

114TH CONGRESS
2D SESSION

H. R. 5170

IN THE SENATE OF THE UNITED STATES

JUNE 22, 2016

Received; read twice and referred to the Committee on Finance

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-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Social Impact Partner-
3 ships to Pay for Results Act”.

4 **SEC. 2. SOCIAL IMPACT PARTNERSHIPS TO PAY FOR RE-**
5 **SULTS ACT.**

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

8 “(c) SOCIAL IMPACT DEMONSTRATION PROJECTS.—

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

11 “(A) To improve the lives of families and
12 individuals in need in the United States by
13 funding social programs that achieve real re-
14 sults.

15 “(B) To redirect funds away from pro-
16 grams that, based on objective data, are ineffec-
17 tive, and into programs that achieve demon-
18 strable, measurable results.

19 “(C) To ensure Federal funds are used ef-
20 fectively on social services to produce positive
21 outcomes for both service recipients and tax-
22 payers.

23 “(D) To establish the use of social impact
24 partnerships to address some of our Nation’s
25 most pressing problems.

1 “(E) To facilitate the creation of public-
2 private partnerships that bundle philanthropic
3 or other private resources with existing public
4 spending to scale up effective social interven-
5 tions already being implemented by private or-
6 ganizations, nonprofits, charitable organiza-
7 tions, and State and local governments across
8 the country.

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

14 “(G) To incorporate outcomes measure-
15 ment and randomized controlled trials or other
16 rigorous methodologies for assessing program
17 impact.

18 “(2) SOCIAL IMPACT PARTNERSHIP APPLICA-
19 TION.—

20 “(A) NOTICE.—Not later than 1 year after
21 the date of the enactment of this subsection,
22 the Secretary of the Treasury, in consultation
23 with the Federal Interagency Council on Social
24 Impact Partnerships, shall publish in the Fed-
25 eral Register a request for proposals from

1 States or local government for social impact
2 partnership projects in accordance with this
3 paragraph.

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

11 “(i) Increasing work and earnings by
12 individuals who have been unemployed in
13 the United States for more than 6 con-
14 secutive months.

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

18 “(iii) Increasing employment among
19 individuals receiving Federal disability ben-
20 efits.

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

24 “(v) Improving rates of high school
25 graduation.

1 “(vi) Reducing teen and unplanned
2 pregnancies.

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

6 “(viii) Reducing rates of asthma, dia-
7 betes, or other preventable diseases among
8 low-income families and individuals to re-
9 duce the utilization of emergency and other
10 high-cost care.

11 “(ix) Increasing the proportion of chil-
12 dren living in two-parent families.

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

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

22 “(xii) Reducing the number of chil-
23 dren and youth in foster care residing in
24 group homes, child care institutions, agen-
25 cy-operated foster homes, or other non-

1 family foster homes, unless it is deter-
2 mined that it is in the interest of the
3 child’s long-term health, safety, or psycho-
4 logical well-being to not be placed in a
5 family foster home.

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

8 “(xiv) Reducing recidivism among ju-
9 veniles, individuals released from prison, or
10 other high-risk populations.

11 “(xv) Reducing the rate of homeless-
12 ness among our most vulnerable popu-
13 lations.

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

17 “(xvii) Improving the educational out-
18 comes of special-needs or low-income chil-
19 dren.

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

23 “(xix) Increasing the financial sta-
24 bility of low-income families.

1 “(xx) Increasing the independence and
2 employability of individuals who are phys-
3 ically or mentally disabled.

4 “(xxi) Other measurable outcomes de-
5 fined by the State or local government that
6 result in positive social outcomes and Fed-
7 eral savings.

8 “(C) APPLICATION REQUIRED.—The notice
9 described in subparagraph (A) shall require a
10 State or local government to submit an applica-
11 tion for the social impact partnership project
12 that addresses the following:

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

14 “(ii) A description of each interven-
15 tion in the project and anticipated out-
16 comes of the intervention.

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

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

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

1 “(vi) Projected Federal, State, and
2 local government costs and other costs to
3 conduct the project.

4 “(vii) Projected Federal, State, and
5 local government savings and other sav-
6 ings, including an estimate of the savings
7 to the Federal Government, on a program-
8 by-program basis and in the aggregate, if
9 the project is implemented and the out-
10 comes are achieved.

11 “(viii) If savings resulting from the
12 successful completion of the project are es-
13 timated to accrue to the State or local gov-
14 ernment, the likelihood of the State or
15 local government to realize those savings.

16 “(ix) A plan for delivering the inter-
17 vention through a social impact partner-
18 ship model.

19 “(x) A description of the expertise of
20 each service provider that will administer
21 the intervention, including a summary of
22 the experience of the service provider in
23 delivering the proposed intervention or a
24 similar intervention, or demonstrating that

1 the service provider has the expertise nec-
2 essary to deliver the proposed intervention.

