



## FREQUENTLY ASKED QUESTIONS: THE CUYAHOGA PARTNERING FOR FAMILY SUCCESS PROGRAM

### **Project Overview**

The Partnering for Family Success Program, the first Pay for Success (PFS) project in the combined areas of homelessness and child welfare, seeks to measurably improve the lives of children and families by reducing the time children of homeless parents spend in out-of-home foster care. The County of Cuyahoga, Ohio, encompassing the greater Cleveland area, is launching the nation’s first county-level PFS project in partnership with FrontLine Service, a comprehensive continuum of care service provider for homeless persons in Ohio. Families in need should have access to programs that address their unique challenges, are proven to work and create improved accountability for government spending.

In Cuyahoga County, for children placed in out-of-home foster care to be reunited with their families, their caregivers must be able to provide a safe and stable home environment. Unfortunately, many of these caregivers are homeless and struggle with domestic violence, substance abuse, and severe mental illness. As a result, their children—nearly two-thirds of whom are under the age of six—spend significantly longer time in out-of-home foster care and are left profoundly impacted by the loss of a consistent caregiver. This extended time in the child welfare system can result in poor outcomes for the County’s most vulnerable families and lead to higher costs to the County.

Through the five-year Partnering for Family Success Program, FrontLine will provide 135 of these families with coordinated access to housing alongside ‘Critical Time Intervention,’ a 12-15 month evidence-based homelessness transition program. These services are designed to reduce the time children spend in out-of-home foster care by stabilizing the family’s home environment and increasing family reunification success.

### **What is Pay for Success?**

Pay for Success (PFS) is an innovative funding model that drives government resources toward social programs that prove effective at providing positive results to the people who need them most. PFS expands available funding for nonprofit service providers and tracks the effectiveness of programs over time to ensure that funding is directed toward programs that succeed in measurably improving the lives of people most in need.

PFS enables governments to draw in greater and more diverse resources to tackle social problems by tapping private investments for the upfront costs of the programs. If the program is successful in delivering services that improve the lives of the people it is meant to serve, then government repays those who made the original investment. If, and only if, the program exceeds the pre-determined outcomes, the government pays a small return on the investment. If the program does not achieve its target results, government does not repay those who made the original investment. This model ensures that taxpayer dollars are being spent only on programs that actually work.

### **How does government benefit from PFS?**

Across the country, local, state and federal government agencies provide funding to service providers, such as local nonprofits and charities, who implement programming to help people in need. Governments at all levels face tough budget constraints, and as a result, government is forced to make difficult funding decisions without the benefit of a clear understanding of which programs are most effective.

PFS gives governments the ability to support high-impact service providers, drive new resources toward effective programs and track outcomes for individuals and communities, without risking taxpayer dollars if those programs do not deliver measurable results. By embracing PFS, governments can deliver better services to people in need at a large scale, without further straining their budgets or putting taxpayer money at risk.

### **Is Cuyahoga County the first county-level government in the U.S. to pursue PFS?**

Cuyahoga County is the first County in the nation to enter into a multi-year PFS contract and create a dedicated budget line for success payments. A PFS convening at the White House in October 2011 inspired Cuyahoga County Executive Edward FitzGerald to explore this innovative strategy. In July 2014, Cuyahoga County's Council passed special legislation that created a Social Impact Financing Fund, which will be funded by annual appropriations of \$1 million, up to the contract payment cap of \$5 million. Annual appropriations ensure that the government will have set aside money to pay back those who made the original investment in the program, if it is successful and proven to actually work.

### **Why did the County pursue a project in the combined area of homelessness and child welfare with its first PFS initiative?**

Homeless families with children placed in out-of-home foster care present a unique challenge for Cuyahoga County. The agencies serving these families were not previously integrated in a way that allowed for the identification of families who are experiencing homelessness *and* involvement in the child welfare system. As a result, children of homeless caregivers, many of whom are under the age of six, are spending considerably more time in foster care than the children of housing secure caregivers. This extended time in the child welfare system has historically resulted in poor outcomes for the County's most vulnerable families and led to higher costs to the County.

Ohio's state-mandated child welfare risk-screening tools do not assess for housing insecurity or homelessness and Cuyahoga County's child welfare system will not reunite children with a caregiver if that person is in an insecure housing environment. In addition, when a caregiver applies for a housing subsidy in Cuyahoga County, they are unable to request the type of housing necessary for reuniting their family. Caregivers are only eligible for a family apartment if they have already been reunited with their child. This lack of cross-agency communication and conflicting local and state-level policies has created an extremely difficult environment to reunite these families.

### **Why was FrontLine chosen as the service provider?**

FrontLine is a nonprofit organization that operates the most comprehensive continuum of care for homeless people in Ohio, specializing in linking vulnerable families to emergency shelter, behavioral health care, transitional housing and permanent supportive housing. FrontLine has over two decades of experience serving Cuyahoga's most vulnerable children and families. Clinical observations from managing centralized intake for Cuyahoga's homeless shelter system have inspired FrontLine to design a program that provides a more effective housing solution for homeless families that have children removed and placed in foster care. FrontLine was selected

through the County's competitive procurement process, in which the County searched for a service provider that would implement a PFS project in the child welfare system. FrontLine's pursuit of evidence-based practices related to behavioral health, homelessness and trauma and its strong existing internal electronic data collection system made it an ideal partner for the County in measuring foster care outcomes that produce effective societal benefits and government savings.

