GOV MALLOY AND U.S. ADMINISTRATION ON CHILDREN, YOUTH AND FAMILIES COMMISSIONER RAFAEL LOPEZ ANNOUNCE LAUNCH OF INNOVATIVE PROGRAM TO MEASURABLY IMPROVE THE LIVES OF FAMILIES STRUGGLING WITH SUBSTANCE USE

500 Families with Children Aged Six and Under Will Benefit from the Family Stability Pay for Success Project Over the Next Four and a Half Years

(HARTFORD, CT) – Governor Dannel P. Malloy, U.S. Administration on Children, Youth and Families Commissioner Rafael López, Connecticut Department of Children and Families Commissioner Joette Katz, and Social Finance CEO Tracy Palandjian today announced the launch of an innovative new program that will help 500 Connecticut families with young children who are in need of services to help ensure family stability and keep young children with their parents. The Connecticut Family Stability Pay for Success Project will combine nonprofit expertise, private funding, and independent evaluation to promote family stability and reduce parental substance use for DCF-involved families.

"Finding innovative ways to support promising programs that tackle chronic social issues is a continuous endeavor. Pay for Success is the right tool at the right time," Governor Malloy said. "Connecticut, like so many other states, faces increased urgency for effective substance use treatment services to help families stay together. As we strengthen family stability and improve home conditions for children, life-long outcomes will surely improve for our children and families who need help the most."

The PFS project will support new treatment teams delivering family-based recovery to families in need. Each treatment team will visit a client's home several times per week to promote positive parent-child interactions, increase parental awareness and understanding of child development, and help parents on their path to substance use recovery. The project is designed to help ensure family stability and keep children with their parents. A similar initiative for families with children three-years-old or younger in Connecticut has resulted in fewer children being removed from their homes, less parent stress, and decreased levels of substance use, as indicated by research from the University of Connecticut and Yale University.

"We strongly support innovative approaches to helping families and preventing the unnecessary removal of children," Rafael López, Commissioner for the U.S. Administration on Children, Youth and Families, said. "We applaud the Connecticut Department of Children and Families and its partners for their proactive approach to address the impact of substance use disorders and its prevalence in reports of child abuse and neglect. We can do so much more for families when we act with urgency, together."

Through the PFS model, the government repays private investors only if the program meets predetermined outcomes. Independent evaluators measure the effects of a program that demonstrate a return on investment based on specific metrics that benefit both individuals and society.

"The wonderful idea behind this treatment model is that it taps into the most powerful motivation any parent can have – to be connected to their children," Department of Children and Families

Commissioner Katz said. “It builds on a fundamental human strength: A parent’s love for his or her children.”

Now, with a new infusion of dollars and a new financing mechanism, the program will be scaled-up to serve households with children aged six years or younger, with the potential to serve approximately 500 new families throughout Connecticut over the next four-and-a-half years. Project funders include BNP Paribas, QBE Insurance Group Limited, Reinvestment Fund, Doris Duke Charitable Foundation, Laura and John Arnold Foundation, Nonprofit Finance Fund and two anonymous family foundations.

“As lead arranger and senior lender, BNP Paribas is pleased to provide the private capital necessary to scale up this important intervention program,” Florence Pourchet, head of Credit and Portfolio Management for the Americas and Head of Corporate Social Responsibility for North America at BNP Paribas, said. “Contributing to the design of an innovative pay-for-success transaction for the benefit of our local communities reflects our identity as a sustainable and responsible financial institution.”

The expanded program will create six new family recovery teams and will reach new areas, including Waterbury, Danbury, Torrington, Norwich, the Middletown region, and New Haven. It will help build on the Department of Children and Families’ record of an 11 percent reduction in children in care and a 66 percent reduction in the use of congregate care in just the last five years.

“Pay for Success is about unlocking private capital to advance the public good," said Tracy Palandjian, CEO and Co-Founder of Social Finance. "By directing resources toward effective programs like Family-Based Recovery, we will measurably improve the lives of families in need. Projects like this are a testament to what we can achieve when diverse leaders think creatively and work together."

The project is being carried out by the State of Connecticut and the Department of Children and Families, in conjunction with partners including Family-Based Recovery at the Yale Child Study Center, Social Finance, UConn Health, the Harvard Kennedy School Government Performance Lab, and Jones Day. Working with the Department of Children and Families and Family-Based Recovery Services, nonprofit intermediary Social Finance will engage in active performance management throughout the course of the project.

**Download: Fact sheet on the Connecticut Family Stability Pay for Success Project

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