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

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

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

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

24 “(xv) The proposed payment terms,
25 the methodology used to calculate outcome

1 payments, the payment schedule, and per-
2 formance thresholds.

3 “(xvi) The project budget.

4 “(xvii) The project timeline.

5 “(xviii) The criteria used to determine
6 the eligibility of an individual for the
7 project, including how selected populations
8 will be identified, how they will be referred
9 to the project, and how they will be en-
10 rolled in the project.

11 “(xix) The evaluation design.

12 “(xx) The metrics that will be used to
13 determine whether the outcomes have been
14 achieved and how the metrics will be meas-
15 ured.

16 “(xxi) An explanation of how the
17 metrics used to determine whether the out-
18 comes have been achieved are independent,
19 objective indicators of impact and are not
20 subject to manipulation by the service pro-
21 vider, intermediary, or investor.

22 “(xxii) A summary explaining the
23 independence of the evaluator from the
24 other entities involved in the project and
25 the evaluator’s experience in conducting

1 rigorous evaluations of program effective-
2 ness including, where available, well-imple-
3 mented randomized controlled trials on the
4 intervention or similar interventions.

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

10 “(D) PROJECT INTERMEDIARY INFORMA-
11 TION REQUIRED.—The application described in
12 subparagraph (C) shall also contain the fol-
13 lowing information about any intermediary for
14 the social impact partnership project (whether
15 an intermediary is a service provider or other
16 entity):

17 “(i) Experience and capacity for pro-
18 viding or facilitating the provision of the
19 type of intervention proposed.

20 “(ii) The mission and goals.

21 “(iii) Information on whether the
22 intermediary is already working with serv-
23 ice providers that provide this intervention
24 or an explanation of the capacity of the

1 intermediary to begin working with service
2 providers to provide the intervention.

3 “(iv) Experience working in a collabo-
4 rative environment across government and
5 nongovernmental entities.

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

9 “(vi) Ability to raise or provide fund-
10 ing to cover operating costs (if applicable
11 to the project).

12 “(vii) Capacity and infrastructure to
13 track outcomes and measure results, in-
14 cluding—

15 “(I) capacity to track and ana-
16 lyze program performance and assess
17 program impact; and

18 “(II) experience with perform-
19 ance-based awards or performance-
20 based contracting and achieving
21 project milestones and targets.

22 “(viii) Role in delivering the interven-
23 tion.

24 “(ix) How the intermediary would
25 monitor program success, including a de-

1 scription of the interim benchmarks and
2 outcome measures.

3 “(E) FEASIBILITY STUDIES FUNDED
4 THROUGH OTHER SOURCES.—The notice de-
5 scribed in subparagraph (A) shall permit a
6 State or local government to submit an applica-
7 tion for social impact partnership funding that
8 contains information from a feasibility study
9 developed for purposes other than applying for
10 funding under this subsection.

11 “(3) AWARDING SOCIAL IMPACT PARTNERSHIP
12 AGREEMENTS.—

13 “(A) TIMELINE IN AWARDING AGREE-
14 MENT.—Not later than 6 months after receiving
15 an application in accordance with paragraph
16 (2), the Secretary, in consultation with the Fed-
17 eral Interagency Council on Social Impact Part-
18 nerships, shall determine whether to enter into
19 an agreement for a social impact partnership
20 project with a State or local government.

21 “(B) CONSIDERATIONS IN AWARDING
22 AGREEMENT.—In determining whether to enter
23 into an agreement for a social impact partner-
24 ship project (the application for which was sub-
25 mitted under paragraph (2)) the Secretary, in

1 consultation with the Federal Interagency
2 Council on Social Impact Partnerships (estab-
3 lished by paragraph (6)) and the head of any
4 Federal agency administering a similar inter-
5 vention or serving a population similar to that
6 served by the project, shall consider each of the
7 following:

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

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

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

21 “(iv) The savings to the Federal Gov-
22 ernment if the outcomes specified in the
23 agreement are achieved.

1 “(v) The savings to the State and
2 local governments if the outcomes specified
3 in the agreement are achieved.

4 “(vi) The expected quality of the eval-
5 uation that would be conducted with re-
6 spect to the agreement.

7 “(C) AGREEMENT AUTHORITY.—

8 “(i) AGREEMENT REQUIREMENTS.—
9 In accordance with this paragraph, the
10 Secretary, in consultation with the Federal
11 Interagency Council on Social Impact
12 Partnerships and the head of any Federal
13 agency administering a similar intervention
14 or serving a population similar to that
15 served by the project, may enter into an
16 agreement for a social impact partnership
17 project with a State or local government if
18 the Secretary, in consultation with the
19 Federal Interagency Council on Social Im-
20 pact Partnerships, determines that each of
21 the following requirements are met:

22 “(I) The State or local govern-
23 ment agrees to achieve one or more
24 outcomes specified in the agreement
25 in order to receive payment.

