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(Original Signature of Member)

114TH CONGRESS
2^D SESSION

H. R. 5170

To encourage and support partnerships between the public and private sectors to improve our Nation's social programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. YOUNG of Indiana (for himself and Mr. DELANEY) introduced the following bill; which was referred to the Committee on

A BILL

To encourage and support partnerships between the public and private sectors to improve our Nation's social programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Social Impact Partner-
5 ships to Pay for Results Act".

6 **SEC. 2. SOCIAL IMPACT PARTNERSHIPS.**

7 Section 403 of the Social Security Act (42 U.S.C.
8 603) is amended by adding at the end the following:

1 “(c) SOCIAL IMPACT DEMONSTRATION PROJECTS.—

2 “(1) PURPOSES.—The purposes of this sub-
3 section are the following:

4 “(A) To improve the lives of families and
5 individuals in need in the United States by
6 funding social programs that achieve real re-
7 sults.

8 “(B) To redirect funds away from pro-
9 grams that, based on objective data, are ineffec-
10 tive, and into programs that achieve demon-
11 strable, measurable results.

12 “(C) To ensure Federal funds are used ef-
13 fectively on social services to produce positive
14 outcomes for both service recipients and tax-
15 payers.

16 “(D) To establish the use of social impact
17 partnerships to address some of our Nation’s
18 most pressing problems.

19 “(E) To facilitate the creation of public-
20 private partnerships that bundle philanthropic
21 or other private resources with existing public
22 spending to scale up effective social interven-
23 tions already being implemented by private or-
24 ganizations, non-profits, charitable organiza-

1 tions, and State and local governments across
2 the country.

3 “(F) To bring pay-for-performance to the
4 social sector, allowing the United States to im-
5 prove the impact and effectiveness of vital social
6 services programs while redirecting inefficient
7 or duplicative spending.

8 “(G) To incorporate outcomes measure-
9 ment and randomized controlled trials or other
10 rigorous methodologies for assessing program
11 impact.

12 “(2) SOCIAL IMPACT PARTNERSHIP APPLICA-
13 TION.—

14 “(A) NOTICE.—Not later than 1 year after
15 the date of the enactment of this subsection,
16 the Secretary of the Treasury, in consultation
17 with the Federal Interagency Council on Social
18 Impact Partnerships, shall publish in the Fed-
19 eral Register a request for proposals from
20 States or local government for social impact
21 partnership projects in accordance with this
22 paragraph.

23 “(B) REQUIRED OUTCOMES FOR SOCIAL
24 IMPACT PARTNERSHIP PROJECT.—To qualify as
25 a social impact partnership project under this

1 subsection, a project must produce 1 or more
2 measurable, clearly defined outcomes that result
3 in social benefit and Federal savings through
4 any of the following:

5 “(i) Increasing work and earnings by
6 individuals who have been unemployed in
7 the United States for more than 6 con-
8 secutive months.

9 “(ii) Increasing employment and earn-
10 ings of individuals who have attained 16
11 years of age but not 25 years of age.

12 “(iii) Increasing employment among
13 individuals receiving Federal disability ben-
14 efits.

15 “(iv) Reducing the dependence of low-
16 income families on Federal means-tested
17 benefits.

18 “(v) Improving rates of high school
19 graduation.

20 “(vi) Reducing teen and unplanned
21 pregnancies.

22 “(vii) Improving birth outcomes and
23 early childhood health and development
24 among low-income families and individuals.

1 “(viii) Reducing rates of asthma, dia-
2 betes, or other preventable diseases among
3 low-income families and individuals to re-
4 duce the utilization of emergency and other
5 high-cost care.

6 “(ix) Increasing the proportion of chil-
7 dren living in 2-parent families.

8 “(x) Reducing incidences and adverse
9 consequences of child abuse and neglect.

10 “(xi) Reducing the number of youth
11 in foster care by increasing adoptions, per-
12 manent guardianship arrangements, reuni-
13 fication, or placement with a fit and willing
14 relative, or by avoiding placing children in
15 foster care by ensuring they can be cared
16 for safely in their own homes.

17 “(xii) Reducing the number of chil-
18 dren and youth in foster care residing in
19 group homes, child care institutions, agen-
20 cy-operated foster homes, or other non-
21 family foster homes, unless it is deter-
22 mined that it is in the interest of the
23 child’s long-term health, safety, or psycho-
24 logical well-being to not be placed in a
25 family foster home.

1 “(xiii) Reducing the number of chil-
2 dren returning to foster care.

3 “(xiv) Reducing recidivism among ju-
4 veniles, individuals released from prison, or
5 other high-risk populations.

6 “(xv) Reducing the rate of homeless-
7 ness among our most vulnerable popu-
8 lations.

