AN ACT

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-

tives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

This Act may be cited as the “Social Impact Partnerships to Pay for Results Act”.

SEC. 2. SOCIAL IMPACT PARTNERSHIPS TO PAY FOR RESULTS ACT.

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

“(c) SOCIAL IMPACT DEMONSTRATION PROJECTS.—

“(1) PURPOSES.—The purposes of this subsection are the following:

“(A) To improve the lives of families and individuals in need in the United States by funding social programs that achieve real results.

“(B) To redirect funds away from programs that, based on objective data, are ineffective, and into programs that achieve demonstrable, measurable results.

“(C) To ensure Federal funds are used effectively on social services to produce positive outcomes for both service recipients and taxpayers.

“(D) To establish the use of social impact partnerships to address some of our Nation’s most pressing problems.
“(E) To facilitate the creation of public-private partnerships that bundle philanthropic or other private resources with existing public spending to scale up effective social interventions already being implemented by private organizations, nonprofits, charitable organizations, and State and local governments across the country.

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

“(G) To incorporate outcomes measurement and randomized controlled trials or other rigorous methodologies for assessing program impact.

“(2) SOCIAL IMPACT PARTNERSHIP APPLICATION.—

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

“(B) REQUIRED OUTCOMES FOR SOCIAL IMPACT PARTNERSHIP PROJECT.—To qualify as a social impact partnership project under this subsection, a project must produce one or more measurable, clearly defined outcomes that result in social benefit and Federal savings through any of the following:

“(i) Increasing work and earnings by individuals who have been unemployed in the United States for more than 6 consecutive months.

“(ii) Increasing employment and earnings of individuals who have attained 16 years of age but not 25 years of age.

“(iii) Increasing employment among individuals receiving Federal disability benefits.

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

“(v) Improving rates of high school graduation.
“(vi) Reducing teen and unplanned pregnancies.

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

“(viii) Reducing rates of asthma, diabetes, or other preventable diseases among low-income families and individuals to reduce the utilization of emergency and other high-cost care.

“(ix) Increasing the proportion of children living in two-parent families.

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

“(xi) Reducing the number of youth in foster care by increasing adoptions, permanent guardianship arrangements, reunification, or placement with a fit and willing relative, or by avoiding placing children in foster care by ensuring they can be cared for safely in their own homes.

“(xii) Reducing the number of children and youth in foster care residing in group homes, child care institutions, agency-operated foster homes, or other non-
family foster homes, unless it is determined that it is in the interest of the child’s long-term health, safety, or psychological well-being to not be placed in a family foster home.

“(xiii) Reducing the number of children returning to foster care.

“(xiv) Reducing recidivism among juveniles, individuals released from prison, or other high-risk populations.

“(xv) Reducing the rate of homelessness among our most vulnerable populations.

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

“(xvii) Improving the educational outcomes of special-needs or low-income children.

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

“(xix) Increasing the financial stability of low-income families.
“(xx) Increasing the independence and employability of individuals who are physically or mentally disabled.

“(xxi) Other measurable outcomes defined by the State or local government that result in positive social outcomes and Federal savings.

“(C) APPLICATION REQUIRED.—The notice described in subparagraph (A) shall require a State or local government to submit an application for the social impact partnership project that addresses the following:

“(i) The outcome goals of the project.

“(ii) A description of each intervention in the project and anticipated outcomes of the intervention.

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

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

“(v) The expected social benefits to participants who receive the intervention and others who may be impacted.
“(vi) Projected Federal, State, and local government costs and other costs to conduct the project.

“(vii) Projected Federal, State, and local government savings and other savings, including an estimate of the savings to the Federal Government, on a program-by-program basis and in the aggregate, if the project is implemented and the outcomes are achieved.

“(viii) If savings resulting from the successful completion of the project are estimated to accrue to the State or local government, the likelihood of the State or local government to realize those savings.

“(ix) A plan for delivering the intervention through a social impact partnership model.

“(x) A description of the expertise of each service provider that will administer the intervention, including a summary of the experience of the service provider in delivering the proposed intervention or a similar intervention, or demonstrating that
the service provider has the expertise nec-

essary to deliver the proposed intervention.

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

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

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

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

“(xv) The proposed payment terms,
payments, the payment schedule, and performance thresholds.