1 “(II) The Federal payment to the
2 State or local government for each
3 outcome specified is less than or equal
4 to the value of the outcome to the
5 Federal Government over a period not
6 to exceed 10 years, as determined by
7 the Secretary, in consultation with the
8 State or local government.

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

11 “(IV) The State or local govern-
12 ment has demonstrated, through the
13 application submitted under para-
14 graph (2), that, based on prior rig-
15 orous experimental evaluations or rig-
16 orous quasi-experimental studies, the
17 intervention can be expected to
18 achieve each outcome specified in the
19 agreement.

20 “(V) The State, local govern-
21 ment, intermediary, or service pro-
22 vider has experience raising private or
23 philanthropic capital to fund social
24 service investments (if applicable to
25 the project).

1 “(VI) The State or local govern-
2 ment has shown that each service pro-
3 vider has experience delivering the
4 intervention, a similar intervention, or
5 has otherwise demonstrated the exper-
6 tise necessary to deliver the interven-
7 tion.

8 “(ii) PAYMENT.—The Secretary shall
9 pay the State or local government only if
10 the independent evaluator described in
11 paragraph (5) determines that the social
12 impact partnership project has met the re-
13 quirements specified in the agreement and
14 achieved an outcome specified in the agree-
15 ment.

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

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

24 “(ii) A description of each interven-
25 tion in the project.

1 “(iii) The target population that will
2 be served by the project.

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

6 “(v) The detailed roles, responsibil-
7 ities, and purposes of each Federal, State,
8 or local government entity, intermediary,
9 service provider, independent evaluator, in-
10 vestor, or other stakeholder.

11 “(vi) The payment terms, the method-
12 ology used to calculate outcome payments,
13 the payment schedule, and performance
14 thresholds.

15 “(vii) The project budget.

16 “(viii) The project timeline.

17 “(ix) The project eligibility criteria.

18 “(x) The evaluation design.

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

23 “(xii) The estimate of the savings to
24 the Federal, State, and local government,
25 on a program-by-program basis and in the

1 aggregate, if the agreement is entered into
2 and implemented and the outcomes are
3 achieved.

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

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

16 “(4) FEASIBILITY STUDY FUNDING.—

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

1 cation for feasibility study funding addressing
2 the following:

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

6 “(ii) A description of the intervention,
7 including anticipated program design, tar-
8 get population, an estimate regarding the
9 number of individuals to be served, and
10 setting for the intervention.

11 “(iii) Evidence to support the likeli-
12 hood that the intervention will produce the
13 desired outcomes.

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

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

19 “(vi) Estimated costs to conduct the
20 project.

21 “(vii) Estimates of Federal, State,
22 and local government savings and other
23 savings if the project is implemented and
24 the outcomes are achieved.

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

4 “(ix) With respect to a project for
5 which the State or local government selects
6 an intermediary to operate the project, any
7 partnerships needed to successfully execute
8 the project and the ability of the inter-
9 mediary to foster the partnerships.

10 “(x) The expected resources needed to
11 complete the feasibility study for the State
12 or local government to apply for social im-
13 pact partnership funding under paragraph
14 (2).

15 “(B) FEDERAL SELECTION OF APPLICA-
16 TIONS FOR FEASIBILITY STUDY.—Not later
17 than 6 months after receiving an application for
18 feasibility study funding under subparagraph
19 (A), the Secretary, in consultation with the
20 Federal Interagency Council on Social Impact
21 Partnerships and the head of any Federal agen-
22 cy administering a similar intervention or serv-
23 ing a population similar to that served by the
24 project, shall select State or local government

1 feasibility study proposals for funding based on
2 the following:

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

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

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

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

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

16 “(C) PUBLIC DISCLOSURE.—Not later
17 than 30 days after selecting a State or local
18 government for feasibility study funding under
19 this paragraph, the Secretary shall cause to be
20 published on the website of the Federal Inter-
21 agency Council on Social Impact Partnerships
22 information explaining why a State or local gov-
23 ernment was granted feasibility study funding.

24 “(D) FUNDING RESTRICTION.—

1 “(i) FEASIBILITY STUDY RESTRIC-
2 TION.—The Secretary may not provide fea-
3 sibility study funding under this paragraph
4 for more than 50 percent of the estimated
5 total cost of the feasibility study reported
6 in the State or local government applica-
7 tion submitted under subparagraph (A).

8 “(ii) AGGREGATE RESTRICTION.—Of
9 the total amount reserved to carry out this
10 subsection, the Secretary may not use
11 more than \$10,000,000 to provide feasi-
12 bility study funding to States or local gov-
13 ernments under this paragraph.

