

115TH CONGRESS
1ST SESSION

S. 963

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

IN THE SENATE OF THE UNITED STATES

APRIL 27, 2017

Mr. YOUNG (for himself, Mr. BENNET, Ms. COLLINS, and Mr. BOOKER) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

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

6 **SEC. 2. SOCIAL IMPACT PARTNERSHIPS TO PAY FOR RE-**
7 **SULTS.**

8 Title XX of the Social Security Act (42 U.S.C. 1397
9 et seq.) is amended—

1 (1) in the title heading, by striking “**TO**
 2 **STATES**” and inserting “**AND PROGRAMS**
 3 **FOR**”; and

4 (2) by adding at the end the following new sub-
 5 title:

6 **“Subtitle C—Social Impact**
 7 **Partnerships**

8 **“SEC. 2051. PURPOSES.**

9 “The purposes of this subtitle are the following:

10 “(1) To improve the lives of families and indi-
 11 viduals in need in the United States by funding so-
 12 cial programs that achieve real results.

13 “(2) To redirect funds away from programs
 14 that, based on objective data, are ineffective, and
 15 into programs that achieve demonstrable, measur-
 16 able results.

17 “(3) To ensure Federal funds are used effec-
 18 tively on social services to produce positive outcomes
 19 for both service recipients and taxpayers.

20 “(4) To establish the use of social impact part-
 21 nerships to address some of our Nation’s most
 22 pressing problems.

23 “(5) To facilitate the creation of public-private
 24 partnerships that bundle philanthropic or other pri-
 25 vate resources with existing public spending to scale

1 up effective social interventions already being imple-
 2 mented by private organizations, nonprofits, chari-
 3 table organizations, and State and local governments
 4 across the country.

5 “(6) To bring pay-for-performance to the social
 6 sector, allowing the United States to improve the im-
 7 pact and effectiveness of vital social services pro-
 8 grams while redirecting inefficient or duplicative
 9 spending.

10 “(7) To incorporate outcomes measurement and
 11 randomized controlled trials or other rigorous meth-
 12 odologies for assessing program impact.

13 **“SEC. 2052. SOCIAL IMPACT PARTNERSHIP APPLICATION.**

14 “(a) NOTICE.—Not later than 1 year after the date
 15 of the enactment of this subtitle, the Secretary, in con-
 16 sultation with the Federal Interagency Council on Social
 17 Impact Partnerships, shall publish in the Federal Register
 18 a request for proposals from States or local governments
 19 for social impact partnership projects in accordance with
 20 this section.

21 “(b) REQUIRED OUTCOMES FOR SOCIAL IMPACT
 22 PARTNERSHIP PROJECT.—To qualify as a social impact
 23 partnership project under this subtitle, a project must
 24 produce one or more measurable, clearly defined outcomes

1 that result in social benefit and Federal savings through
2 any of the following:

3 “(1) Increasing work and earnings by individ-
4 uals in the United States who are unemployed for
5 more than 6 consecutive months.

6 “(2) Increasing employment and earnings of in-
7 dividuals who have attained 16 years of age but not
8 25 years of age.

9 “(3) Increasing employment among individuals
10 receiving Federal disability benefits.

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

13 “(5) Improving rates of high school graduation.

14 “(6) Reducing teen and unplanned pregnancies.

15 “(7) Improving birth outcomes and early child-
16 hood health and development among low-income
17 families and individuals.

18 “(8) Reducing rates of asthma, diabetes, or
19 other preventable diseases among low-income fami-
20 lies and individuals to reduce the utilization of emer-
21 gency and other high-cost care.

22 “(9) Increasing the proportion of children living
23 in two-parent families.

24 “(10) Reducing incidences and adverse con-
25 sequences of child abuse and neglect.

1 “(11) Reducing the number of youth in foster
2 care by increasing adoptions, permanent guardian-
3 ship arrangements, reunifications, or placements
4 with a fit and willing relative, or by avoiding placing
5 children in foster care by ensuring they can be cared
6 for safely in their own homes.

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

14 “(13) Reducing the number of children return-
15 ing to foster care.

16 “(14) Reducing recidivism among juvenile of-
17 fenders, individuals released from prison, or other
18 high-risk populations.

19 “(15) Reducing the rate of homelessness among
20 our most vulnerable populations.

21 “(16) Improving the health and well-being of
22 those with mental, emotional, and behavioral health
23 needs.