9 “(xvi) Improving the health and well-
10 being of those with mental, emotional, and
11 behavioral health needs.

12 “(xvii) Improving the educational out-
13 comes of special-needs or low-income chil-
14 dren.

15 “(xviii) Improving the employment
16 and well-being of returning United States
17 military members.

18 “(xix) Increasing the financial sta-
19 bility of low-income families.

20 “(xx) Increasing the independence and
21 employability of individuals who are phys-
22 ically or mentally disabled.

23 “(xxi) Other measurable outcomes de-
24 fined by the State or local government that

1 result in positive social outcomes and Fed-
2 eral savings.

3 “(C) APPLICATION REQUIRED.—The notice
4 described in subparagraph (A) shall require a
5 State or local government to submit an applica-
6 tion for the social impact partnership project
7 that addresses the following:

8 “(i) The outcome goals of the project.

9 “(ii) A description of each interven-
10 tion in the project and anticipated out-
11 comes of the intervention.

12 “(iii) Rigorous evidence demonstrating
13 that the intervention can be expected to
14 produce the desired outcomes.

15 “(iv) The target population that will
16 be served by the project.

17 “(v) The expected social benefits to
18 participants who receive the intervention
19 and others who may be impacted.

20 “(vi) Projected Federal, State, and
21 local government costs and other costs to
22 conduct the project.

23 “(vii) Projected Federal, State, and
24 local government savings and other sav-
25 ings, including an estimate of the savings

1 to the Federal Government, on a program-
2 by-program basis and in the aggregate, if
3 the project is implemented and the out-
4 comes are achieved.

5 “(viii) If savings resulting from the
6 successful completion of the project are es-
7 timated to accrue to the State or local gov-
8 ernment, the likelihood of the State or
9 local government to realize those savings.

10 “(ix) A plan for delivering the inter-
11 vention through a social impact partner-
12 ship model.

13 “(x) A description of the expertise of
14 each service provider that will administer
15 the intervention, including a summary of
16 the experience of the service provider in
17 delivering the proposed intervention or a
18 similar intervention, or demonstrating that
19 the service provider has the expertise nec-
20 essary to deliver the proposed intervention.

21 “(xi) An explanation of the experience
22 of the State or local government, the inter-
23 mediary, or the service provider in raising
24 private and philanthropic capital to fund
25 social service investments.

1 “(xii) The detailed roles and respon-
2 sibilities of each entity involved in the
3 project, including any State or local gov-
4 ernment entity, intermediary, service pro-
5 vider, independent evaluator, investor, or
6 other stakeholder.

7 “(xiii) A summary of the experience of
8 the service provider delivering the proposed
9 intervention or a similar intervention, or a
10 summary demonstrating the service pro-
11 vider has the expertise necessary to deliver
12 the proposed intervention.

13 “(xiv) A summary of the unmet need
14 in the area where the intervention will be
15 delivered or among the target population
16 who will receive the intervention.

17 “(xv) The proposed payment terms,
18 the methodology used to calculate outcome
19 payments, the payment schedule, and per-
20 formance thresholds.

21 “(xvi) The project budget.

22 “(xvii) The project timeline.

23 “(xviii) The criteria used to determine
24 the eligibility of an individual for the
25 project, including how selected populations

1 will be identified, how they will be referred
2 to the project, and how they will be en-
3 rolled in the project.

4 “(xix) The evaluation design.

5 “(xx) The metrics that will be used to
6 determine whether the outcomes have been
7 achieved and how the metrics will be meas-
8 ured.

9 “(xxi) An explanation of how the
10 metrics used to determine whether the out-
11 comes have been achieved are independent,
12 objective indicators of impact and are not
13 subject to manipulation by the service pro-
14 vider, intermediary, or investor.

15 “(xxii) A summary explaining the
16 independence of the evaluator from the
17 other entities involved in the project and
18 the evaluator’s experience in conducting
19 rigorous evaluations of program effective-
20 ness including, where available, well-imple-
21 mented randomized controlled trials on the
22 intervention or similar interventions.

23 “(xxiii) The capacity of the service
24 provider to deliver the intervention to the
25 number of participants the State or local

1 government proposes to serve in the
2 project.

3 “(D) PROJECT INTERMEDIARY INFORMA-
4 TION REQUIRED.—The application described in
5 subparagraph (C) shall also contain the fol-
6 lowing information about any intermediary for
7 the social impact partnership project (whether
8 an intermediary is a service provider or other
9 entity):

10 “(i) Experience and capacity for pro-
11 viding or facilitating the provision of the
12 type of intervention proposed.

13 “(ii) The mission and goals.