14 “(iii) NO GUARANTEE OF FUNDING.—
15 The Secretary shall have the option to
16 award no funding under this paragraph.

17 “(E) SUBMISSION OF FEASIBILITY STUDY
18 REQUIRED.—Not later than 9 months after the
19 receipt of feasibility study funding under this
20 paragraph, a State or local government receiv-
21 ing the funding shall complete the feasibility
22 study and submit the study to the Federal
23 Interagency Council on Social Impact Partner-
24 ships.

1 “(F) DELEGATION OF AUTHORITY.—The
2 Secretary may transfer to the head of another
3 Federal agency the authorities provided in this
4 paragraph and any funds necessary to exercise
5 the authorities.

6 “(5) EVALUATIONS.—

7 “(A) AUTHORITY TO ENTER INTO AGREE-
8 MENTS.—For each State or local government
9 awarded a social impact partnership project ap-
10 proved by the Secretary under this subsection,
11 the head of the relevant agency, as determined
12 by the Federal Interagency Council on Social
13 Impact Partnerships, shall enter into an agree-
14 ment with the State or local government to pay
15 for all or part of the independent evaluation to
16 determine whether the State or local govern-
17 ment project has met an outcome specified in
18 the agreement in order for the State or local
19 government to receive outcome payments under
20 this subsection.

21 “(B) EVALUATOR QUALIFICATIONS.—The
22 head of the relevant agency may not enter into
23 an agreement with a State or local government
24 unless the head determines that the evaluator is
25 independent of the other parties to the agree-

1 ment and has demonstrated substantial experi-
2 ence in conducting rigorous evaluations of pro-
3 gram effectiveness including, where available
4 and appropriate, well-implemented randomized
5 controlled trials on the intervention or similar
6 interventions.

7 “(C) METHODOLOGIES TO BE USED.—The
8 evaluation used to determine whether a State or
9 local government will receive outcome payments
10 under this subsection shall use experimental de-
11 signs using random assignment or other reli-
12 able, evidence-based research methodologies, as
13 certified by the Federal Interagency Council on
14 Social Impact Partnerships, that allow for the
15 strongest possible causal inferences when ran-
16 dom assignment is not feasible.

17 “(D) PROGRESS REPORT.—

18 “(i) SUBMISSION OF REPORT.—The
19 independent evaluator shall—

20 “(I) not later than 2 years after
21 a project has been approved by the
22 Secretary and biannually thereafter
23 until the project is concluded, submit
24 to the head of the relevant agency and
25 the Federal Interagency Council on

1 Social Impact Partnerships a written
2 report summarizing the progress that
3 has been made in achieving each out-
4 come specified in the agreement; and

5 “(II) before the scheduled time of
6 the first outcome payment and before
7 the scheduled time of each subsequent
8 payment, submit to the head of the
9 relevant agency and the Federal
10 Interagency Council on Social Impact
11 Partnerships a written report that in-
12 cludes the results of the evaluation
13 conducted to determine whether an
14 outcome payment should be made
15 along with information on the unique
16 factors that contributed to achieving
17 or failing to achieve the outcome, the
18 challenges faced in attempting to
19 achieve the outcome, and information
20 on the improved future delivery of this
21 or similar interventions.

22 “(ii) SUBMISSION TO CONGRESS.—
23 Not later than 30 days after receipt of the
24 written report pursuant to clause (i)(II),
25 the Federal Interagency Council on Social

1 Impact Partnerships shall submit the re-
2 port to each committee of jurisdiction in
3 the House of Representatives and the Sen-
4 ate.

5 “(E) FINAL REPORT.—

6 “(i) SUBMISSION OF REPORT.—Within
7 6 months after the social impact partner-
8 ship project is completed, the independent
9 evaluator shall—

10 “(I) evaluate the effects of the
11 activities undertaken pursuant to the
12 agreement with regard to each out-
13 come specified in the agreement; and

14 “(II) submit to the head of the
15 relevant agency and the Federal
16 Interagency Council on Social Impact
17 Partnerships a written report that in-
18 cludes the results of the evaluation
19 and the conclusion of the evaluator as
20 to whether the State or local govern-
21 ment has fulfilled each obligation of
22 the agreement, along with information
23 on the unique factors that contributed
24 to the success or failure of the project,
25 the challenges faced in attempting to

1 achieve the outcome, and information
2 on the improved future delivery of this
3 or similar interventions.

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

12 “(F) LIMITATION ON COST OF EVALUA-
13 TIONS.—Of the amount reserved under this
14 subsection for social impact partnership
15 projects, the Secretary may not obligate more
16 than 15 percent to evaluate the implementation
17 and outcomes of the projects.

