

A motion to reconsider was laid on the table.

# **SOCIAL IMPACT PARTNERSHIPS TO PAY FOR RESULTS ACT**

Mr. YOUNG of Indiana. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5170) to encourage and support partnerships between the public and private sectors to improve our Nation's social programs, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5170

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## **SECTION 1. SHORT TITLE.**

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

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

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

“(C) SOCIAL IMPACT DEMONSTRATION PROJECTS.—

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

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

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

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

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

“(E) To facilitate the creation of public-private partnerships that bundle philanthropic or other private resources with existing public spending to scale up effective social interventions already being implemented by private organizations, nonprofits, charitable organizations, and State and local governments across the country.

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

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

“(2) SOCIAL IMPACT PARTNERSHIP APPLICATION.—

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

“(B) REQUIRED OUTCOMES FOR SOCIAL IMPACT PARTNERSHIP PROJECT.—To qualify as a social impact partnership project under this subsection, a project must produce 1 or more measurable, clearly defined outcomes that result in social benefit and Federal savings through any of the following:

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

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

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

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

“(v) Improving rates of high school graduation.

“(vi) Reducing teen and unplanned pregnancies.

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

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

“(ix) Increasing the proportion of children living in 2-parent families.

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

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

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

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

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

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

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

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

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

“(xix) Increasing the financial stability of low-income families.

“(xx) Increasing the independence and employability of individuals who are physically or mentally disabled.

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

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

“(i) The outcome goals of the project.

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

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

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

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

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

“(vii) Projected Federal, State, and local government savings and other savings, including an estimate of the savings to the Federal Government, on a program-by-pro-

gram basis and in the aggregate, if the project is implemented and the outcomes are achieved.

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

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

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

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

“(xii) The detailed roles and responsibilities of each entity involved in the project, including any State or local government entity, intermediary, service provider, independent evaluator, investor, or other stakeholder.

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

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

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

“(xvi) The project budget.

“(xvii) The project timeline.

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

“(xix) The evaluation design.

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

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

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

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

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

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

“(ii) The mission and goals.

“(iii) Information on whether the intermediary is already working with service providers that provide this intervention or an

explanation of the capacity of the intermediary to begin working with service providers to provide the intervention.

“(iv) Experience working in a collaborative environment across government and non-governmental entities.

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

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

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

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

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

“(viii) Role in delivering the intervention.

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

“(E) FEASIBILITY STUDIES FUNDED THROUGH OTHER SOURCES.—The notice described in subparagraph (A) shall permit a State or local government to submit an application for social impact partnership funding that contains information from a feasibility study developed for purposes other than applying for funding under this subsection.

“(3) AWARDING SOCIAL IMPACT PARTNERSHIP AGREEMENTS.—

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

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

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

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

“(iii) The likelihood, based on evidence provided in the application and other evidence, that the State or local government in collaboration with the intermediary and the service providers will achieve the outcomes.

“(iv) The savings to the Federal Government if the outcomes specified in the agreement are achieved.

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

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

“(C) AGREEMENT AUTHORITY.—

“(i) AGREEMENT REQUIREMENTS.—In accordance with this paragraph, the Secretary, in consultation with the Federal Interagency Council on Social Impact Partnerships and the head of any Federal agency administering a similar intervention or serving a population similar to that served by the project, may enter into an agreement for a social impact partnership project with a State or local government if the Secretary, in consultation with the Federal Interagency

Council on Social Impact Partnerships, determines that each of the following requirements are met:

“(I) The State or local government agrees to achieve 1 or more outcomes specified in the agreement in order to receive payment.

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

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

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

“(V) The State, local government, intermediary, or service provider has experience raising private or philanthropic capital to fund social service investments (if applicable to the project).

“(VI) The State or local government has shown that each service provider has experience delivering the intervention, a similar intervention, or has otherwise demonstrated the expertise necessary to deliver the intervention.

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

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

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

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

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

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

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

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

“(vii) The project budget.

“(viii) The project timeline.

“(ix) The project eligibility criteria.

“(x) The evaluation design.

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

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

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

“(F) REQUIREMENT ON FUNDING USED TO BENEFIT CHILDREN.—Not less than 50 percent of all Federal payments made to carry out

agreements under this paragraph shall be used for initiatives that directly benefit children.