14 “(iii) Information on whether the
15 intermediary is already working with serv-
16 ice providers that provide this intervention
17 or an explanation of the capacity of the
18 intermediary to begin working with service
19 providers to provide the intervention.

20 “(iv) Experience working in a collabo-
21 rative environment across government and
22 nongovernmental entities.

23 “(v) Previous experience collaborating
24 with public or private entities to implement
25 evidence-based programs.

1 “(vi) Ability to raise or provide fund-
2 ing to cover operating costs (if applicable
3 to the project).

4 “(vii) Capacity and infrastructure to
5 track outcomes and measure results, in-
6 cluding—

7 “(I) capacity to track and ana-
8 lyze program performance and assess
9 program impact; and

10 “(II) experience with perform-
11 ance-based awards or performance-
12 based contracting and achieving
13 project milestones and targets.

14 “(viii) Role in delivering the interven-
15 tion.

16 “(ix) How the intermediary would
17 monitor program success, including a de-
18 scription of the interim benchmarks and
19 outcome measures.

20 “(E) FEASIBILITY STUDIES FUNDED
21 THROUGH OTHER SOURCES.—The notice de-
22 scribed in subparagraph (A) shall permit a
23 State or local government to submit an applica-
24 tion for social impact partnership funding that
25 contains information from a feasibility study

1 developed for purposes other than applying for
2 funding under this subsection.

3 “(3) AWARDING SOCIAL IMPACT PARTNERSHIP
4 AGREEMENTS.—

5 “(A) TIMELINE IN AWARDING AGREE-
6 MENT.—Not later than 6 months after receiving
7 an application in accordance with paragraph
8 (2), the Secretary, in consultation with the Fed-
9 eral Interagency Council on Social Impact Part-
10 nerships, shall determine whether to enter into
11 an agreement for a social impact partnership
12 project with a State or local government.

13 “(B) CONSIDERATIONS IN AWARDING
14 AGREEMENT.—In determining whether to enter
15 into an agreement for a social impact partner-
16 ship project (the application for which was sub-
17 mitted under paragraph (2)) the Secretary, in
18 consultation with the Federal Interagency
19 Council on Social Impact Partnerships (estab-
20 lished by paragraph (6)) and the head of any
21 Federal agency administering a similar inter-
22 vention or serving a population similar to that
23 served by the project, shall consider each of the
24 following:

1 “(i) The recommendations made by
2 the Commission on Social Impact Partner-
3 ships.

4 “(ii) The value to the Federal Govern-
5 ment of the outcomes expected to be
6 achieved if the outcomes specified in the
7 agreement are achieved.

8 “(iii) The likelihood, based on evi-
9 dence provided in the application and other
10 evidence, that the State or local govern-
11 ment in collaboration with the inter-
12 mediary and the service providers will
13 achieve the outcomes.

14 “(iv) The savings to the Federal Gov-
15 ernment if the outcomes specified in the
16 agreement are achieved.

17 “(v) The savings to the State and
18 local governments if the outcomes specified
19 in the agreement are achieved.

20 “(vi) The expected quality of the eval-
21 uation that would be conducted with re-
22 spect to the agreement.

23 “(C) AGREEMENT AUTHORITY.—

24 “(i) AGREEMENT REQUIREMENTS.—

25 In accordance with this paragraph, the

1 Secretary, in consultation with the Federal
2 Interagency Council on Social Impact
3 Partnerships and the head of any Federal
4 agency administering a similar intervention
5 or serving a population similar to that
6 served by the project, may enter into an
7 agreement for a social impact partnership
8 project with a State or local government if
9 the Secretary, in consultation with the
10 Federal Interagency Council on Social Im-
11 pact Partnerships, determines that each of
12 the following requirements are met:

13 “(I) The State or local govern-
14 ment agrees to achieve 1 or more out-
15 comes specified in the agreement in
16 order to receive payment.

17 “(II) The Federal payment to the
18 State or local government for each
19 outcome specified is less than or equal
20 to the value of the outcome to the
21 Federal Government over a period not
22 to exceed 10 years, as determined by
23 the Secretary, in consultation with the
24 State or local government.

1 “(III) The duration of the
2 project does not exceed 10 years.

3 “(IV) The State or local govern-
4 ment has demonstrated, through the
5 application submitted under para-
6 graph (2), that, based on prior rig-
7 orous experimental evaluations or rig-
8 orous quasi-experimental studies, the
9 intervention can be expected to
10 achieve each outcome specified in the
11 agreement.

12 “(V) The State, local govern-
13 ment, intermediary, or service pro-
14 vider has experience raising private or
15 philanthropic capital to fund social
16 service investments (if applicable to
17 the project).