18 “(G) DELEGATION OF AUTHORITY.—The
19 Secretary may transfer to the head of another
20 Federal agency the authorities provided in this
21 paragraph and any funds necessary to exercise
22 the authorities.

23 “(6) FEDERAL INTERAGENCY COUNCIL ON SO-
24 CIAL IMPACT PARTNERSHIPS.—

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

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

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

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

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

17 “(v) ensure that each State or local
18 government that has entered into an agree-
19 ment with the Secretary for a social impact
20 partnership project under this subsection
21 and each evaluator selected by the head of
22 the relevant agency under paragraph (5)
23 has access to Federal administrative data
24 to assist the State or local government and

1 the evaluator in evaluating the perform-
2 ance and outcomes of the project;

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

6 “(vii) provide guidance to the execu-
7 tive branch on the future of social impact
8 partnership projects in the United States;

9 “(viii) review State and local govern-
10 ment applications for social impact part-
11 nerships to ensure that agreements will
12 only be awarded under this subsection
13 when rigorous, independent data and reli-
14 able, evidence-based research methodolo-
15 gies support the conclusion that an agree-
16 ment will yield savings to the Federal Gov-
17 ernment if the project outcomes are
18 achieved before the applications are ap-
19 proved by the Secretary;

20 “(ix) certify, in the case of each ap-
21 proved social impact partnership, that the
22 project will yield a projected savings to the
23 Federal Government if the project out-
24 comes are achieved, and coordinate with
25 the relevant Federal agency to produce an

1 after-action accounting once the project is
2 complete to determine the actual Federal
3 savings realized, and the extent to which
4 actual savings aligned with projected sav-
5 ings; and

6 “(x) provide oversight of the actions
7 of the Secretary and other Federal officials
8 under this subsection and report periodi-
9 cally to Congress and the public on the im-
10 plementation of this subsection.

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

13 “(i) CHAIR.—The Chair of the Coun-
14 cil shall be the Director of the Office of
15 Management and Budget.

16 “(ii) OTHER MEMBERS.—The head of
17 each of the following entities shall des-
18 ignate one officer or employee of the entity
19 to be a Council member:

20 “(I) The Department of Labor.

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

23 “(III) The Social Security Ad-
24 ministration.

1 “(IV) The Department of Agri-
2 culture.

3 “(V) The Department of Justice.

4 “(VI) The Department of Hous-
5 ing and Urban Development.

6 “(VII) The Department of Edu-
7 cation.

8 “(VIII) The Department of Vet-
9 erans Affairs.

10 “(IX) The Department of the
11 Treasury.

12 “(X) The Corporation for Na-
13 tional and Community Service.

14 “(7) COMMISSION ON SOCIAL IMPACT PARTNER-
15 SHIPS.—

16 “(A) ESTABLISHMENT.—There is estab-
17 lished the Commission on Social Impact Part-
18 nerships (in this paragraph referred to as the
19 ‘Commission’).

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

22 “(i) assist the Secretary and the Fed-
23 eral Interagency Council on Social Impact
24 Partnerships in reviewing applications for
25 funding under this subsection;

1 “(ii) make recommendations to the
2 Secretary and the Federal Interagency
3 Council on Social Impact Partnerships re-
4 garding the funding of social impact part-
5 nership agreements and feasibility studies;
6 and

7 “(iii) provide other assistance and in-
8 formation as requested by the Secretary or
9 the Federal Interagency Council on Social
10 Impact Partnerships.

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

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

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

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

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

22 “(v) one shall be appointed by the Mi-
23 nority Leader of the House of Representa-
24 tives;

1 “(vi) one shall be appointed by the
2 Chairman of the Committee on Finance of
3 the Senate;

4 “(vii) one shall be appointed by the
5 ranking member of the Committee on Fi-
6 nance of the Senate;

7 “(viii) one member shall be appointed
8 by the Chairman of the Committee on
9 Ways and Means of the House of Rep-
10 resentatives; and

11 “(ix) one shall be appointed by the
12 ranking member of the Committee on
13 Ways and Means of the House of Rep-
14 resentatives.

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

18 “(i) be experienced in finance, eco-
19 nomics, pay for performance, or program
20 evaluation;

21 “(ii) have relevant professional or per-
22 sonal experience in a field related to one or
23 more of the outcomes listed in this sub-
24 section; or

1 “(iii) be qualified to review applica-
2 tions for social impact partnership projects
3 to determine whether the proposed metrics
4 and evaluation methodologies are appro-
5 priately rigorous and reliant upon inde-
6 pendent data and evidence-based research.

