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## **Hatch Statement at Finance Hearing on Evidence-Based Delivery and Funding for Social Welfare Programs**

WASHINGTON – Senate Finance Committee Chairman Orrin Hatch (R-Utah) today delivered the following opening statement at a hearing to examine the role of outcomes and evidence standards in shaping social policies and how they can be best applied to program delivery and financing models:

*Good afternoon. I'd like to welcome everyone to today's hearing on evidence-based practices and their potential impact on our child welfare system.*

*According to the Social Policy Institute, "Evidence-based practice is a process in which the practitioner combines well-researched interventions with clinical experience and ethics, and client preferences and culture to guide and inform the delivery of treatments and services. The practitioner, researcher and client must work together in order to identify what works, for whom and under what conditions. This approach ensures that the treatments and services, when used as intended, will have the most effective outcomes as demonstrated by the research. It will also ensure that programs with proven success will be more widely disseminated and will benefit a greater number of people."*

*Over the years, in an effort to use taxpayer dollars more efficiently, policymakers have attempted to incorporate more evidence-based practices in order to improve outcomes for vulnerable children and families. Just looking at the jurisdiction of the Senate Finance Committee, there are a couple of major examples such as the Regional Partnership Grants and the Maternal, Infant and Early Childhood Home Visiting Program.*

*Many experts and observers agree that, when implemented correctly and with strict adherence to the model, evidenced-based interventions can be an effective strategy to help vulnerable families and at-risk individuals. They can also reduce bureaucracy and eliminate the creation of perpetual and redundant programs that do not work. And, they can allow for local leaders to decide what is best and inject private sector creativity into social services.*

*But most important, evidenced-based interventions help ensure that taxpayers only pay for what works.*

*In most programs, the federal government and states pay for processes or simply reimburse for costs, while evidenced-based interventions, when implemented correctly, help guarantee that government pays for success in achieving a desired outcome.*

*This is particularly true in the context of the child welfare system.*

*For example, we know that untreated substance abuse and mental health issues can lead to situations where children are neglected, which is the most common impetus for removing children from their homes and placing them in the foster care system. However, if we can find ways to effectively address these conditions, more children will remain safely at home. That is why Senator Wyden and I have been working for some time now on a proposal to improve the child welfare system. And, a key component of the Hatch-Wyden proposal is that these types of interventions must be evidenced-based. Currently, we are working with our House colleagues on bipartisan, bicameral legislation that we hope will provide more effective up-front services to help vulnerable families.*

*As part of the discussion on evidence-based practices, we will also focus on what some call Social Impact Financing, sometimes referred to as Social Impact Bonds, Social Impact Partnerships, or Pay for Success.*

*I am a strong supporter of this approach, which is why I am pleased to have been able to work with Senator Bennet to introduce legislation that will foster the creation of public-private partnerships that will harness philanthropic and other private sector investments to establish or scale-up evidence-based social and public health programs.*

*Furthermore, under our Social Impact Partnership bill, the federal government would establish desired outcomes to pressing social challenges that, if achieved, would improve lives and preserve taxpayer resources. State and municipal governments could then submit proposals to work towards those outcomes by establishing or scaling-up existing evidence based interventions.*

*We believe this program would encourage private sector investors to provide the necessary capital to establish or expand the interventions. Then, if an independent evaluator is able to certify that the desired outcomes are achieved at reduced costs, the investors would be paid back their initial investment plus a small return from the realized government savings. There are a number of reasons I believe that social impact financing is key to improving outcomes for vulnerable children and families.*

*For example, social impact financing provides for continual program improvement and ensures that all parties remain focused on the performance of the program and have the ability to make ongoing adjustments to ensure the outcomes are realized.*

*In addition, social impact financing gives local leaders the flexibility to design and adjust programs to fit local needs in order to ensure they have the desired impact.*

*And, as I stated earlier, when done correctly, social impact financing ensures that taxpayers pay only for what works. In most federal programs, taxpayers are on the hook for set costs of processes and/or reimbursements with little or no regard for effectiveness. With social impact financing, success is measured by the ability of a program to achieve a desired outcome, and taxpayers only have to pay for whatever achieves that objective.*

*Now, some critics of social impact financing may point out examples where the proposed interventions have not produced the desired results. They'll raise examples of specific instances in which an intervention did not achieve the desired outcome and try to claim that it was a failure.*

*But, I think these critics are missing the point.*

*Make no mistake, there have been instances in which, under a social impact financing model, a specific proposal has not produced the desired outcome and was eventually discontinued. However, that is precisely how the model is supposed to work. Indeed, programs and policies that are flexible enough to respond to outcomes – recreating and disseminating successes while eliminating failures – is our goal with social impact financing.*

*That said, I am willing to admit that there is much more we can and should learn about the implementation and delivery of social impact financing. That is part of the reason for today's hearing.*

*Today we will hear from a distinguished panel of witnesses who will discuss evidenced-based policies and practices and share with us some of their successes and warnings for the future. I look forward to an interesting and robust discussion of all of these issues.*

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