

## Potential Application: Serving Children at Risk of Developmental Delay

- \* **Target population:** Children birth to age 3 with mild delay or disability but who miss the eligibility criteria or do not receive early intervention services.
- \* **Intervention:** Enhance the family's capacity to support their child's development, well-being, and participation in the community.
- \* **Outcome:** Addressing mild delays early increases a child's ability to make the most of learning new skills in the crucial early years, reducing the need for longer term special education services and family supports.

## Potential Application: Maternal Depression Screening and Referral

- \* **Target population:** Mothers who exhibit depressive symptoms as identified through a screening process.
- \* **Intervention:** Training of early intervention staff to identify symptoms of maternal depression. Make appropriate referrals and provide supports to improve the parent-child relationship.
- \* **Outcome:** Given the link between maternal depression and child health and developmental outcomes, providing intervention and supports can reduce long-term costs for both mother and child.

## What is Pay for Success (PFS)?

PFS is an innovative contracting model that...

- \* can leverage philanthropic and other private dollars to...
- \* finance services for a target population that...
- \* measurably improve the outcomes for the individuals and communities and where
- \* government can act as the payor (spending taxpayer dollars wisely).

## What are the benefits of PFS?

- \* Shifts funds from remediation to **prevention**.
- \* Shifts focus from activities to measuring and **improving outcomes** - Government pays only when outcomes are achieved rather than for activities.
- \* Increases **funding for what works** - Brings in private funders (philanthropies, commercial lenders, social impact investors).
- \* **Increases the body of knowledge** about what works and what doesn't, particularly at scale but also with respect to innovation.
- \* **Strengthens evaluations** - Includes a multiyear evaluation.

## How does the PFS partnership work?

Government	Private Funders	Service Providers	Evaluators	Government
Identifies critical need with historically poor outcomes.	Supply up-front capital to high-performing social service provider(s) to address needs.	Deliver services to at-risk populations for a pre-determined period of time.	Rigorously measure outcomes to ensure they achieve key benchmarks.	Repays investment plus reasonable return if project is successful. If not, pays nothing.

**Intermediary:** Project manager, raises capital, contracts with government, identifies service provider, identifies independent evaluator, manages the flow of funds.

Adapted from slides developed by Jerry Croan, Third Sector Capital Partners.

## Stages of a PFS Project



## When does PFS make sense?

- \* Significant unmet need – at-risk families and children who experience adverse academic and life outcomes
- \* Evidence-based or innovative interventions
- \* Economic model or other analysis demonstrating public value to government

## Potential Application: Enhanced Case Management for High-Risk Families

- \* **Target population:** High-need families of children with disabilities ages birth to 3.
- \* **Intervention:** Provide service coordination to connect high-risk families with additional services, e.g., housing support, drug treatment, quality child care, or job training.
- \* **Outcome:** Better long-term outcomes (reduced need for special education, better academic achievement as measured by standardized tests, less retention in grade, fewer behavioral referrals, etc.).

## Pay for Success Learning Community

- \* Several states have been engaged in an in-depth exploration of how they might apply the PFS funding mechanism to serve young children with disabilities or at risk of disabilities and their families.