7 “(E) TIMING OF APPOINTMENTS.—The ap-
8 pointments of the members of the Commission
9 shall be made not later than 120 days after the
10 date of the enactment of this subsection, or, in
11 the event of a vacancy, not later than 90 days
12 after the date the vacancy arises. If a member
13 of Congress fails to appoint a member by that
14 date, the President may select a member of the
15 President’s choice on behalf of the member of
16 Congress. Notwithstanding the preceding sen-
17 tence, if not all appointments have been made
18 to the Commission as of that date, the Commis-
19 sion may operate with no fewer than five mem-
20 bers until all appointments have been made.

21 “(F) TERM OF APPOINTMENTS.—

22 “(i) IN GENERAL.—The members ap-
23 pointed under subparagraph (C) shall serve
24 as follows:

1 “(I) Three members shall serve
2 for 2 years.

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

5 “(III) Three members (one of
6 which shall be Chair of the Commis-
7 sion appointed by the President) shall
8 serve for 4 years.

9 “(ii) ASSIGNMENT OF TERMS.—The
10 Commission shall designate the term
11 length that each member appointed under
12 subparagraph (C) shall serve by unani-
13 mous agreement. In the event that unani-
14 mous agreement cannot be reached, term
15 lengths shall be assigned to the members
16 by a random process.

17 “(G) VACANCIES.—Subject to subpara-
18 graph (E), in the event of a vacancy in the
19 Commission, whether due to the resignation of
20 a member, the expiration of a member’s term,
21 or any other reason, the vacancy shall be filled
22 in the manner in which the original appoint-
23 ment was made and shall not affect the powers
24 of the Commission.

1 “(H) APPOINTMENT POWER.—Members of
2 the Commission appointed under subparagraph
3 (C) shall not be subject to confirmation by the
4 Senate.

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

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

13 “(B) any other agency consulted by the
14 Secretary before approving a social impact part-
15 nership project or a feasibility study under
16 paragraph (4).

17 “(9) NO FEDERAL FUNDING FOR CREDIT EN-
18 HANCEMENTS.—No amount reserved to carry out
19 this subsection may be used to provide any insur-
20 ance, guarantee, or other credit enhancement to a
21 State or local government under which a Federal
22 payment would be made to a State or local govern-
23 ment as the result of a State or local government
24 failing to achieve an outcome specified in a contract.

1 “(10) AVAILABILITY OF FUNDS.—Amounts re-
2 served to carry out this subsection shall remain
3 available until 10 years after the date of the enact-
4 ment of this subsection.

5 “(11) WEBSITE.—The Federal Interagency
6 Council on Social Impact Partnerships shall estab-
7 lish and maintain a public website that shall display
8 the following:

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

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

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

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

20 “(ii) A description of each interven-
21 tion in the project.

22 “(iii) The target population that will
23 be served by the project.

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

4 “(v) The detailed roles, responsibil-
5 ities, and purposes of each Federal, State,
6 or local government entity, intermediary,
7 service provider, independent evaluator, in-
8 vestor, or other stakeholder.

9 “(vi) The payment terms, method-
10 ology used to calculate outcome payments,
11 the payment schedule, and performance
12 thresholds.

13 “(vii) The project budget.

14 “(viii) The project timeline.

15 “(ix) The project eligibility criteria.

16 “(x) The evaluation design.

17 “(xi) The metrics used to determine
18 whether the proposed outcomes have been
19 achieved and how these metrics are meas-
20 ured.

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

24 “(E) An estimate of the savings to the
25 Federal, State, and local government, on a pro-

1 gram-by-program basis and in the aggregate,
2 resulting from the successful completion of the
3 social impact partnership project.

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

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

9 “(A) AGENCY.—The term ‘agency’ has the
10 meaning given that term in section 551 of title
11 5, United States Code.

12 “(B) INTERVENTION.—The term ‘interven-
13 tion’ means a specific service delivered to
14 achieve an impact through a social impact part-
15 nership project.

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

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

23 “(E) SOCIAL IMPACT PARTNERSHIP
24 MODEL.—The term ‘social impact partnership

1 model’ means a method of financing social serv-
2 ices in which—

3 “(i) Federal funds are awarded to a
4 State or local government only if a State
5 or local government achieves certain out-
6 comes agreed on by the State or local gov-
7 ernment and the Secretary; and

8 “(ii) the State or local government co-
9 ordinates with service providers, investors
10 (if applicable to the project), and (if nec-
11 essary) an intermediary to identify—

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

14 “(II) a service provider to deliver
15 the intervention to the target popu-
16 lation; and

17 “(III) investors to fund the deliv-
18 ery of the intervention.

19 “(F) STATE.—The term ‘State’ means
20 each State of the United States, the District of
21 Columbia, each commonwealth, territory or pos-
22 session of the United States, and each federally
23 recognized Indian tribe.

24 “(14) FUNDING.—Of the amounts made avail-
25 able to carry out subsection (b) for fiscal year 2017,

1 the Secretary shall reserve \$100,000,000 to carry
2 out this subsection.”.