“(xvi) The project budget.

“(xvii) The project timeline.

“(xviii) The criteria used to determine the eligibility of an individual for the project, including how selected populations will be identified, how they will be referred to the project, and how they will be enrolled in the project.

“(xix) The evaluation design.

“(xx) The metrics that will be used to determine whether the outcomes have been achieved and how the metrics will be measured.

“(xxi) An explanation of how the metrics used to determine whether the outcomes have been achieved are independent, objective indicators of impact and are not subject to manipulation by the service provider, intermediary, or investor.

“(xxii) A summary explaining the independence of the evaluator from the other entities involved in the project and the evaluator’s experience in conducting
rigorous evaluations of program effectiveness including, where available, well-implemented randomized controlled trials on the intervention or similar interventions.

“(xxiii) The capacity of the service provider to deliver the intervention to the number of participants the State or local government proposes to serve in the project.

“(D) Project intermediary information required.—The application described in subparagraph (C) shall also contain the following information about any intermediary for the social impact partnership project (whether an intermediary is a service provider or other entity):

“(i) Experience and capacity for providing or facilitating the provision of the type of intervention proposed.

“(ii) The mission and goals.

“(iii) Information on whether the intermediary is already working with service providers that provide this intervention or an explanation of the capacity of the
intermediary to begin working with service providers to provide the intervention.

“(iv) Experience working in a collaborative environment across government and nongovernmental entities.

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

“(vi) Ability to raise or provide funding to cover operating costs (if applicable to the project).

“(vii) Capacity and infrastructure to track outcomes and measure results, including—

“(I) capacity to track and analyze program performance and assess program impact; and

“(II) experience with performance-based awards or performance-based contracting and achieving project milestones and targets.

“(viii) Role in delivering the intervention.

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

“(E) Feasibility studies funded through other sources.—The notice described in subparagraph (A) shall permit a State or local government to submit an application for social impact partnership funding that contains information from a feasibility study developed for purposes other than applying for funding under this subsection.

“(3) Awarding social impact partnership agreements.—

“(A) Timeline in awarding agreement.—Not later than 6 months after receiving an application in accordance with paragraph (2), the Secretary, in consultation with the Federal Interagency Council on Social Impact Partnerships, shall determine whether to enter into an agreement for a social impact partnership project with a State or local government.

“(B) Considerations in awarding agreement.—In determining whether to enter into an agreement for a social impact partnership project (the application for which was submitted under paragraph (2)) the Secretary, in
consultation with the Federal Interagency
Council on Social Impact Partnerships (estab-
lished by paragraph (6)) and the head of any
Federal agency administering a similar inter-
vention or serving a population similar to that
served by the project, shall consider each of the
following:

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

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

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

“(iv) The savings to the Federal Gov-
ernment if the outcomes specified in the
agreement are achieved.
“(v) The savings to the State and
local governments if the outcomes specified
in the agreement are achieved.
“(vi) The expected quality of the eval-
uation that would be conducted with re-
spect to the agreement.
“(C) AGREEMENT AUTHORITY.—
“(i) AGREEMENT REQUIREMENTS.—
In accordance with this paragraph, the
Secretary, in consultation with the Federal
Interagency Council on Social Impact
Partnerships and the head of any Federal
agency administering a similar intervention
or serving a population similar to that
served by the project, may enter into an
agreement for a social impact partnership
project with a State or local government if
the Secretary, in consultation with the
Federal Interagency Council on Social Im-
pact Partnerships, determines that each of
the following requirements are met:
“(I) The State or local govern-
ment agrees to achieve one or more
outcomes specified in the agreement
in order to receive payment.
“(II) The Federal payment to the State or local government for each outcome specified is less than or equal to the value of the outcome to the Federal Government over a period not to exceed 10 years, as determined by the Secretary, in consultation with the State or local government.

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

“(IV) The State or local government has demonstrated, through the application submitted under paragraph (2), that, based on prior rigorous experimental evaluations or rigorous quasi-experimental studies, the intervention can be expected to achieve each outcome specified in the agreement.

“(V) The State, local government, intermediary, or service provider has experience raising private or philanthropic capital to fund social service investments (if applicable to the project).
“(VI) The State or local government has shown that each service provider has experience delivering the intervention, a similar intervention, or has otherwise demonstrated the expertise necessary to deliver the intervention.