18 “(VI) The State or local govern-
19 ment has shown that each service pro-
20 vider has experience delivering the
21 intervention, a similar intervention, or
22 has otherwise demonstrated the exper-
23 tise necessary to deliver the interven-
24 tion.

1 “(ii) PAYMENT.—The Secretary shall
2 pay the State or local government only if
3 the independent evaluator described in
4 paragraph (5) determines that the social
5 impact partnership project has met the re-
6 quirements specified in the agreement and
7 achieved an outcome specified in the agree-
8 ment.

9 “(D) NOTICE OF AGREEMENT AWARD.—
10 Not later than 30 days after entering into an
11 agreement under this paragraph, the Secretary
12 shall publish a notice in the Federal Register
13 that includes, with regard to the agreement, the
14 following:

15 “(i) The outcome goals of the social
16 impact partnership project.

17 “(ii) A description of each interven-
18 tion in the project.

19 “(iii) The target population that will
20 be served by the project.

21 “(iv) The expected social benefits to
22 participants who receive the intervention
23 and others who may be impacted.

24 “(v) The detailed roles, responsibil-
25 ities, and purposes of each Federal, State,

1 or local government entity, intermediary,
2 service provider, independent evaluator, in-
3 vestor, or other stakeholder.

4 “(vi) The payment terms, the method-
5 ology used to calculate outcome payments,
6 the payment schedule, and performance
7 thresholds.

8 “(vii) The project budget.

9 “(viii) The project timeline.

10 “(ix) The project eligibility criteria.

11 “(x) The evaluation design.

12 “(xi) The metrics that will be used to
13 determine whether the outcomes have been
14 achieved and how these metrics will be
15 measured.

16 “(xii) The estimate of the savings to
17 the Federal, State, and local government,
18 on a program-by-program basis and in the
19 aggregate, if the agreement is entered into
20 and implemented and the outcomes are
21 achieved.

22 “(E) AUTHORITY TO TRANSFER ADMINIS-
23 TRATION OF AGREEMENT.—The Secretary may
24 transfer to the head of another Federal agency
25 the authority to administer (including making

1 payments under) an agreement entered into
2 under subparagraph (C), and any funds nec-
3 essary to do so.

4 “(4) FEASIBILITY STUDY FUNDING.—

5 “(A) REQUESTS FOR FUNDING FOR FEASI-
6 BILITY STUDIES.—The Secretary shall reserve a
7 portion of the amount reserved to carry out this
8 subsection to assist States or local governments
9 in developing feasibility studies to apply for so-
10 cial impact partnership funding under para-
11 graph (2). To be eligible to receive funding to
12 assist with completing a feasibility study, a
13 State or local government shall submit an appli-
14 cation for feasibility study funding addressing
15 the following:

16 “(i) A description of the outcome
17 goals of the social impact partnership
18 project.

19 “(ii) A description of the intervention,
20 including anticipated program design, tar-
21 get population, an estimate regarding the
22 number of individuals to be served, and
23 setting for the intervention.

1 “(iii) Evidence to support the likeli-
2 hood that the intervention will produce the
3 desired outcomes.

4 “(iv) A description of the potential
5 metrics to be used.

6 “(v) The expected social benefits to
7 participants who receive the intervention
8 and others who may be impacted.

9 “(vi) Estimated costs to conduct the
10 project.

11 “(vii) Estimates of Federal, State,
12 and local government savings and other
13 savings if the project is implemented and
14 the outcomes are achieved.

15 “(viii) An estimated timeline for im-
16 plementation and completion of the
17 project, which shall not exceed 10 years.

18 “(ix) With respect to a project for
19 which the State or local government selects
20 an intermediary to operate the project, any
21 partnerships needed to successfully execute
22 the project and the ability of the inter-
23 mediary to foster the partnerships.

24 “(x) The expected resources needed to
25 complete the feasibility study for the State

1 or local government to apply for social im-
2 pact partnership funding under paragraph
3 (2).

4 “(B) FEDERAL SELECTION OF APPLICA-
5 TIONS FOR FEASIBILITY STUDY.—Not later
6 than 6 months after receiving an application for
7 feasibility study funding under subparagraph
8 (A), the Secretary, in consultation with the
9 Federal Interagency Council on Social Impact
10 Partnerships and the head of any Federal agen-
11 cy administering a similar intervention or serv-
12 ing a population similar to that served by the
13 project, shall select State or local government
14 feasibility study proposals for funding based on
15 the following:

16 “(i) The recommendations made by
17 the Commission on Social Impact Partner-
18 ships.

19 “(ii) The likelihood that the proposal
20 will achieve the desired outcomes.

21 “(iii) The value of the outcomes ex-
22 pected to be achieved.