3 **SEC. 3. EXTENSION OF TANF PROGRAM.**

4 (a) FAMILY ASSISTANCE GRANTS.—Section
5 403(a)(1) of the Social Security Act (42 U.S.C. 603(a)(1))
6 is amended in each of subparagraphs (A) and (C), by
7 striking “2012” and inserting “2017”.

8 (b) HEALTHY MARRIAGE PROMOTION AND RESPON-
9 SIBLE FATHERHOOD GRANTS.—Section 403(a)(2)(D) of
10 such Act (42 U.S.C. 603(a)(2)(D)) is amended by striking
11 “2012” each place it appears and inserting “2017”.

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

15 (d) CHILD CARE ENTITLEMENT.—Section 418(a)(3)
16 of such Act (42 U.S.C. 618(a)(3)) is amended by striking
17 “2012” and inserting “2017”.

18 (e) GRANTS TO THE TERRITORIES.—Section
19 1108(b)(2) of such Act (42 U.S.C. 1308(b)(2)) is amend-
20 ed by striking “2012” and inserting “2017”.

21 **SEC. 4. STRENGTHENING WELFARE RESEARCH AND EVAL-**
22 **UATION AND DEVELOPMENT OF A WHAT**
23 **WORKS CLEARINGHOUSE.**

24 (a) IN GENERAL.—Section 413 of the Social Security
25 Act (42 U.S.C. 613) is amended to read as follows:

1 **“SEC. 413. EVALUATION OF TEMPORARY ASSISTANCE FOR**
2 **NEEDY FAMILIES AND RELATED PROGRAMS.**

3 “(a) EVALUATION OF THE IMPACTS OF TANF.—The
4 Secretary shall conduct research on the effect of State pro-
5 grams funded under this part and any other State pro-
6 gram funded with qualified State expenditures (as defined
7 in section 409(a)(7)(B)(i)) on employment, self-suffi-
8 ciency, child well-being, unmarried births, marriage, pov-
9 erty, economic mobility, and other factors as determined
10 by the Secretary.

11 “(b) EVALUATION OF GRANTS TO IMPROVE CHILD
12 WELL-BEING BY PROMOTING HEALTHY MARRIAGE AND
13 RESPONSIBLE FATHERHOOD.—The Secretary shall con-
14 duct research to determine the effects of the grants made
15 under section 403(a)(2) on child well-being, marriage,
16 family stability, economic mobility, poverty, and other fac-
17 tors as determined by the Secretary.

18 “(c) DISSEMINATION OF INFORMATION.—The Sec-
19 retary shall, in consultation with States receiving funds
20 provided under this part, develop methods of dissemi-
21 nating information on any research, evaluation, or study
22 conducted under this section, including facilitating the
23 sharing of information and best practices among States
24 and localities.

25 “(d) STATE-INITIATED EVALUATIONS.—A State
26 shall be eligible to receive funding to evaluate the State

1 program funded under this part or any other State pro-
2 gram funded with qualified State expenditures (as defined
3 in section 409(a)(7)(B)(i)) if—

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

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

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

14 “(e) CENSUS BUREAU RESEARCH.—

15 “(1) The Bureau of the Census shall implement
16 or enhance household surveys of program participa-
17 tion, in consultation with the Secretary and the
18 Bureau of Labor Statistics and made available to
19 interested parties, to allow for the assessment of the
20 outcomes of continued welfare reform on the eco-
21 nomic and child well-being of low-income families
22 with children, including those who received assist-
23 ance or services from a State program funded under
24 this part or any other State program funded with
25 qualified State expenditures (as defined in section

1 409(a)(7)(B)(i)). The content of the surveys should
2 include such information as may be necessary to ex-
3 amine the issues of unmarried childbearing, mar-
4 riage, welfare dependency and compliance with work
5 requirements, the beginning and ending of spells of
6 assistance, work, earnings and employment stability,
7 and the well-being of children.

8 “(2) To carry out the activities specified in
9 paragraph (1), the Bureau of the Census, the Sec-
10 retary, and the Bureau of Labor Statistics shall con-
11 sider ways to improve the surveys and data derived
12 from the surveys to—

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

16 “(B) increase understanding of poverty
17 spells and long-term poverty, including by facili-
18 tating the matching of information to better un-
19 derstand intergenerational poverty;

20 “(C) generate a better geographical under-
21 standing of poverty such as through State-
22 based estimates and measures of neighborhood
23 poverty;

1 “(D) increase understanding of the effects
2 of means-tested benefits and tax benefits on the
3 earnings of low-income families; and

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

7 “(f) RESEARCH AND EVALUATION CONDUCTED
8 UNDER THIS SECTION.—Research and evaluation con-
9 ducted under this section designed to determine the effects
10 of a program or policy (other than research conducted
11 under subsection (e)) shall use experimental designs using
12 random assignment or other reliable, evidence-based re-
13 search methodologies that allow for the strongest possible
14 causal inferences when random assignment is not feasible.