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

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

3 “(19) Increasing the financial stability of low-
4 income families.

5 “(20) Increasing the independence and employ-
6 ability of individuals who are physically or mentally
7 disabled.

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

11 “(c) APPLICATION REQUIRED.—The notice described
12 in subsection (a) shall require a State or local government
13 to submit an application for the social impact partnership
14 project that addresses the following:

15 “(1) The outcome goals of the project.

16 “(2) A description of each intervention in the
17 project and anticipated outcomes of the intervention.

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

21 “(4) The target population that will be served
22 by the project.

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

1 “(6) Projected Federal, State, and local govern-
2 ment costs and other costs to conduct the project.

3 “(7) Projected Federal, State, and local govern-
4 ment savings and other savings, including an esti-
5 mate of the savings to the Federal Government, on
6 a program-by-program basis and in the aggregate, if
7 the project is implemented and the outcomes are
8 achieved as a result of the intervention.

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

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

15 “(10) A description of the expertise of each
16 service provider that will administer the intervention,
17 including a summary of the experience of the service
18 provider in delivering the proposed intervention or a
19 similar intervention, or demonstrating that the serv-
20 ice provider has the expertise necessary to deliver
21 the proposed intervention.

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

1 “(12) The detailed roles and responsibilities of
 2 each entity involved in the project, including any
 3 State or local government entity, intermediary, serv-
 4 ice provider, independent evaluator, investor, or
 5 other stakeholder.

6 “(13) A summary of the experience of the serv-
 7 ice provider in delivering the proposed intervention
 8 or a similar intervention, or a summary dem-
 9 onstrating the service provider has the expertise nec-
 10 essary to deliver the proposed intervention.

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

15 “(15) The proposed payment terms, the meth-
 16 odology used to calculate outcome payments, the
 17 payment schedule, and performance thresholds.

18 “(16) The project budget.

19 “(17) The project timeline.

20 “(18) The criteria used to determine the eligi-
 21 bility of an individual for the project, including how
 22 selected populations will be identified, how they will
 23 be referred to the project, and how they will be en-
 24 rolled in the project.

25 “(19) The evaluation design.

1 “(20) The metrics that will be used in the eval-
2 uation to determine whether the outcomes have been
3 achieved as a result of the intervention and how the
4 metrics will be measured.

5 “(21) An explanation of how the metrics used
6 in the evaluation to determine whether the outcomes
7 achieved as a result of the intervention are inde-
8 pendent, objective indicators of impact and are not
9 subject to manipulation by the service provider,
10 intermediary, or investor.

11 “(22) A summary explaining the independence
12 of the evaluator from the other entities involved in
13 the project and the evaluator’s experience in con-
14 ducting rigorous evaluations of program effective-
15 ness including, where available, well-implemented
16 randomized controlled trials on the intervention or
17 similar interventions.

18 “(23) Any potential payment disputes related to
19 the outcomes of the evaluation.

20 “(24) The capacity of the service provider to
21 deliver the intervention to the number of partici-
22 pants the State or local government proposes to
23 serve in the project.

24 “(25) A description of whether and how the
25 State or local government and service providers plan

1 to sustain the intervention, if it is timely and appro-
2 priate to do so, to ensure that successful interven-
3 tions continue to operate after the period of the so-
4 cial impact partnership.

5 “(d) PROJECT INTERMEDIARY INFORMATION RE-
6 QUIRED.—The application described in subsection (c) shall
7 also contain the following information about any inter-
8 mediary for the social impact partnership project (whether
9 an intermediary is a service provider or other entity):

10 “(1) Experience and capacity for providing or
11 facilitating the provision of the type of intervention
12 proposed.

13 “(2) The mission and goals.

14 “(3) Information on whether the intermediary
15 is already working with service providers that pro-
16 vide this intervention or an explanation of the capac-
17 ity of the intermediary to begin working with service
18 providers to provide the intervention.

19 “(4) Experience working in a collaborative envi-
20 ronment across government and nongovernmental
21 entities.

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

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

3 “(7) Capacity and infrastructure to track out-
4 comes and measure results, including—

5 “(A) capacity to track and analyze pro-
6 gram performance and assess program impact;
7 and

8 “(B) experience with performance-based
9 awards or performance-based contracting and
10 achieving project milestones and targets.

11 “(8) Role in delivering the intervention.

12 “(9) How the intermediary would monitor pro-
13 gram success, including a description of the interim
14 benchmarks and outcome measures.