“(ii) PAYMENT.—The Secretary shall pay the State or local government only if the independent evaluator described in paragraph (5) determines that the social impact partnership project has met the requirements specified in the agreement and achieved an outcome specified in the agreement.

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

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

“(ii) A description of each intervention in the project.
“(iii) The target population that will be served by the project.

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

“(v) The detailed roles, responsibilities, and purposes of each Federal, State, or local government entity, intermediary, service provider, independent evaluator, investor, or other stakeholder.

“(vi) The payment terms, the methodology used to calculate outcome payments, the payment schedule, and performance thresholds.

“(vii) The project budget.

“(viii) The project timeline.

“(ix) The project eligibility criteria.

“(x) The evaluation design.

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

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

“(E) AUTHORITY TO TRANSFER ADMINIS-
TRATION OF AGREEMENT.—The Secretary may
transfer to the head of another Federal agency
the authority to administer (including making
payments under) an agreement entered into
under subparagraph (C), and any funds nec-
essary to do so.

“(F) REQUIREMENT ON FUNDING USED TO
BENEFIT CHILDREN.—Not less than 50 percent
of all Federal payments made to carry out
agreements under this paragraph shall be used
for initiatives that directly benefit children.

“(4) FEASIBILITY STUDY FUNDING.—

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

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

“(ii) A description of the intervention, including anticipated program design, target population, an estimate regarding the number of individuals to be served, and setting for the intervention.

“(iii) Evidence to support the likelihood that the intervention will produce the desired outcomes.

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

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

“(vi) Estimated costs to conduct the project.

“(vii) Estimates of Federal, State, and local government savings and other savings if the project is implemented and the outcomes are achieved.
“(viii) An estimated timeline for implementation and completion of the project, which shall not exceed 10 years.

“(ix) With respect to a project for which the State or local government selects an intermediary to operate the project, any partnerships needed to successfully execute the project and the ability of the intermediary to foster the partnerships.

“(x) The expected resources needed to complete the feasibility study for the State or local government to apply for social impact partnership funding under paragraph (2).

“(B) FEDERAL SELECTION OF APPLICATIONS FOR FEASIBILITY STUDY.—Not later than 6 months after receiving an application for feasibility study funding under subparagraph (A), the Secretary, in consultation with the Federal Interagency Council on Social Impact Partnerships and the head of any Federal agency administering a similar intervention or serving a population similar to that served by the project, shall select State or local government
feasibility study proposals for funding based on the following:

“(i) The recommendations made by the Commission on Social Impact Partnerships.

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

“(iii) The value of the outcomes expected to be achieved.

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

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

“(C) PUBLIC DISCLOSURE.—Not later than 30 days after selecting a State or local government for feasibility study funding under this paragraph, the Secretary shall cause to be published on the website of the Federal Interagency Council on Social Impact Partnerships information explaining why a State or local government was granted feasibility study funding.

“(D) FUNDING RESTRICTION.—
“(i) Feasibility study restriction.—The Secretary may not provide feasibility study funding under this paragraph for more than 50 percent of the estimated total cost of the feasibility study reported in the State or local government application submitted under subparagraph (A).

“(ii) Aggregate restriction.—Of the total amount reserved to carry out this subsection, the Secretary may not use more than $10,000,000 to provide feasibility study funding to States or local governments under this paragraph.

“(iii) No guarantee of funding.—The Secretary shall have the option to award no funding under this paragraph.

“(E) Submission of feasibility study required.—Not later than 9 months after the receipt of feasibility study funding under this paragraph, a State or local government receiving the funding shall complete the feasibility study and submit the study to the Federal Interagency Council on Social Impact Partnerships.
“(F) Delegation of Authority.—The Secretary may transfer to the head of another Federal agency the authorities provided in this paragraph and any funds necessary to exercise the authorities.

“(5) Evaluations.—

“(A) Authority to Enter into Agreements.—For each State or local government awarded a social impact partnership project approved by the Secretary under this subsection, the head of the relevant agency, as determined by the Federal Interagency Council on Social Impact Partnerships, shall enter into an agreement with the State or local government to pay for all or part of the independent evaluation to determine whether the State or local government project has met an outcome specified in the agreement in order for the State or local government to receive outcome payments under this subsection.

