

Bond Case Briefs

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New Pay-for-Success Projects.

Social impact bonds, otherwise known as “pay for success” programs (PFS), attract money from private interests and charities for public programs that governments only pay back if and when positive results, such as cost-savings or reduced recidivism rates, are achieved. Just one such project launched last year, but 2016 has already seen three more kick off.

This past week, the Boston nonprofit Social Finance [announced](#) it helped design PFS projects launching in Connecticut and South Carolina.

The [Connecticut project](#) focuses on an in-home intervention for families where one or both parents struggle with substance abuse. The project will pay for new treatment teams to visit a client’s home several times a week to help parents end their addictions and provide better care for their children. It wasn’t immediately clear how much the program will cost, but it’s scheduled to serve 500 families over more than four years.

Connecticut estimates that it spends more than \$600 million a year on child abuse and neglect. If the new program is successful, it would ultimately save money by keeping kids with their parents and out of foster care, while also keeping parents productive and out of the judicial system.

[South Carolina’s PFS project](#) aims to improve health outcomes for mothers and children living in poverty. The new program is a so-called nurse-family partnership that pairs vulnerable first-time mothers with specially trained nurses to support healthy pregnancies and positive child development.

About 27 percent of South Carolina’s children live in families struggling with poverty, according to the governor’s office. The project is being funded by \$17 million from a handful of philanthropic organizations and about \$13 million from Medicaid. The state will pay back up to \$7.5 million to keep the program going if evaluators find it’s helping moms and kids stay healthy.

Lastly, Denver this week announced a [new PFS program](#) that will provide permanent housing and support services to at least 250 chronically homeless people over five years. The help is meant to not only improve their lives but also to reduce the annual \$7 million sum the city spends on several hundred heavy users of emergency services like police, jail, the courts and emergency rooms.

The city aims to reduce the time that participants spend in jail by 35 percent, compared with a control population. The second goal is to increase housing stability — days spent in housing — by 83 percent over a control group. [The program](#) is financed in part by \$8.7 million in private investment. Denver will pay \$15.12 for each stable housing day, minus any days spent in jail.

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BY LIZ FARMER | FEBRUARY 19, 2016