15 “(e) FEASIBILITY STUDIES FUNDED THROUGH
16 OTHER SOURCES.—The notice described in subsection (a)
17 shall permit a State or local government to submit an ap-
18 plication for social impact partnership funding that con-
19 tains information from a feasibility study developed for
20 purposes other than applying for funding under this sub-
21 title.

22 **“SEC. 2053. AWARDING SOCIAL IMPACT PARTNERSHIP**
23 **AGREEMENTS.**

24 “(a) TIMELINE IN AWARDING AGREEMENT.—Not
25 later than 6 months after receiving an application in ac-

1 cordance with section 2052, the Secretary, in consultation
2 with the Federal Interagency Council on Social Impact
3 Partnerships, shall determine whether to enter into an
4 agreement for a social impact partnership project with a
5 State or local government.

6 “(b) CONSIDERATIONS IN AWARDING AGREEMENT.—

7 In determining whether to enter into an agreement for a
8 social impact partnership project (the application for
9 which was submitted under section 2052) the Secretary,
10 in consultation with the Federal Interagency Council on
11 Social Impact Partnerships (established by section 2056)
12 and the head of any Federal agency administering a simi-
13 lar intervention or serving a population similar to that
14 served by the project, shall consider each of the following:

15 “(1) The recommendations made by the Com-
16 mission on Social Impact Partnerships.

17 “(2) The value to the Federal Government of
18 the outcomes expected to be achieved if the outcomes
19 specified in the agreement are achieved as a result
20 of the intervention.

21 “(3) The likelihood, based on evidence provided
22 in the application and other evidence, that the State
23 or local government in collaboration with the inter-
24 mediary and the service providers will achieve the
25 outcomes.

1 “(4) The savings to the Federal Government if
2 the outcomes specified in the agreement are achieved
3 as a result of the intervention.

4 “(5) The savings to the State and local govern-
5 ments if the outcomes specified in the agreement are
6 achieved as a result of the intervention.

7 “(6) The expected quality of the evaluation that
8 would be conducted with respect to the agreement.

9 “(7) The capacity and commitment of the State
10 or local government to sustain the intervention, if
11 appropriate and timely and if the intervention is suc-
12 cessful, beyond the period of the social impact part-
13 nership.

14 “(c) AGREEMENT AUTHORITY.—

15 “(1) AGREEMENT REQUIREMENTS.—The Sec-
16 retary, in consultation with the Federal Interagency
17 Council on Social Impact Partnerships and the head
18 of any Federal agency administering a similar inter-
19 vention or serving a population similar to that
20 served by the project, may enter into an agreement
21 for a social impact partnership project with a State
22 or local government if the Secretary, in consultation
23 with the Federal Interagency Council on Social Im-
24 pact Partnerships, determines that each of the fol-
25 lowing requirements are met:

1 “(A) The State or local government agrees
2 to achieve one or more outcomes as a result of
3 the intervention, as specified in the agreement
4 and validated by independent evaluation, in
5 order to receive payment.

6 “(B) The Federal payment to the State or
7 local government for each specified outcome
8 achieved as a result of the intervention is less
9 than or equal to the value of the outcome to the
10 Federal Government over a period not to exceed
11 10 years, as determined by the Secretary, in
12 consultation with the State or local government.

13 “(C) The duration of the project does not
14 exceed 10 years.

15 “(D) The State or local government has
16 demonstrated, through the application sub-
17 mitted under section 2052, that, based on prior
18 rigorous experimental evaluations or rigorous
19 quasi-experimental studies, the intervention can
20 be expected to achieve each outcome specified in
21 the agreement.

22 “(E) The State, local government, inter-
23 mediary, or service provider has experience rais-
24 ing private or philanthropic capital to fund so-

1 cial service investments (if applicable to the
2 project).

3 “(F) The State or local government has
4 shown that each service provider has experience
5 delivering the intervention, a similar interven-
6 tion, or has otherwise demonstrated the exper-
7 tise necessary to deliver the intervention.

8 “(2) PAYMENT.—The Secretary shall pay the
9 State or local government only if the independent
10 evaluator described in section 2055 determines that
11 the social impact partnership project has met the re-
12 quirements specified in the agreement and achieved
13 an outcome as a result of the intervention, as speci-
14 fied in the agreement and validated by independent
15 evaluation.