“(B) Evaluator Qualifications.—The head of the relevant agency may not enter into an agreement with a State or local government unless the head determines that the evaluator is independent of the other parties to the agree-
ment and has demonstrated substantial experience in conducting rigorous evaluations of program effectiveness including, where available and appropriate, well-implemented randomized controlled trials on the intervention or similar interventions.

“(C) Methodologies to be used.—The evaluation used to determine whether a State or local government will receive outcome payments under this subsection shall use experimental designs using random assignment or other reliable, evidence-based research methodologies, as certified by the Federal Interagency Council on Social Impact Partnerships, that allow for the strongest possible causal inferences when random assignment is not feasible.

“(D) Progress report.—

“(i) Submission of report.—The independent evaluator shall—

“(I) not later than 2 years after a project has been approved by the Secretary and biannually thereafter until the project is concluded, submit to the head of the relevant agency and the Federal Interagency Council on
Social Impact Partnerships a written report summarizing the progress that has been made in achieving each outcome specified in the agreement; and

“(II) before the scheduled time of the first outcome payment and before the scheduled time of each subsequent payment, submit to the head of the relevant agency and the Federal Interagency Council on Social Impact Partnerships a written report that includes the results of the evaluation conducted to determine whether an outcome payment should be made along with information on the unique factors that contributed to achieving or failing to achieve the outcome, the challenges faced in attempting to achieve the outcome, and information on the improved future delivery of this or similar interventions.

“(ii) SUBMISSION TO CONGRESS.—

Not later than 30 days after receipt of the written report pursuant to clause (i)(II), the Federal Interagency Council on Social
Impact Partnerships shall submit the report to each committee of jurisdiction in the House of Representatives and the Senate.

“(E) Final report.—

“(i) Submission of report.—Within 6 months after the social impact partnership project is completed, the independent evaluator shall—

“(I) evaluate the effects of the activities undertaken pursuant to the agreement with regard to each outcome specified in the agreement; and

“(II) submit to the head of the relevant agency and the Federal Interagency Council on Social Impact Partnerships a written report that includes the results of the evaluation and the conclusion of the evaluator as to whether the State or local government has fulfilled each obligation of the agreement, along with information on the unique factors that contributed to the success or failure of the project, the challenges faced in attempting to
achieve the outcome, and information
on the improved future delivery of this
or similar interventions.

“(ii) Submission to Congress.—
Not later than 30 days after receipt of the
written report pursuant to clause (i)(II),
the Federal Interagency Council on Social
Impact Partnerships shall submit the re-
port to each committee of jurisdiction in
the House of Representatives and the Sen-
ate.

“(F) Limitation on Cost of Evalu-
ations.—Of the amount reserved under this
subsection for social impact partnership
projects, the Secretary may not obligate more
than 15 percent to evaluate the implementation
and outcomes of the projects.

“(G) Delegation of Authority.—The
Secretary may transfer to the head of another
Federal agency the authorities provided in this
paragraph and any funds necessary to exercise
the authorities.

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

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

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

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

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

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

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

“(vii) provide guidance to the executive branch on the future of social impact partnership projects in the United States;

“(viii) review State and local government applications for social impact partnerships to ensure that agreements will only be awarded under this subsection when rigorous, independent data and reliable, evidence-based research methodologies support the conclusion that an agreement will yield savings to the Federal Government if the project outcomes are achieved before the applications are approved by the Secretary;

“(ix) certify, in the case of each approved social impact partnership, that the project will yield a projected savings to the Federal Government if the project outcomes are achieved, and coordinate with the relevant Federal agency to produce an
after-action accounting once the project is complete to determine the actual Federal savings realized, and the extent to which actual savings aligned with projected savings; and

“(x) provide oversight of the actions of the Secretary and other Federal officials under this subsection and report periodically to Congress and the public on the implementation of this subsection.

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

“(i) CHAIR.—The Chair of the Council shall be the Director of the Office of Management and Budget.

“(ii) OTHER MEMBERS.—The head of each of the following entities shall designate one officer or employee of the entity to be a Council member:

“(I) The Department of Labor.