23 “(iv) The potential savings to the
24 Federal Government if the social impact
25 partnership project is successful.

1 “(v) The potential savings to the
2 State and local governments if the project
3 is successful.

4 “(C) PUBLIC DISCLOSURE.—Not later
5 than 30 days after selecting a State or local
6 government for feasibility study funding under
7 this paragraph, the Secretary shall cause to be
8 published on the website of the Federal Inter-
9 agency Council on Social Impact Partnerships
10 information explaining why a State or local gov-
11 ernment was granted feasibility study funding.

12 “(D) FUNDING RESTRICTION.—

13 “(i) FEASIBILITY STUDY RESTRIC-
14 TION.—The Secretary may not provide fea-
15 sibility study funding under this paragraph
16 for more than 50 percent of the estimated
17 total cost of the feasibility study reported
18 in the State or local government applica-
19 tion submitted under subparagraph (A).

20 “(ii) AGGREGATE RESTRICTION.—Of
21 the total amount reserved to carry out this
22 subsection, the Secretary may not use
23 more than \$10,000,000 to provide feasi-
24 bility study funding to States or local gov-
25 ernments under this paragraph.

1 “(iii) NO GUARANTEE OF FUNDING.—

2 The Secretary shall have the option to
3 award no funding under this paragraph.

4 “(E) SUBMISSION OF FEASIBILITY STUDY
5 REQUIRED.—Not later than 9 months after the
6 receipt of feasibility study funding under this
7 paragraph, a State or local government receiv-
8 ing the funding shall complete the feasibility
9 study and submit the study to the Federal
10 Interagency Council on Social Impact Partner-
11 ships.

12 “(F) DELEGATION OF AUTHORITY.—The
13 Secretary may transfer to the head of another
14 Federal agency the authorities provided in this
15 paragraph and any funds necessary to exercise
16 the authorities.

17 “(5) EVALUATIONS.—

18 “(A) AUTHORITY TO ENTER INTO AGREE-
19 MENTS.—For each State or local government
20 awarded a social impact partnership project ap-
21 proved by the Secretary under this subsection,
22 the head of the relevant agency, as determined
23 by the Federal Interagency Council on Social
24 Impact Partnerships, shall enter into an agree-
25 ment with the State or local government to pay

1 for all or part of the independent evaluation to
2 determine whether the State or local govern-
3 ment project has met an outcome specified in
4 the agreement in order for the State or local
5 government to receive outcome payments under
6 this subsection.

7 “(B) EVALUATOR QUALIFICATIONS.—The
8 head of the relevant agency may not enter into
9 an agreement with a State or local government
10 unless the head determines that the evaluator is
11 independent of the other parties to the agree-
12 ment and has demonstrated substantial experi-
13 ence in conducting rigorous evaluations of pro-
14 gram effectiveness including, where available
15 and appropriate, well-implemented randomized
16 controlled trials on the intervention or similar
17 interventions.

18 “(C) METHODOLOGIES TO BE USED.—The
19 evaluation used to determine whether a State or
20 local government will receive outcome payments
21 under this subsection shall use experimental de-
22 signs using random assignment or other reli-
23 able, evidence-based research methodologies, as
24 certified by the Federal Interagency Council on
25 Social Impact Partnerships, that allow for the

1 strongest possible causal inferences when ran-
2 dom assignment is not feasible.

3 “(D) PROGRESS REPORT.—

4 “(i) SUBMISSION OF REPORT.—The
5 independent evaluator shall—

6 “(I) not later than 2 years after
7 a project has been approved by the
8 Secretary and biannually thereafter
9 until the project is concluded, submit
10 to the head of the relevant agency and
11 the Federal Interagency Council on
12 Social Impact Partnerships a written
13 report summarizing the progress that
14 has been made in achieving each out-
15 come specified in the agreement; and

16 “(II) before the scheduled time of
17 the first outcome payment and before
18 the scheduled time of each subsequent
19 payment, submit to the head of the
20 relevant agency and the Federal
21 Interagency Council on Social Impact
22 Partnerships a written report that in-
23 cludes the results of the evaluation
24 conducted to determine whether an
25 outcome payment should be made

1 along with information on the unique
2 factors that contributed to achieving
3 or failing to achieve the outcome, the
4 challenges faced in attempting to
5 achieve the outcome, and information
6 on the improved future delivery of this
7 or similar interventions.

8 “(ii) SUBMISSION TO CONGRESS.—
9 Not later than 30 days after receipt of the
10 written report pursuant to clause (i)(II),
11 the Federal Interagency Council on Social
12 Impact Partnerships shall submit the re-
13 port to each committee of jurisdiction in
14 the House of Representatives and the Sen-
15 ate.

