By providing an institutional investor lens, QBE is helping to shape and develop the market.

### Reinvestment Fund



Reinvestment Fund is a catalyst for change in low-income communities. We integrate data, policy and strategic investments to improve the quality of life in low-income neighborhoods. Using analytical and financial tools, we bring high-quality grocery stores, affordable housing, schools and health centers to the communities that need better access—creating anchors that attract investment over the long term and help families lead healthier, more productive lives. Learn more at [reinvestment.com](http://reinvestment.com).

## **Doris Duke Charitable Foundation**



The mission of the Doris Duke Charitable Foundation is to improve the quality of people's lives through grants supporting the performing arts, environmental conservation, medical research and child well-being, and through preservation of the cultural and environmental legacy of Doris Duke's properties.

## **Laura and John Arnold Foundation**



LJAF is a private foundation that is working to address our nation's most pressing and persistent challenges using evidence-based, multi-disciplinary approaches. Its investments are currently focused on criminal justice, education, evidence-based policy and innovation, public accountability, and research integrity. LJAF has offices in Houston, New York City, and Washington, D.C.

## **Nonprofit Finance Fund**



Nonprofit Finance Fund® (NFF®) unlocks the potential of mission-driven organizations through tailored investments, strategic advice and accessible insights. Founded in 1980, NFF helps organizations connect money to mission effectively, and supports innovations such as growth capital campaigns, cross-sector economic recovery initiatives and impact investing. A leading community development financial institution (CDFI) with over \$250 million in assets under management, NFF has provided \$620 million in financing and access to additional capital in support of over \$2.3 billion in projects for thousands of organizations nationwide.

## **Additional support from two Family Foundations**