“(4) FEASIBILITY STUDY FUNDING.—

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

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

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

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

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

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

“(vi) Estimated costs to conduct the project.

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

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

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

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

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

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

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

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

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

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

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

“(D) FUNDING RESTRICTION.—

“(i) FEASIBILITY STUDY RESTRICTION.—The Secretary may not provide feasibility study funding under this paragraph for more than 50 percent of the estimated total cost of the

feasibility study reported in the State or local government application submitted under subparagraph (A).

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

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

“(E) SUBMISSION OF FEASIBILITY STUDY REQUIRED.—Not later than 9 months after the receipt of feasibility study funding under this paragraph, a State or local government receiving the funding shall complete the feasibility study and submit the study to the Federal Interagency Council on Social Impact Partnerships.

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

“(5) EVALUATIONS.—

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

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

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

“(D) PROGRESS REPORT.—

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

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

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

improved future delivery of this or similar interventions.

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

“(E) FINAL REPORT.—

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

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

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

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

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

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

“(6) FEDERAL INTERAGENCY COUNCIL ON SOCIAL IMPACT PARTNERSHIPS.—

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

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

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

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

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

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

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

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

“(viii) review State and local government applications for social impact partnerships to ensure that agreements will only be awarded under this subsection when rigorous, independent data and reliable, evidence-based research methodologies support

the conclusion that an agreement will yield savings to the Federal Government if the project outcomes are achieved before the applications are approved by the Secretary;

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

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

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

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

“(ii) OTHER MEMBERS.—The head of each of the following entities shall designate 1 officer or employee of the entity to be a Council member:

“(I) The Department of Labor.

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

“(III) The Social Security Administration.

“(IV) The Department of Agriculture.

“(V) The Department of Justice.

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

“(VII) The Department of Education.

“(VIII) The Department of Veterans Affairs.

“(IX) The Department of the Treasury.

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

“(7) COMMISSION ON SOCIAL IMPACT PARTNERSHIPS.—

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

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

“(i) assist the Secretary and the Federal Interagency Council on Social Impact Partnerships in reviewing applications for funding under this subsection;

“(ii) make recommendations to the Secretary and the Federal Interagency Council on Social Impact Partnerships regarding the funding of social impact partnership agreements and feasibility studies; and

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

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

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

“(ii) 1 shall be appointed by the Majority Leader of the Senate;

“(iii) 1 shall be appointed by the Minority Leader of the Senate;

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

“(v) 1 shall be appointed by the Minority Leader of the House of Representatives;

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

“(vii) 1 shall be appointed by the ranking member of the Committee on Finance of the Senate;

“(viii) 1 member shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives; and

“(ix) 1 shall be appointed by the ranking member of the Committee on Ways and Means of the House of Representatives.

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

“(i) be experienced in finance, economics, pay for performance, or program evaluation; “(ii) have relevant professional or personal experience in a field related to 1 or more of the outcomes listed in this subsection; or “(iii) be qualified to review applications for social impact partnership projects to determine whether the proposed metrics and evaluation methodologies are appropriately rigorous and reliant upon independent data and evidence-based research.

“(E) TIMING OF APPOINTMENTS.—The appointments of the members of the Commission shall be made not later than 120 days after the date of the enactment of this subsection, or, in the event of a vacancy, not later than 90 days after the date the vacancy arises. If a member of Congress fails to appoint a member by that date, the President may select a member of the President's choice on behalf of the member of Congress. Notwithstanding the preceding sentence, if not all appointments have been made to the Commission as of that date, the Commission may operate with no fewer than 5 members until all appointments have been made.

“(F) TERM OF APPOINTMENTS.—

“(i) IN GENERAL.—The members appointed under subparagraph (C) shall serve as follows:

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

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

“(III) 3 members (1 of which shall be Chair of the Commission appointed by the President) shall serve for 4 years.

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

“(G) VACANCIES.—Subject to subparagraph (E), in the event of a vacancy in the Commission, whether due to the resignation of a member, the expiration of a member's term, or any other reason, the vacancy shall be filled in the manner in which the original appointment was made and shall not affect the powers of the Commission.

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

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

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

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

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

“(10) AVAILABILITY OF FUNDS.—Amounts reserved to carry out this subsection shall remain available until 10 years after the date of the enactment of this subsection.