16 “(E) FINAL REPORT.—

17 “(i) SUBMISSION OF REPORT.—Within
18 6 months after the social impact partner-
19 ship project is completed, the independent
20 evaluator shall—

21 “(I) evaluate the effects of the
22 activities undertaken pursuant to the
23 agreement with regard to each out-
24 come specified in the agreement; and

1 “(II) submit to the head of the
2 relevant agency and the Federal
3 Interagency Council on Social Impact
4 Partnerships a written report that in-
5 cludes the results of the evaluation
6 and the conclusion of the evaluator as
7 to whether the State or local govern-
8 ment has fulfilled each obligation of
9 the agreement, along with information
10 on the unique factors that contributed
11 to the success or failure of the project,
12 the challenges faced in attempting to
13 achieve the outcome, and information
14 on the improved future delivery of this
15 or similar interventions.

16 “(ii) SUBMISSION TO CONGRESS.—
17 Not later than 30 days after receipt of the
18 written report pursuant to clause (i)(II),
19 the Federal Interagency Council on Social
20 Impact Partnerships shall submit the re-
21 port to each committee of jurisdiction in
22 the House of Representatives and the Sen-
23 ate.

24 “(F) LIMITATION ON COST OF EVALUA-
25 TIONS.—Of the amount reserved under this

1 subsection for social impact partnership
2 projects, the Secretary may not obligate more
3 than 15 percent to evaluate the implementation
4 and outcomes of the projects.

5 “(G) DELEGATION OF AUTHORITY.—The
6 Secretary may transfer to the head of another
7 Federal agency the authorities provided in this
8 paragraph and any funds necessary to exercise
9 the authorities.

10 “(6) FEDERAL INTERAGENCY COUNCIL ON SO-
11 CIAL IMPACT PARTNERSHIPS.—

12 “(A) ESTABLISHMENT.—There is estab-
13 lished the Federal Interagency Council on So-
14 cial Impact Partnerships (in this paragraph re-
15 ferred to as the ‘Council’) to—

16 “(i) coordinate the efforts of social
17 impact partnership projects funded under
18 this subsection;

19 “(ii) advise and assist the Secretary in
20 the development and implementation of the
21 projects;

22 “(iii) advise the Secretary on specific
23 programmatic and policy matter related to
24 the projects;

1 “(iv) provide subject-matter expertise
2 to the Secretary with regard to the
3 projects;

4 “(v) ensure that each State or local
5 government that has entered into an agree-
6 ment with the Secretary for a social impact
7 partnership project under this subsection
8 and each evaluator selected by the head of
9 the relevant agency under paragraph (5)
10 has access to Federal administrative data
11 to assist the State or local government and
12 the evaluator in evaluating the perform-
13 ance and outcomes of the project;

14 “(vi) address issues that will influence
15 the future of social impact partnership
16 projects in the United States;

17 “(vii) provide guidance to the execu-
18 tive branch on the future of social impact
19 partnership projects in the United States;

20 “(viii) review State and local govern-
21 ment applications for social impact part-
22 nerships to ensure that agreements will
23 only be awarded under this subsection
24 when rigorous, independent data and reli-
25 able, evidence-based research methodolo-

1 gies support the conclusion that an agree-
2 ment will yield savings to the Federal Gov-
3 ernment if the project outcomes are
4 achieved before the applications are ap-
5 proved by the Secretary;

6 “(ix) certify, in the case of each ap-
7 proved social impact partnership, that the
8 project will yield a projected savings to the
9 Federal Government if the project out-
10 comes are achieved, and coordinate with
11 the relevant Federal agency to produce an
12 after-action accounting once the project is
13 complete to determine the actual Federal
14 savings realized, and the extent to which
15 actual savings aligned with projected sav-
16 ings; and

17 “(x) provide oversight of the actions
18 of the Secretary and other Federal officials
19 under this subsection and report periodi-
20 cally to Congress and the public on the im-
21 plementation of this subsection.

22 “(B) COMPOSITION OF COUNCIL.—The
23 Council shall have 11 members, as follows:

1 “(i) CHAIR.—The Chair of the Coun-
2 cil shall be the Director of the Office of
3 Management and Budget.

4 “(ii) OTHER MEMBERS.—The head of
5 each of the following entities shall des-
6 ignate 1 officer or employee of the entity
7 to be a Council member:

8 “(I) The Department of Labor.

9 “(II) The Department of Health
10 and Human Services.

11 “(III) The Social Security Ad-
12 ministration.

13 “(IV) The Department of Agri-
14 culture.

15 “(V) The Department of Justice.

16 “(VI) The Department of Hous-
17 ing and Urban Development.

18 “(VII) The Department of Edu-
19 cation.

20 “(VIII) The Department of Vet-
21 erans Affairs.