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

“(III) The Social Security Administration.
“(IV) The Department of Agriculture.

“(V) The Department of Justice.

“(VI) The Department of Housing and Urban Development.

“(VII) The Department of Education.

“(VIII) The Department of Veterans Affairs.

“(IX) The Department of the Treasury.

“(X) The Corporation for National and Community Service.

“(7) COMMISSION ON SOCIAL IMPACT PARTNERSHIPS.—

“(A) ESTABLISHMENT.—There is established the Commission on Social Impact Partnerships (in this paragraph referred to as the ‘Commission’).

“(B) DUTIES.—The duties of the Commission shall be to—

“(i) assist the Secretary and the Federal Interagency Council on Social Impact Partnerships in reviewing applications for funding under this subsection;
“(ii) make recommendations to the Secretary and the Federal Interagency Council on Social Impact Partnerships regarding the funding of social impact partnership agreements and feasibility studies; and

“(iii) provide other assistance and information as requested by the Secretary or the Federal Interagency Council on Social Impact Partnerships.

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

“(i) one shall be appointed by the President, who will serve as the Chair of the Commission;

“(ii) one shall be appointed by the Majority Leader of the Senate;

“(iii) one shall be appointed by the Minority Leader of the Senate;

“(iv) one shall be appointed by the Speaker of the House of Representatives;

“(v) one shall be appointed by the Minority Leader of the House of Representatives;
“(vi) one shall be appointed by the Chairman of the Committee on Finance of the Senate;

“(vii) one shall be appointed by the ranking member of the Committee on Finance of the Senate;

“(viii) one member shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives; and

“(ix) one shall be appointed by the ranking member of the Committee on Ways and Means of the House of Representatives.

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

“(i) be experienced in finance, economics, pay for performance, or program evaluation;

“(ii) have relevant professional or personal experience in a field related to one or more of the outcomes listed in this subsection; or
“(iii) be qualified to review applications for social impact partnership projects to determine whether the proposed metrics and evaluation methodologies are appropriately rigorous and reliant upon independent data and evidence-based research.

“(E) TIMING OF APPOINTMENTS.—The appointments of the members of the Commission shall be made not later than 120 days after the date of the enactment of this subsection, or, in the event of a vacancy, not later than 90 days after the date the vacancy arises. If a member of Congress fails to appoint a member by that date, the President may select a member of the President’s choice on behalf of the member of Congress. Notwithstanding the preceding sentence, if not all appointments have been made to the Commission as of that date, the Commission may operate with no fewer than five members until all appointments have been made.

“(F) TERM OF APPOINTMENTS.—

“(i) IN GENERAL.—The members appointed under subparagraph (C) shall serve as follows:
“(I) Three members shall serve for 2 years.

“(II) Three members shall serve for 3 years.

“(III) Three members (one of which shall be Chair of the Commission appointed by the President) shall serve for 4 years.

“(ii) ASSIGNMENT OF TERMS.—The Commission shall designate the term length that each member appointed under subparagraph (C) shall serve by unanimous agreement. In the event that unanimous agreement cannot be reached, term lengths shall be assigned to the members by a random process.

“(G) VACANCIES.—Subject to subparagraph (E), in the event of a vacancy in the Commission, whether due to the resignation of a member, the expiration of a member’s term, or any other reason, the vacancy shall be filled in the manner in which the original appointment was made and shall not affect the powers of the Commission.
“(H) APPOINTMENT POWER.—Members of the Commission appointed under subparagraph (C) shall not be subject to confirmation by the Senate.

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

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

“(B) any other agency consulted by the Secretary before approving a social impact partnership project or a feasibility study under paragraph (4).

“(9) NO FEDERAL FUNDING FOR CREDIT ENHANCEMENTS.—No amount reserved to carry out this subsection may be used to provide any insurance, guarantee, or other credit enhancement to a State or local government under which a Federal payment would be made to a State or local government as the result of a State or local government failing to achieve an outcome specified in a contract.
“(10) AVAILABILITY OF FUNDS.—Amounts reserved to carry out this subsection shall remain available until 10 years after the date of the enactment of this subsection.

“(11) WEBSITE.—The Federal Interagency Council on Social Impact Partnerships shall establish and maintain a public website that shall display the following:

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

“(B) A copy of each feasibility study funded under this subsection.