16 “(3) LIMITATION.—The Secretary may not
17 enter into a contract for a social impact partnership
18 project under paragraph (1) after the date that is 10
19 years after the date of enactment of the Social Im-
20 pact Partnerships to Pay for Results Act.

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

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

3 “(2) A description of each intervention in the
4 project.

5 “(3) The target population that will be served
6 by the project.

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

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

14 “(6) The payment terms, the methodology used
15 to calculate outcome payments, the payment sched-
16 ule, and performance thresholds.

17 “(7) The project budget.

18 “(8) The project timeline.

19 “(9) The project eligibility criteria.

20 “(10) The evaluation design.

21 “(11) The metrics that will be used in the eval-
22 uation to determine whether the outcomes have been
23 achieved as a result of each intervention and how
24 these metrics will be measured.

1 “(12) The estimate of the savings to the Fed-
 2 eral, State, and local government, on a program-by-
 3 program basis and in the aggregate, if the agree-
 4 ment is entered into and implemented and the out-
 5 comes are achieved as a result of each intervention.

6 “(e) **AUTHORITY TO TRANSFER ADMINISTRATION OF**
 7 **AGREEMENT.**—The Secretary may transfer to the head of
 8 another Federal agency the authority to administer (in-
 9 cluding making payments under) an agreement entered
 10 into under this section, and any funds necessary to do so.

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

15 **“SEC. 2054. FEASIBILITY STUDY FUNDING.**

16 “(a) **REQUESTS FOR FUNDING FOR FEASIBILITY**
 17 **STUDIES.**—The Secretary shall reserve a portion of the
 18 amounts appropriated to carry out this subtitle to assist
 19 States or local governments in developing feasibility stud-
 20 ies to apply for social impact partnership funding under
 21 section 2052. To be eligible to receive funding to assist
 22 with completing a feasibility study, a State or local govern-
 23 ment shall submit an application for feasibility study fund-
 24 ing addressing the following:

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

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

7 “(3) Evidence to support the likelihood that the
8 intervention will produce the desired outcomes.

9 “(4) A description of the potential metrics to be
10 used.

11 “(5) The expected social benefits to participants
12 who receive the intervention and others who may be
13 impacted.

14 “(6) Estimated costs to conduct the project.

15 “(7) Estimates of Federal, State, and local gov-
16 ernment savings and other savings if the project is
17 implemented and the outcomes are achieved as a re-
18 sult of each intervention.

19 “(8) An estimated timeline for implementation
20 and completion of the project, which shall not exceed
21 10 years.

22 “(9) With respect to a project for which the
23 State or local government selects an intermediary to
24 operate the project, any partnerships needed to suc-

1 ccessfully execute the project and the ability of the
2 intermediary to foster the partnerships.

3 “(10) The expected resources needed to com-
4 plete the feasibility study for the State or local gov-
5 ernment to apply for social impact partnership fund-
6 ing under section 2052.

7 “(b) FEDERAL SELECTION OF APPLICATIONS FOR
8 FEASIBILITY STUDY.—Not later than 6 months after re-
9 ceiving an application for feasibility study funding under
10 subsection (a), the Secretary, in consultation with the
11 Federal Interagency Council on Social Impact Partner-
12 ships and the head of any Federal agency administering
13 a similar intervention or serving a population similar to
14 that served by the project, shall select State or local gov-
15 ernment feasibility study proposals for funding based on
16 the following:

17 “(1) The recommendations made by the Com-
18 mission on Social Impact Partnerships.

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

21 “(3) The value of the outcomes expected to be
22 achieved as a result of each intervention.

23 “(4) The potential savings to the Federal Gov-
24 ernment if the social impact partnership project is
25 successful.

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

3 “(c) PUBLIC DISCLOSURE.—Not later than 30 days
4 after selecting a State or local government for feasibility
5 study funding under this section, the Secretary shall cause
6 to be published on the website of the Federal Interagency
7 Council on Social Impact Partnerships information ex-
8 plaining why a State or local government was granted fea-
9 sibility study funding.

10 “(d) FUNDING RESTRICTION.—

11 “(1) FEASIBILITY STUDY RESTRICTION.—The
12 Secretary may not provide feasibility study funding
13 under this section for more than 50 percent of the
14 estimated total cost of the feasibility study reported
15 in the State or local government application sub-
16 mitted under subsection (a).

