



**PROJECT DESCRIPTION:** The Hello Family Pay for Success (PFS) Project launched its ramp-up phase in the City of Spartanburg, South Carolina, on October 1, 2021, with expanded service delivery expected in early 2022. The project seeks to improve outcomes for young children and their families by providing a continuum of evidence-based services for all children born in the City of Spartanburg, from prenatal care through age five, and linking payment to actual improvements in families' lives. The Hello Family PFS Project sits within the broader envisioned Hello Family continuum of services, to form a comprehensive age 0-5 support structure for City families.

**PROJECT PARTNERS:**

- **Leadership Team:** City of Spartanburg, South Carolina, Mary Black Foundation, and Institute for Child Success.
- **Financial Support From:** City of Spartanburg, The Duke Endowment, Blue Cross Blue Shield of SC Foundation, Mary Black Foundation, Spartanburg Regional Healthcare System, Barnet Foundation Trust, South Carolina Department of Health and Environmental Control, South Carolina Department of Health and Human Services, Spartanburg School District 7, Spartanburg Academic Movement, South Carolina First Steps, ReGenesis Health Care, and Spartanburg County Foundation.
- **Impact Investor:** The Community Outcomes Fund at Maycomb Capital
- **Service Providers (and intervention models):** BirthMatters (Community Doula), Spartanburg Regional Healthcare System (Family Connects), The Hope Center for Children (Triple P), Spartanburg County First Steps (Quality Counts).
- **Project Development and Transaction Structuring:** Sorenson Impact Center, David Eccles School of Business, University of Utah; Institute for Child Success, Nonprofit Finance Fund, Social Innovation Fund.
- **Additional Partners:** Urban Institute, Riley Institute at Furman University, Way to Wellville, Children's Trust of South Carolina, Spartanburg County Foundation, and Optus Bank.

**SERVICES TO BE EXPANDED THROUGH THE PROJECT:**

- **BirthMatters.** Community-based doulas educate and support low-income moms under age 25 from 24 weeks of pregnancy until each baby is 12 months old through home visits and other supports.
- **Family Connects (administered by Spartanburg Regional Health System).** Nurses visit moms and newborns in their homes regardless of income and assess families for potential risks and connect them with community resources.
- **Triple P, or Positive Parenting Program (administered by the Hope Center for Children).** Community-level communications campaigns, along with individual sessions with families, equip caregivers with the skills and confidence they need to be self-sufficient in helping their children realize their potential.
- **Quality Counts (administered by Spartanburg County First Steps).** Professional development to help early care and learning centers and staff improve the quality and effectiveness of the services they provide.

## OUTCOME TARGETS

- **Improving birth outcomes and early childhood health and development.** Specifically, we expect reductions in cesarean deliveries, NICU admissions, and low birth weight births. We also expect increased breastfeeding at birth.
- **Reducing avoidable ER visits.** Specifically, we expect reduced avoidable infant (0-6 months) emergency medical care utilization.
- **Reducing the incidences of child abuse and neglect.** Specifically, we expect reduced substantiated cases of child maltreatment.
- **Increasing school readiness.** Specifically, we expect increased Early Development Inventory scores measuring kindergarten readiness.

## FAST FIGURES:

- Anticipated length of service delivery: 5 years
- Anticipated level of service over 5 years:
  1. **BirthMatters:** approximately 360 mothers
  2. **Family Connects:** approximately 1,100 families
  3. **Triple P:** caregivers of approximately 4,000 children under age 8
  4. **Quality Counts:** approximately 500 families

## INNOVATIONS AND DISTINCTIONS:

In addition to serving families in the City of Spartanburg, Hello Family also provides a proof point for how other communities can accountably drive investment towards a continuum of evidence-based supports for young children and their families.

**WHAT IS A PAY FOR SUCCESS (PFS) PROJECT?** A PFS project is a public-private partnership that drives better results for communities by aligning government spending with positive, measurable outcomes. This structure transforms how government does business: moving from contracts that largely reimburse costs or pay a fee for services delivered, to outcomes-based contracts where government only pays as service providers achieve community responsive, pre-defined outcomes. An independent evaluator tracks and measures outcomes over time to determine the amount of “outcome payments” earned.

If government pays based on outcomes at a future date, service providers often need resources today to run their programs. To fill this working capital need, impact investors provide a social impact loan so that providers can deliver the intervention and cover other costs of the project. When outcomes are achieved, outcome payments are used to repay the social impact loan. If outcomes are not achieved as expected, full principal and interest may not be repaid.

In this way, the private sector, nonprofit service providers, and government can partner to focus squarely on the singular task of improving people’s lives – tapping the resources of private markets and philanthropy for public good, allowing service providers to focus less on fundraising and more on mission, and aligning government funding with priority outcomes and real impact.

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