“(C) For each State or local government that has entered into an agreement with the Secretary for a social impact partnership project, the website shall contain the following information:

“(i) The outcome goals of the project.

“(ii) A description of each intervention in the project.

“(iii) The target population that will be served by the project.
“(iv) The expected social benefits to participants who receive the intervention and others who may be impacted.

“(v) The detailed roles, responsibilities, and purposes of each Federal, State, or local government entity, intermediary, service provider, independent evaluator, investor, or other stakeholder.

“(vi) The payment terms, methodology used to calculate outcome payments, the payment schedule, and performance thresholds.

“(vii) The project budget.

“(viii) The project timeline.

“(ix) The project eligibility criteria.

“(x) The evaluation design.

“(xi) The metrics used to determine whether the proposed outcomes have been achieved and how these metrics are measured.

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

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

“(12) REGULATIONS.—The Secretary, in consultation with the Federal Interagency Council on Social Impact Partnerships, may issue regulations as necessary to carry out this subsection.

“(13) DEFINITIONS.—In this subsection:

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

“(B) INTERVENTION.—The term ‘intervention’ means a specific service delivered to achieve an impact through a social impact partnership project.

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

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

“(E) SOCIAL IMPACT PARTNERSHIP MODEL.—The term ‘social impact partnership
model' means a method of financing social services in which—

“(i) Federal funds are awarded to a State or local government only if a State or local government achieves certain outcomes agreed on by the State or local government and the Secretary; and

“(ii) the State or local government coordinates with service providers, investors (if applicable to the project), and (if necessary) an intermediary to identify—

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

“(II) a service provider to deliver the intervention to the target population; and

“(III) investors to fund the delivery of the intervention.

“(F) STATE.—The term ‘State’ means each State of the United States, the District of Columbia, each commonwealth, territory or possession of the United States, and each federally recognized Indian tribe.

“(14) FUNDING.—Of the amounts made available to carry out subsection (b) for fiscal year 2017,
the Secretary shall reserve $100,000,000 to carry out this subsection.”.

SEC. 3. EXTENSION OF TANF PROGRAM.

(a) FAMILY ASSISTANCE GRANTS.—Section 403(a)(1) of the Social Security Act (42 U.S.C. 603(a)(1)) is amended in each of subparagraphs (A) and (C), by striking “2012” and inserting “2017”.

(b) HEALTHY MARRIAGE PROMOTION AND RESPONSIBLE FATHERHOOD GRANTS.—Section 403(a)(2)(D) of such Act (42 U.S.C. 603(a)(2)(D)) is amended by striking “2012” each place it appears and inserting “2017”.

(c) TRIBAL GRANTS.—Section 412(a) of such Act (42 U.S.C. 612(a)) is amended in each of paragraphs (1)(A) and (2)(A) by striking “2012” and inserting “2017”.

(d) CHILD CARE ENTITLEMENT.—Section 418(a)(3) of such Act (42 U.S.C. 618(a)(3)) is amended by striking “2012” and inserting “2017”.

(e) GRANTS TO THE TERRITORIES.—Section 1108(b)(2) of such Act (42 U.S.C. 1308(b)(2)) is amended by striking “2012” and inserting “2017”.

SEC. 4. STRENGTHENING WELFARE RESEARCH AND EVALUATION AND DEVELOPMENT OF A WORKS CLEARINGHOUSE.

(a) IN GENERAL.—Section 413 of the Social Security Act (42 U.S.C. 613) is amended to read as follows:
“SEC. 413. EVALUATION OF TEMPORARY ASSISTANCE FOR NEEDY FAMILIES AND RELATED PROGRAMS.

(a) Evaluation of the Impacts of TANF.—The Secretary shall conduct research on the effect of State programs funded under this part and any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)) on employment, self-sufficiency, child well-being, unmarried births, marriage, poverty, economic mobility, and other factors as determined by the Secretary.

(b) Evaluation of Grants to Improve Child Well-Being by Promoting Healthy Marriage and Responsible Fatherhood.—The Secretary shall conduct research to determine the effects of the grants made under section 403(a)(2) on child well-being, marriage, family stability, economic mobility, poverty, and other factors as determined by the Secretary.