17 “(2) AGGREGATE RESTRICTION.—Of the total
18 amounts appropriated to carry out this subtitle, the
19 Secretary may not use more than \$10,000,000 to
20 provide feasibility study funding to States or local
21 governments under this section.

22 “(3) NO GUARANTEE OF FUNDING.—The Sec-
23 retary shall have the option to award no funding
24 under this section.

1 “(e) SUBMISSION OF FEASIBILITY STUDY RE-
 2 QUIRED.—Not later than 9 months after the receipt of
 3 feasibility study funding under this section, a State or
 4 local government receiving the funding shall complete the
 5 feasibility study and submit the study to the Federal
 6 Interagency Council on Social Impact Partnerships.

7 “(f) DELEGATION OF AUTHORITY.—The Secretary
 8 may transfer to the head of another Federal agency the
 9 authorities provided in this section and any funds nec-
 10 essary to exercise the authorities.

11 **“SEC. 2055. EVALUATIONS.**

12 “(a) AUTHORITY TO ENTER INTO AGREEMENTS.—
 13 For each State or local government awarded a social im-
 14 pact partnership project approved by the Secretary under
 15 this subtitle, the head of the relevant agency, as rec-
 16 ommended by the Federal Interagency Council on Social
 17 Impact Partnerships and determined by the Secretary,
 18 shall enter into an agreement with the State or local gov-
 19 ernment to pay for all or part of the independent evalua-
 20 tion to determine whether the State or local government
 21 project has achieved a specific outcome as a result of the
 22 intervention in order for the State or local government to
 23 receive outcome payments under this subtitle.

24 “(b) EVALUATOR QUALIFICATIONS.—The head of the
 25 relevant agency may not enter into an agreement with a

1 State or local government unless the head determines that
 2 the evaluator is independent of the other parties to the
 3 agreement and has demonstrated substantial experience in
 4 conducting rigorous evaluations of program effectiveness
 5 including, where available and appropriate, well-imple-
 6 mented randomized controlled trials on the intervention or
 7 similar interventions.

8 “(c) METHODOLOGIES TO BE USED.—The evalua-
 9 tion used to determine whether a State or local govern-
 10 ment will receive outcome payments under this subtitle
 11 shall use experimental designs using random assignment
 12 or other reliable, evidence-based research methodologies,
 13 as certified by the Federal Interagency Council on Social
 14 Impact Partnerships, that allow for the strongest possible
 15 causal inferences when random assignment is not feasible.

16 “(d) PROGRESS REPORT.—

17 “(1) SUBMISSION OF REPORT.—The inde-
 18 pendent evaluator shall—

19 “(A) not later than 2 years after a project
 20 has been approved by the Secretary and bian-
 21 nually thereafter until the project is concluded,
 22 submit to the head of the relevant agency and
 23 the Federal Interagency Council on Social Im-
 24 pact Partnerships a written report summarizing

1 the progress that has been made in achieving
2 each outcome specified in the agreement; and

3 “(B) before the scheduled time of the first
4 outcome payment and before the scheduled time
5 of each subsequent payment, submit to the
6 head of the relevant agency and the Federal
7 Interagency Council on Social Impact Partner-
8 ships a written report that includes the results
9 of the evaluation conducted to determine wheth-
10 er an outcome payment should be made along
11 with information on the unique factors that
12 contributed to achieving or failing to achieve
13 the outcome, the challenges faced in attempting
14 to achieve the outcome, and information on the
15 improved future delivery of this or similar inter-
16 ventions.

17 “(2) SUBMISSION TO THE SECRETARY AND
18 CONGRESS.—Not later than 30 days after receipt of
19 the written report pursuant to paragraph (1)(B), the
20 Federal Interagency Council on Social Impact Part-
21 nerships shall submit the report to the Secretary
22 and each committee of jurisdiction in the House of
23 Representatives and the Senate.

24 “(e) FINAL REPORT.—

1 “(1) SUBMISSION OF REPORT.—Within 6
2 months after the social impact partnership project is
3 completed, the independent evaluator shall—

4 “(A) evaluate the effects of the activities
5 undertaken pursuant to the agreement with re-
6 gard to each outcome specified in the agree-
7 ment; and

8 “(B) submit to the head of the relevant
9 agency and the Federal Interagency Council on
10 Social Impact Partnerships a written report
11 that includes the results of the evaluation and
12 the conclusion of the evaluator as to whether
13 the State or local government has fulfilled each
14 obligation of the agreement, along with infor-
15 mation on the unique factors that contributed
16 to the success or failure of the project, the chal-
17 lenges faced in attempting to achieve the out-
18 come, and information on the improved future
19 delivery of this or similar interventions.