15 “(g) DEVELOPMENT OF WHAT WORKS CLEARING-
16 HOUSE OF PROVEN AND PROMISING APPROACHES TO
17 MOVE WELFARE RECIPIENTS INTO WORK.—

18 “(1) IN GENERAL.—The Secretary, in consulta-
19 tion with the Secretary of Labor, shall develop a
20 database (which shall be referred to as the ‘What
21 Works Clearinghouse of Proven and Promising
22 Projects to Move Welfare Recipients into Work’) of
23 the projects that used a proven approach or a prom-
24 ising approach in moving welfare recipients into
25 work, based on independent, rigorous evaluations of

1 the projects. The database shall include a separate
2 listing of projects that used a developmental ap-
3 proach in delivering services and a further separate
4 listing of the projects with no or negative effects.
5 The Secretary shall add to the What Works Clear-
6 inghouse of Proven and Promising Projects to Move
7 Welfare Recipients into Work data about the
8 projects that, based on an independent, well-con-
9 ducted experimental evaluation of a program or
10 project, using random assignment or other research
11 methodologies that allow for the strongest possible
12 causal inferences, have shown they are proven,
13 promising, developmental, or ineffective approaches.

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

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

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

24 “(i) is transparent;

25 “(ii) is consistent across agencies;

1 “(iii) provides opportunity for public
2 comment; and

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

9 “(3) DEFINITIONS.—In this subsection:

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

13 “(i) research-based, based on the re-
14 sults of one or more empirical studies, and
15 linked to program-determined outcomes;
16 and

17 “(ii) evaluated using rigorous research
18 designs.

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

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

23 “(ii) has demonstrated significant
24 positive outcomes at more than one site in
25 terms of increasing work and earnings of

1 participants, reducing poverty and depend-
2 ence, or strengthening families.

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

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

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

11 “(iii) that has demonstrated signifi-
12 cant positive outcomes at only one site in
13 terms of increasing work and earnings of
14 participants, reducing poverty and depend-
15 ence, or strengthening families; and

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

19 “(D) DEVELOPMENTAL APPROACH.—The
20 term ‘developmental approach’ means an ap-
21 proach that—

22 “(i) is research-based, grounded in
23 relevant empirically-based knowledge, and
24 linked to program-determined outcomes;

1 “(ii) is evaluated using rigorous re-
2 search designs; and

3 “(iii) has yet to demonstrate a signifi-
4 cant positive outcome in terms of increas-
5 ing work and earnings of participants in a
6 cost-effective way.

7 “(h) APPROPRIATION.—

8 “(1) IN GENERAL.—Of the amount appro-
9 priated by section 403(a)(1) for each fiscal year,
10 0.33 percent shall be available for research and eval-
11 uation under this section.

12 “(2) ALLOCATION.—Of the amount made avail-
13 able under paragraph (1) for each fiscal year, the
14 Secretary shall make available \$10,000,000 plus
15 such additional amount as the Secretary deems nec-
16 essary and appropriate, to carry out subsection
17 (e).”.

18 (b) CONFORMING AMENDMENT.—Section
19 403(a)(1)(B) of such Act (42 U.S.C. 603(a)(1)(B)) is
20 amended by inserting “, reduced by the percentage speci-
21 fied in section 413(h) with respect to the fiscal year,” be-
22 fore “as the amount”.

1 **SEC. 5. TECHNICAL CORRECTIONS TO DATA EXCHANGE**
2 **STANDARDS TO IMPROVE PROGRAM COORDI-**
3 **NATION.**

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

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

8 “(1) DESIGNATION.—The Secretary shall, in
9 consultation with an interagency work group estab-
10 lished by the Office of Management and Budget and
11 considering State government perspectives, by rule,
12 designate data exchange standards to govern, under
13 this part—

14 “(A) necessary categories of information
15 that State agencies operating programs under
16 State plans approved under this part are re-
17 quired under applicable Federal law to elec-
18 tronically exchange with another State agency;
19 and

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

22 “(2) REQUIREMENTS.—The data exchange
23 standards required by paragraph (1) shall, to the ex-
24 tent practicable—

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

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

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

12 “(D) be consistent with and implement ap-
13 plicable accounting principles;

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

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

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

23 (b) EFFECTIVE DATE.—Not later than the date that
24 is 24 months after the date of the enactment of this sec-

1 tion, the Secretary of Health and Human Services shall
2 issue a proposed rule that—

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

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

10 **SEC. 6. EFFECTIVE DATE.**

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

Passed the House of Representatives June 21, 2016.

Attest:

KAREN L. HAAS,

Clerk.