(c) Dissemination of Information.—The Secretary shall, in consultation with States receiving funds provided under this part, develop methods of disseminating information on any research, evaluation, or study conducted under this section, including facilitating the sharing of information and best practices among States and localities.

(d) State-Initiated Evaluations.—A State shall be eligible to receive funding to evaluate the State
program funded under this part or any other State pro-
gram funded with qualified State expenditures (as defined
in section 409(a)(7)(B)(i)) if—

“(1) the State submits to the Secretary a de-
scription of the proposed evaluation;

“(2) the Secretary determines that the design
and approach of the proposed evaluation is rigorous
and is likely to yield information that is credible and
will be useful to other States; and

“(3) unless waived by the Secretary, the State
contributes to the cost of the evaluation, from non-
Federal sources, an amount equal to at least 25 per-
cent of the cost of the proposed evaluation.

“(e) CENSUS BUREAU RESEARCH.—

“(1) The Bureau of the Census shall implement
or enhance household surveys of program participa-
tion, in consultation with the Secretary and the
Burueau of Labor Statistics and made available to
interested parties, to allow for the assessment of the
outcomes of continued welfare reform on the eco-


conomic and child well-being of low-income families
with children, including those who received assist-
ance or services from a State program funded under
this part or any other State program funded with
qualified State expenditures (as defined in section
The content of the surveys should include such information as may be necessary to examine the issues of unmarried childbearing, marriage, welfare dependency and compliance with work requirements, the beginning and ending of spells of assistance, work, earnings and employment stability, and the well-being of children.

“(2) To carry out the activities specified in paragraph (1), the Bureau of the Census, the Secretary, and the Bureau of Labor Statistics shall consider ways to improve the surveys and data derived from the surveys to—

“(A) address underreporting of the receipt of means-tested benefits and tax benefits for low-income individuals and families;

“(B) increase understanding of poverty spells and long-term poverty, including by facilitating the matching of information to better understand intergenerational poverty;

“(C) generate a better geographical understanding of poverty such as through State-based estimates and measures of neighborhood poverty;
“(D) increase understanding of the effects of means-tested benefits and tax benefits on the earnings of low-income families; and

“(E) improve how poverty and economic well-being are measured, including through the use of consumption measures.

“(f) Research and Evaluation Conducted Under This Section.—Research and evaluation conducted under this section designed to determine the effects of a program or policy (other than research conducted under subsection (e)) shall use experimental designs using random assignment or other reliable, evidence-based research methodologies that allow for the strongest possible causal inferences when random assignment is not feasible.

“(g) Development of What Works Clearinghouse of Proven and Promising Approaches To Move Welfare Recipients Into Work.—

“(1) In General.—The Secretary, in consultation with the Secretary of Labor, shall develop a database (which shall be referred to as the ‘What Works Clearinghouse of Proven and Promising Projects to Move Welfare Recipients into Work’) of the projects that used a proven approach or a promising approach in moving welfare recipients into work, based on independent, rigorous evaluations of
the projects. The database shall include a separate
listing of projects that used a developmental ap-
proach in delivering services and a further separate
listing of the projects with no or negative effects.
The Secretary shall add to the What Works Clear-
inghouse of Proven and Promising Projects to Move
Welfare Recipients into Work data about the
projects that, based on an independent, well-con-
ducted experimental evaluation of a program or
project, using random assignment or other research
methodologies that allow for the strongest possible
causal inferences, have shown they are proven,
promising, developmental, or ineffective approaches.

“(2) CRITERIA FOR EVIDENCE OF EFFECTIVE-
NESS OF APPROACH.—The Secretary, in consultation
with the Secretary of Labor and organizations with
experience in evaluating research on the effective-
ness of various approaches in delivering services to
move welfare recipients into work, shall—

“(A) establish criteria for evidence of effec-
tiveness; and

“(B) ensure that the process for estab-
lishing the criteria—

“(i) is transparent;

“(ii) is consistent across agencies;
“(iii) provides opportunity for public comment; and

“(iv) takes into account efforts of Federal agencies to identify and publicize effective interventions, including efforts at the Department of Health and Human Services, the Department of Education, and the Department of Justice.