20 “(2) SUBMISSION TO THE SECRETARY AND
21 CONGRESS.—Not later than 30 days after receipt of
22 the written report pursuant to paragraph (1)(B), the
23 Federal Interagency Council on Social Impact Part-
24 nerships shall submit the report to the Secretary

1 and each committee of jurisdiction in the House of
2 Representatives and the Senate.

3 “(f) LIMITATION ON COST OF EVALUATIONS.—Of
4 the amounts appropriated to carry out this subtitle, the
5 Secretary may not obligate more than 15 percent to evalu-
6 ate the implementation and outcomes of the projects.

7 “(g) DELEGATION OF AUTHORITY.—The Secretary
8 may transfer to the head of another Federal agency the
9 authorities provided in this section and any funds nec-
10 essary to exercise the authorities.

11 **“SEC. 2056. FEDERAL INTERAGENCY COUNCIL ON SOCIAL**
12 **IMPACT PARTNERSHIPS.**

13 “(a) ESTABLISHMENT.—There is established the
14 Federal Interagency Council on Social Impact Partner-
15 ships (in this section referred to as the ‘Council’) to—

16 “(1) coordinate with the Secretary on the ef-
17 forts of social impact partnership projects funded
18 under this subtitle;

19 “(2) advise and assist the Secretary in the de-
20 velopment and implementation of the projects;

21 “(3) advise the Secretary on specific pro-
22 grammatic and policy matter related to the projects;

23 “(4) provide subject-matter expertise to the
24 Secretary with regard to the projects;

1 “(5) certify to the Secretary that each State or
2 local government that has entered into an agreement
3 with the Secretary for a social impact partnership
4 project under this subtitle and each evaluator se-
5 lected by the head of the relevant agency under sec-
6 tion 2055 has access to Federal administrative data
7 to assist the State or local government and the eval-
8 uator in evaluating the performance and outcomes of
9 the project;

10 “(6) address issues that will influence the fu-
11 ture of social impact partnership projects in the
12 United States;

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

16 “(8) prior to approval by the Secretary, certify
17 that each State and local government application for
18 a social impact partnership contains rigorous, inde-
19 pendent data and reliable, evidence-based research
20 methodologies to support the conclusion that the
21 project will yield savings to the State or local gov-
22 ernment or the Federal Government if the project
23 outcomes are achieved;

24 “(9) certify to the Secretary, in the case of each
25 approved social impact partnership that is expected

1 to yield savings to the Federal Government, that the
 2 project will yield a projected savings to the Federal
 3 Government if the project outcomes are achieved,
 4 and coordinate with the relevant Federal agency to
 5 produce an after-action accounting once the project
 6 is complete to determine the actual Federal savings
 7 realized, and the extent to which actual savings
 8 aligned with projected savings; and

9 “(10) provide periodic reports to the Secretary
 10 and make available reports periodically to Congress
 11 and the public on the implementation of this sub-
 12 title.

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

15 “(1) CHAIR.—The Chair of the Council shall be
 16 the Director of the Office of Management and Budg-
 17 et.

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

21 “(A) The Department of Labor.

22 “(B) The Department of Health and
 23 Human Services.

24 “(C) The Social Security Administration.

25 “(D) The Department of Agriculture.

1 “(E) The Department of Justice.

2 “(F) The Department of Housing and
3 Urban Development.

4 “(G) The Department of Education.

5 “(H) The Department of Veterans Affairs.

6 “(I) The Department of the Treasury.

7 “(J) The Corporation for National and
8 Community Service.

9 **“SEC. 2057. COMMISSION ON SOCIAL IMPACT PARTNER-**
10 **SHIPS.**

11 “(a) ESTABLISHMENT.—There is established the
12 Commission on Social Impact Partnerships (in this section
13 referred to as the ‘Commission’).

14 “(b) DUTIES.—The duties of the Commission shall
15 be to—

16 “(1) assist the Secretary and the Federal Inter-
17 agency Council on Social Impact Partnerships in re-
18 viewing applications for funding under this subtitle;

19 “(2) make recommendations to the Secretary
20 and the Federal Interagency Council on Social Im-
21 pact Partnerships regarding the funding of social
22 impact partnership agreements and feasibility stud-
23 ies; and

1 “(3) provide other assistance and information
2 as requested by the Secretary or the Federal Inter-
3 agency Council on Social Impact Partnerships.