### **How will FrontLine help families and children?**

To help stabilize families, FrontLine will provide access to affordable housing and an intensive case management system known as 'Critical Time Intervention' (CTI). CTI helps vulnerable families that are experiencing homelessness to slowly reconnect to community support networks and settle successfully in newly attained housing. CTI provides intensive services upfront, tapering over time as the caregiver regains the skills and support to achieve their goals, including family reunification. CTI will be paired with age-appropriate, evidence-based trauma services that will strengthen healthy and secure caregiver-child relationships.

By providing caregivers critical access to housing *before* they are reunited with their children, this program will allow caregivers to more successfully receive mental health services, complete substance abuse counseling, set up job interviews and allows for an increased amount of child visitations with their caregivers in a safe home environment. These factors will accelerate the caregiver's progress on the reunification checklist overseen by the County's Division of Children and Family Services (DCFS), thereby empowering DCFS to grant reunification decisions to these families sooner and allow children to exit foster care earlier.

### **How will the Partnering for Family Success Program be funded?**

A partnership among private funders and philanthropic organizations will provide a total of \$4 million in upfront funding for the Partnering for Family Success Program. By utilizing this new model of upfront funding, the County is able to support social programs without risking taxpayer dollars if the programs do not deliver results. The County will only repay funders based on the Program's ability to achieve a measurable reduction in out-of-home foster care days. Depending on the Program's level of success, the County will repay funders up to \$5 million using Success Payments that it will annually appropriate into a Social Impact Financing Fund.

The organizations providing funding for this program are all committed to improving outcomes for children and families in Cuyahoga County. The Partnering for Family Success program gives them an opportunity to invest in their communities by supporting high-quality programs that improve the lives of those in need, with the ultimate goal of a receiving both a financial and social return.

### **How will success payments be calculated?**

The Program will be evaluated by independent experts at Case Western Reserve University, which will utilize the gold standard of impact measurement: a Randomized Controlled Trial (RCT). Case Western Reserve University expects that there will be at least 270 families from the community eligible for the program over a 3-year enrollment period. FrontLine will provide treatment to 50% of the estimated eligible families, or 135 total families. The RCT will measure the total number of out-of-home foster care days accumulated by families served by FrontLine compared to the number of out-of-home foster care days for families that are served by the existing resources in the community. For each reduced day of out-of-home foster care, Cuyahoga County will pay \$75, which represents the current combined average cost of foster care and related placement services.

### **Why not just pay for FrontLine's services out of the regular County budget?**

The reality today is that high-impact service providers do not have access to the full funding they need to offer all of the services a community might need. This is primarily due to the fact that government support for social programs is usually focused on mandated, safety-net services. Remaining government funding resources for social programs are often unable to fund the full upfront costs of proven and effective preventive services. This leaves many service providers with an uncertain and inadequate funding stream.

PFS solves these problems by tapping private funders to fund the full upfront costs of 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 service providers to ensure they are ambitious, yet realistic performance measures that strengthen the program and the services it delivers. The private funders recoup their original investment only if the program succeeds in meeting the performance goals set out by independent experts. If the program exceeds the performance goals, the private funders earn a modest return.

Because PFS typically focuses on funding preventative services, its success saves governments money by reducing governments' need to spend down the road on more costly programs. The longer-term savings more than offset the slightly higher costs of designing and implementing a PFS contract. By embracing the PFS model, more funding will go toward programs that are proven to work, more lives will be improved and more accountability will drive smarter government spending now and in the future.

### **Why are private funders interested in funding this project?**

More than ever, funders are seeking creative opportunities to put their money to work in ways that are proven to help people in need. Private funders have limited opportunities to make true investments that measurably improve lives and offer the potential of making their money back or even realizing a modest return. PFS offers funders the opportunity for that kind of win-win situation, while also growing the pool of resources available for high-impact service providers. With this new model, funders will know the outcomes of the programs they are funding, while also giving back to their communities in meaningful ways by investing in proven preventative interventions that improve lives.

Private funders in the Partnering for Family Success Program include both financial investors and philanthropic organizations that are all committed to improving outcomes for children and families in Cuyahoga County. Combined, funders of PFS programs leverage significant resources for providers to track outcomes over a longer period of time and demonstrate a meaningful impact for individuals and communities.

### **Are there plans to use PFS for other programs in the future?**

Throughout Cuyahoga County's PFS exploration, the County has documented its process carefully so that future County administrations will be able to leverage the learning and pursue future PFS projects. By passing landmark legislation to establish a Social Impact Financing Fund, Cuyahoga County has also created a funding mechanism for success payments that can be replicated for future PFS projects.