“(3) DEFINITIONS.—In this subsection:

“(A) APPROACH.—The term ‘approach’ means a process, product, strategy, or practice that is—

“(i) research-based, based on the results of one or more empirical studies, and linked to program-determined outcomes; and

“(ii) evaluated using rigorous research designs.

“(B) PROVEN APPROACH.—The term ‘proven approach’ means an approach that—

“(i) meets the requirements of a promising approach; and

“(ii) has demonstrated significant positive outcomes at more than one site in terms of increasing work and earnings of
participants, reducing poverty and dependence, or strengthening families.

“(C) PROMISING APPROACH.—The term ‘promising approach’ means an approach—

“(i) that meets the requirements of subparagraph (D)(i);

“(ii) that has been evaluated using well-designed and rigorous randomized controlled or quasi-experimental research designs;

“(iii) that has demonstrated significant positive outcomes at only one site in terms of increasing work and earnings of participants, reducing poverty and dependence, or strengthening families; and

“(iv) under which the benefits of the positive outcomes have exceeded the costs of achieving the outcomes.

“(D) DEVELOPMENTAL APPROACH.—The term ‘developmental approach’ means an approach that—

“(i) is research-based, grounded in relevant empirically-based knowledge, and linked to program-determined outcomes;
“(ii) is evaluated using rigorous research designs; and

“(iii) has yet to demonstrate a significant positive outcome in terms of increasing work and earnings of participants in a cost-effective way.

“(h) Appropriation.—

“(1) In general.—Of the amount appropriated by section 403(a)(1) for each fiscal year, 0.33 percent shall be available for research and evaluation under this section.

“(2) Allocation.—Of the amount made available under paragraph (1) for each fiscal year, the Secretary shall make available $10,000,000 plus such additional amount as the Secretary deems necessary and appropriate, to carry out subsection (e).”.

(b) Conforming Amendment.—Section 403(a)(1)(B) of such Act (42 U.S.C. 603(a)(1)(B)) is amended by inserting “, reduced by the percentage specified in section 413(h) with respect to the fiscal year,” before “as the amount”.

SEC. 5. TECHNICAL CORRECTIONS TO DATA EXCHANGE STANDARDS TO IMPROVE PROGRAM COORDINATION.

(a) IN GENERAL.—Section 411(d) of the Social Security Act (42 U.S.C. 611(d)) is amended to read as follows:

“(d) DATA EXCHANGE STANDARDS FOR IMPROVED INTEROPERABILITY.—

“(1) DESIGNATION.—The Secretary shall, in consultation with an interagency work group established by the Office of Management and Budget and considering State government perspectives, by rule, designate data exchange standards to govern, under this part—

“(A) necessary categories of information that State agencies operating programs under State plans approved under this part are required under applicable Federal law to electronically exchange with another State agency; and

“(B) Federal reporting and data exchange required under applicable Federal law.

“(2) REQUIREMENTS.—The data exchange standards required by paragraph (1) shall, to the extent practicable—

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“(A) incorporate a widely accepted, non-
proprietary, searchable, computer-readable for-
mat, such as the eXtensible Markup Language;

“(B) contain interoperable standards devel-
oped and maintained by intergovernmental
partnerships, such as the National Information
Exchange Model;

“(C) incorporate interoperable standards
developed and maintained by Federal entities
with authority over contracting and financial
assistance;

“(D) be consistent with and implement ap-
licable accounting principles;

“(E) be implemented in a manner that is
cost-effective and improves program efficiency
and effectiveness; and

“(F) be capable of being continually up-
graded as necessary.

“(3) RULE OF CONSTRUCTION.—Nothing in
this subsection shall be construed to require a
change to existing data exchange standards found to
be effective and efficient.”.

(b) EFFECTIVE DATE.—Not later than the date that
is 24 months after the date of the enactment of this sec-
tion, the Secretary of Health and Human Services shall
issue a proposed rule that—

(1) identifies federally required data exchanges,
include specification and timing of exchanges to be
standardized, and address the factors used in deter-
mining whether and when to standardize data ex-
changes; and

(2) specifies State implementation options and
describes future milestones.

SEC. 6. EFFECTIVE DATE.

The amendments made by this Act shall take effect
on October 1, 2016.

Passed the House of Representatives June 21, 2016.

Attest:

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

AN ACT

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114TH CONGRESS