4 “(c) COMPOSITION.—The Commission shall be com-
5 posed of nine members, of whom—

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

8 “(2) one shall be appointed by the Majority
9 Leader of the Senate;

10 “(3) one shall be appointed by the Minority
11 Leader of the Senate;

12 “(4) one shall be appointed by the Speaker of
13 the House of Representatives;

14 “(5) one shall be appointed by the Minority
15 Leader of the House of Representatives;

16 “(6) one shall be appointed by the Chairman of
17 the Committee on Finance of the Senate;

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

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

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

1 “(d) QUALIFICATIONS OF COMMISSION MEMBERS.—

2 The members of the Commission shall—

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

5 “(2) have relevant professional or personal ex-
6 perience in a field related to one or more of the out-
7 comes listed in section 2052(b); or

8 “(3) be qualified to review applications for so-
9 cial impact partnership projects to determine wheth-
10 er the proposed metrics and evaluation methodolo-
11 gies are appropriately rigorous and reliant upon
12 independent data and evidence-based research.

13 “(e) TIMING OF APPOINTMENTS.—The appointments
14 of the members of the Commission shall be made not later
15 than 120 days after the date of the enactment of this sub-
16 title, or, in the event of a vacancy, not later than 90 days
17 after the date the vacancy arises. If a member of Congress
18 fails to appoint a member by that date, the President may
19 select a member of the President’s choice on behalf of the
20 member of Congress. Notwithstanding the preceding sen-
21 tence, if not all appointments have been made to the Com-
22 mission as of that date, the Commission may operate with
23 no fewer than 5 members until all appointments have been
24 made.

25 “(f) TERM OF APPOINTMENTS.—

1 “(1) IN GENERAL.—The members appointed
2 under subsection (c) shall serve as follows:

3 “(A) Three members shall serve for 2
4 years.

5 “(B) Three members shall serve for 3
6 years.

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

10 “(2) ASSIGNMENT OF TERMS.—The Commis-
11 sion shall designate the term length that each mem-
12 ber appointed under subsection (c) shall serve by
13 unanimous agreement. In the event that unanimous
14 agreement cannot be reached, term lengths shall be
15 assigned to the members by a random process.

16 “(g) VACANCIES.—Subject to subsection (e), in the
17 event of a vacancy in the Commission, whether due to the
18 resignation of a member, the expiration of a member’s
19 term, or any other reason, the vacancy shall be filled in
20 the manner in which the original appointment was made
21 and shall not affect the powers of the Commission.

22 “(h) ETHICS GUIDELINES.—At the first meeting of
23 the Commission, the Commission shall draft appropriate
24 ethics guidelines for members of the Commission and
25 staff. The guidelines shall include provisions relating to

1 conflicts of interest, including financial conflicts of inter-
 2 est, divided allegiances, and financial disclosure require-
 3 ments. The Commission shall consult with the Secretary
 4 as a part of drafting the guidelines and shall furnish the
 5 Secretary with a copy of the completed guidelines.

6 “(i) APPOINTMENT POWER.—Members of the Com-
 7 mission appointed under subsection (c) shall not be sub-
 8 ject to confirmation by the Senate.

9 **“SEC. 2058. FUNDING.**

10 “(a) IN GENERAL.—Out of any money in the Treas-
 11 ury not otherwise appropriated, there is hereby appro-
 12 priated to the Secretary, \$300,000,000 to carry out the
 13 activities authorized under this subtitle, which shall re-
 14 main available for expenditure through the date described
 15 in section 2053(c)(3).

16 “(b) LIMITATION ON USE OF FUNDS.—Of the
 17 amounts appropriated to carry out this subtitle, the Sec-
 18 retary may not use more than \$2,000,000 in any fiscal
 19 year to support the review, approval, and oversight of so-
 20 cial impact partnership projects, including activities con-
 21 ducted by—

22 “(1) the Federal Interagency Council on Social
 23 Impact Partnerships established under section 2056;

24 “(2) the Commission on Social Impact Partner-
 25 ships established under section 2057; and

1 “(3) any other agency consulted by the Sec-
 2 retary before approving a social impact partnership
 3 project or a feasibility study under section 2054.