22 “(IX) The Department of the
23 Treasury.

24 “(X) The Corporation for Na-
25 tional and Community Service.

1 “(7) COMMISSION ON SOCIAL IMPACT PARTNER-
2 SHIPS.—

3 “(A) ESTABLISHMENT.—There is estab-
4 lished the Commission on Social Impact Part-
5 nerships (in this paragraph referred to as the
6 ‘Commission’).

7 “(B) DUTIES.—The duties of the Commis-
8 sion shall be to—

9 “(i) assist the Secretary and the Fed-
10 eral Interagency Council on Social Impact
11 Partnerships in reviewing applications for
12 funding under this subsection;

13 “(ii) make recommendations to the
14 Secretary and the Federal Interagency
15 Council on Social Impact Partnerships re-
16 garding the funding of social impact part-
17 nership agreements and feasibility studies;
18 and

19 “(iii) provide other assistance and in-
20 formation as requested by the Secretary or
21 the Federal Interagency Council on Social
22 Impact Partnerships.

23 “(C) COMPOSITION.—The Commission
24 shall be composed of 9 members, of whom—

1 “(i) 1 shall be appointed by the Presi-
2 dent, who will serve as the Chair of the
3 Commission;

4 “(ii) 1 shall be appointed by the Ma-
5 jority Leader of the Senate;

6 “(iii) 1 shall be appointed by the Mi-
7 nority Leader of the Senate;

8 “(iv) 1 shall be appointed by the
9 Speaker of the House of Representatives;

10 “(v) 1 shall be appointed by the Mi-
11 nority Leader of the House of Representa-
12 tives;

13 “(vi) 1 shall be appointed by the
14 Chairman of the Committee on Finance of
15 the Senate;

16 “(vii) 1 shall be appointed by the
17 ranking member of the Committee on Fi-
18 nance of the Senate;

19 “(viii) 1 member shall be appointed by
20 the Chairman of the Committee on Ways
21 and Means of the House of Representa-
22 tives; and

23 “(ix) 1 shall be appointed by the
24 ranking member of the Committee on

1 Ways and Means of the House of Rep-
2 resentatives.

3 “(D) QUALIFICATIONS OF COMMISSION
4 MEMBERS.—The members of the Commission
5 shall—

6 “(i) be experienced in finance, eco-
7 nomics, pay for performance, or program
8 evaluation;

9 “(ii) have relevant professional or per-
10 sonal experience in a field related to 1 or
11 more of the outcomes listed in this sub-
12 section; or

13 “(iii) be qualified to review applica-
14 tions for social impact partnership projects
15 to determine whether the proposed metrics
16 and evaluation methodologies are appro-
17 priately rigorous and reliant upon inde-
18 pendent data and evidence-based research.

19 “(E) TIMING OF APPOINTMENTS.—The ap-
20 pointments of the members of the Commission
21 shall be made not later than 120 days after the
22 date of the enactment of this subsection, or, in
23 the event of a vacancy, not later than 90 days
24 after the date the vacancy arises. If a member
25 of Congress fails to appoint a member by that

1 date, the President may select a member of the
2 President's choice on behalf of the member of
3 Congress. Notwithstanding the preceding sen-
4 tence, if not all appointments have been made
5 to the Commission as of that date, the Commis-
6 sion may operate with no fewer than 5 members
7 until all appointments have been made.

8 “(F) TERM OF APPOINTMENTS.—

9 “(i) IN GENERAL.—The members ap-
10 pointed under subparagraph (C) shall serve
11 as follows:

12 “(I) 3 members shall serve for 2
13 years.

14 “(II) 3 members shall serve for 3
15 years.

16 “(III) 3 members (1 of which
17 shall be Chair of the Commission ap-
18 pointed by the President) shall serve
19 for 4 years.

20 “(ii) ASSIGNMENT OF TERMS.—The
21 Commission shall designate the term
22 length that each member appointed under
23 subparagraph (C) shall serve by unani-
24 mous agreement. In the event that unani-
25 mous agreement cannot be reached, term

1 lengths shall be assigned to the members
2 by a random process.

3 “(G) VACANCIES.—Subject to subpara-
4 graph (E), in the event of a vacancy in the
5 Commission, whether due to the resignation of
6 a member, the expiration of a member’s term,
7 or any other reason, the vacancy shall be filled
8 in the manner in which the original appoint-
9 ment was made and shall not affect the powers
10 of the Commission.

11 “(H) APPOINTMENT POWER.—Members of
12 the Commission appointed under subparagraph
13 (C) shall not be subject to confirmation by the
14 Senate.