4 “(c) NO FEDERAL FUNDING FOR CREDIT ENHANCE-
 5 MENTS.—No amount appropriated to carry out this sub-
 6 title may be used to provide any insurance, guarantee, or
 7 other credit enhancement to a State or local government
 8 under which a Federal payment would be made to a State
 9 or local government as the result of a State or local gov-
 10 ernment failing to achieve an outcome specified in an
 11 agreement.

12 **“SEC. 2059. WEBSITE.**

13 “The Federal Interagency Council on Social Impact
 14 Partnerships shall establish and maintain a public website
 15 that shall display the following:

16 “(1) A copy of, or method of accessing, each
 17 notice published regarding a social impact partner-
 18 ship project pursuant to this subtitle.

19 “(2) A copy of each feasibility study funded
 20 under section 2054.

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

25 “(A) The outcome goals of the project.

1 “(B) A description of each intervention in
2 the project.

3 “(C) The target population that will be
4 served by the project.

5 “(D) The expected social benefits to par-
6 ticipants who receive the intervention and oth-
7 ers who may be impacted.

8 “(E) The detailed roles, responsibilities,
9 and purposes of each Federal, State, or local
10 government entity, intermediary, service pro-
11 vider, independent evaluator, investor, or other
12 stakeholder.

13 “(F) The payment terms, methodology
14 used to calculate outcome payments, the pay-
15 ment schedule, and performance thresholds.

16 “(G) The project budget.

17 “(H) The project timeline.

18 “(I) The project eligibility criteria.

19 “(J) The evaluation design.

20 “(K) The metrics used to determine wheth-
21 er the proposed outcomes have been achieved
22 and how these metrics are measured.

23 “(4) A copy of the progress reports and the
24 final reports relating to each social impact partner-
25 ship project.

1 “(5) An estimate of the savings to the Federal,
 2 State, and local government, on a program-by-pro-
 3 gram basis and in the aggregate, resulting from the
 4 successful completion of the social impact partner-
 5 ship project.

6 **“SEC. 2060. REGULATIONS.**

7 “The Secretary, in consultation with the Federal
 8 Interagency Council on Social Impact Partnerships, may
 9 issue regulations as necessary to carry out this subtitle.

10 **“SEC. 2061. GAO EVALUATION.**

11 “(a) IN GENERAL.—Five years after the date of en-
 12 actment of the Social Impact Partnerships to Pay for Re-
 13 sults Act, the Comptroller General of the United States
 14 shall—

15 “(1) conduct an evaluation of the social impact
 16 partnership projects funded under this subtitle and,
 17 to the extent the Comptroller General determines
 18 necessary, of any other activities carried out with
 19 funds made available to carry out this subtitle; and

20 “(2) submit a report to the Committee on Ways
 21 and Means of the House of Representatives and to
 22 the Committee on Finance of the Senate that con-
 23 tains the results of such evaluation.

24 “(b) ACCESS TO RECORDS.—The Comptroller Gen-
 25 eral of the United States shall have access to any books,

1 accounts, records, correspondence, and other documents
 2 that are related to the expenditure of Federal funds under
 3 this subtitle and that are in the possession, custody, or
 4 control of any entity receiving Federal funds under this
 5 subtitle or of any grantee or contractor of such an entity.

6 **“SEC. 2062. DEFINITIONS.**

7 “In this subtitle

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

11 “(2) INTERVENTION.—The term ‘intervention’
 12 means a specific service delivered to achieve an im-
 13 pact through a social impact partnership project.

14 “(3) SECRETARY.—The term ‘Secretary’ means
 15 the Secretary of the Treasury.

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

20 “(5) SOCIAL IMPACT PARTNERSHIP MODEL.—
 21 The term ‘social impact partnership model’ means a
 22 method of financing social services in which—

23 “(A) Federal funds are awarded to a State
 24 or local government only if a State or local gov-
 25 ernment achieves certain outcomes agreed on by

1 the State or local government and the Sec-
2 retary; and

3 “(B) the State or local government coordi-
4 nates with service providers, investors (if appli-
5 cable to the project), and (if necessary) an
6 intermediary to identify—

7 “(i) an intervention expected to
8 produce the outcome;

9 “(ii) a service provider to deliver the
10 intervention to the target population; and

11 “(iii) investors to fund the delivery of
12 the intervention.

13 “(6) STATE.—The term ‘State’ means each
14 State of the United States, the District of Columbia,
15 each commonwealth, territory or possession of the
16 United States, and each federally recognized Indian
17 tribe.”.

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