15 “(8) LIMITATION ON USE OF FUNDS.—Of the
16 amounts reserved to carry out this subsection, the
17 Secretary may not use more than \$2,000,000 in any
18 fiscal year to support the review, approval, and over-
19 sight of social impact partnership projects, including
20 activities conducted by—

21 “(A) the Federal Interagency Council on
22 Social Impact Partnerships; and

23 “(B) any other agency consulted by the
24 Secretary before approving a social impact part-

1 nership project or a feasibility study under
2 paragraph (4).

3 “(9) NO FEDERAL FUNDING FOR CREDIT EN-
4 HANCEMENTS.—No amount reserved to carry out
5 this subsection may be used to provide any insur-
6 ance, guarantee, or other credit enhancement to a
7 State or local government under which a Federal
8 payment would be made to a State or local govern-
9 ment as the result of a State or local government
10 failing to achieve an outcome specified in a contract.

11 “(10) AVAILABILITY OF FUNDS.—Amounts re-
12 served to carry out this subsection shall remain
13 available until 10 years after the date of the enact-
14 ment of this subsection.

15 “(11) WEBSITE.—The Federal Interagency
16 Council on Social Impact Partnerships shall estab-
17 lish and maintain a public website that shall display
18 the following:

19 “(A) A copy of, or method of accessing,
20 each notice published regarding a social impact
21 partnership project pursuant to this subsection.

22 “(B) A copy of each feasibility study fund-
23 ed under this subsection.

24 “(C) For each State or local government
25 that has entered into an agreement with the

1 Secretary for a social impact partnership
2 project, the website shall contain the following
3 information:

4 “(i) The outcome goals of the project.

5 “(ii) A description of each interven-
6 tion in the project.

7 “(iii) The target population that will
8 be served by the project.

9 “(iv) The expected social benefits to
10 participants who receive the intervention
11 and others who may be impacted.

12 “(v) The detailed roles, responsibil-
13 ities, and purposes of each Federal, State,
14 or local government entity, intermediary,
15 service provider, independent evaluator, in-
16 vestor, or other stakeholder.

17 “(vi) The payment terms, method-
18 ology used to calculate outcome payments,
19 the payment schedule, and performance
20 thresholds.

21 “(vii) The project budget.

22 “(viii) The project timeline.

23 “(ix) The project eligibility criteria.

24 “(x) The evaluation design.

1 “(xi) The metrics used to determine
2 whether the proposed outcomes have been
3 achieved and how these metrics are meas-
4 ured.

5 “(D) A copy of the progress reports and
6 the final reports relating to each social impact
7 partnership project.

8 “(E) An estimate of the savings to the
9 Federal, State, and local government, on a pro-
10 gram-by-program basis and in the aggregate,
11 resulting from the successful completion of the
12 social impact partnership project.

13 “(12) REGULATIONS.—The Secretary, in con-
14 sultation with the Federal Interagency Council on
15 Social Impact Partnerships, may issue regulations as
16 necessary to carry out this subsection.

17 “(13) DEFINITIONS.—In this subsection:

18 “(A) AGENCY.—The term ‘agency’ has the
19 meaning given that term in section 551 of title
20 5, United States Code.

21 “(B) INTERVENTION.—The term ‘interven-
22 tion’ means a specific service delivered to
23 achieve an impact through a social impact part-
24 nership project.

1 “(C) SECRETARY.—The term ‘Secretary’
2 means the Secretary of the Treasury.

3 “(D) SOCIAL IMPACT PARTNERSHIP
4 PROJECT.—The term ‘social impact partnership
5 project’ means a project that finances social
6 services using a social impact partnership
7 model.

8 “(E) SOCIAL IMPACT PARTNERSHIP
9 MODEL.—The term ‘social impact partnership
10 model’ means a method of financing social serv-
11 ices in which—

12 “(i) Federal funds are awarded to a
13 State or local government only if a State
14 or local government achieves certain out-
15 comes agreed on by the State or local gov-
16 ernment and the Secretary; and

17 “(ii) the State or local government co-
18 ordinates with service providers, investors
19 (if applicable to the project), and (if nec-
20 essary) an intermediary to identify—

21 “(I) an intervention expected to
22 produce the outcome;

23 “(II) a service provider to deliver
24 the intervention to the target popu-
25 lation; and

1 “(III) investors to fund the deliv-
2 ery of the intervention.

3 “(F) STATE.—The term ‘State’ means
4 each State of the United States, the District of
5 Columbia, each commonwealth, territory or pos-
6 session of the United States, and each federally
7 recognized Indian tribe.

8 “(14) FUNDING.—Of the amounts made avail-
9 able to carry out subsection (b) for fiscal year 2017,
10 the Secretary shall reserve \$100,000,000 to carry
11 out this subsection.”.