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

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

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

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

“(i) The outcome goals of the project.

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

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

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

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

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

“(vii) The project budget.

“(viii) The project timeline.

“(ix) The project eligibility criteria.

“(x) The evaluation design.

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

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

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

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

“(13) DEFINITIONS.—In this subsection:

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

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

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

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

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

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

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

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

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

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

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

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

### SEC. 3. EXTENSION OF TANF PROGRAM.

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

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

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

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

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

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

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

#### “SEC. 413. EVALUATION OF TEMPORARY ASSISTANCE FOR NEEDY FAMILIES AND RELATED PROGRAMS.

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

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

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

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

“(1) the State submits to the Secretary a description of the proposed evaluation;

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

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

“(e) CENSUS BUREAU RESEARCH.—

“(1) The Bureau of the Census shall implement or enhance household surveys of program participation, in consultation with the Secretary and the Bureau of Labor Statistics and made available to interested parties,

to allow for the assessment of the outcomes of continued welfare reform on the economic and child well-being of low-income families with children, including those who received assistance or services from a State program funded under this part or any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)). The content of the surveys should include such information as may be necessary to examine the issues of unmarried childbearing, marriage, welfare dependency and compliance with work requirements, the beginning and ending of spells of assistance, work, earnings and employment stability, and the well-being of children.

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

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

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

“(C) generate a better geographical understanding of poverty such as through State-based estimates and measures of neighborhood poverty;

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

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

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

“(G) DEVELOPMENT OF WHAT WORKS CLEARINGHOUSE OF PROVEN AND PROMISING APPROACHES TO MOVE WELFARE RECIPIENTS INTO WORK.—

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

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

“(A) establish criteria for evidence of effectiveness; and

“(B) ensure that the process for establishing the criteria—

“(i) is transparent;

“(ii) is consistent across agencies;

“(iii) provides opportunity for public comment; and

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

“(3) DEFINITIONS.—In this subsection:

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

“(i) research-based, based on the results of 1 or more empirical studies, and linked to program-determined outcomes; and

“(ii) evaluated using rigorous research designs.

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

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

“(ii) has demonstrated significant positive outcomes at more than 1 site in terms of increasing work and earnings of participants, reducing poverty and dependence, or strengthening families.

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

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

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

“(iii) that has demonstrated significant positive outcomes at only 1 site in terms of increasing work and earnings of participants, reducing poverty and dependence, or strengthening families; and

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

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

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

“(ii) is evaluated using rigorous research designs; and

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

“(H) APPROPRIATION.—

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

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

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

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

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

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

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

data exchange standards to govern, under this part—

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

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

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

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

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

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

“(D) be consistent with and implement applicable accounting principles;

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

“(F) be capable of being continually upgraded as necessary.

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

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

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

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

#### SEC. 6. EFFECTIVE DATE.

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

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Indiana (Mr. YOUNG) and the gentleman from Michigan (Mr. LEVIN) each will control 20 minutes.

The Chair recognizes the gentleman from Indiana.

#### GENERAL LEAVE

Mr. YOUNG of Indiana. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and to include any extraneous material on H.R. 5170, currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. YOUNG of Indiana. Mr. Speaker, I yield myself such time as I may consume.

For all our best intentions, we too often see government programs fail both the constituencies they are intended to help and the taxpayers who fund them.

Thousands of families across this country continue to be trapped, generation after generation, in programs that were well intended but are now ineffective or outdated. Our social safety net has instead become a poverty trap

and not the springboard to prosperity we once envisioned.

Our constituents, all Americans, deserve better. They need their Federal Government working together with their communities to focus on how we can help members of our society successfully climb that ladder out of poverty, not just check them off as another individual served.

By changing the Federal Government's definition of success in Federal social programs, from inputs to actual outcomes, we can help our fellow Americans overcome the root causes of poverty and seize economic opportunities to work and provide for our families. It is this shift in focus, this focus from inputs to outcomes, that could substantially transform our safety net to better serve our most vulnerable.

The Social Impact Partnerships to Pay for Results Act does just that. It empowers States, local governments, nonprofits, and the private sector to scale up evidence-based interventions that address our Nation's most pressing social challenges.

This legislation would foster the creation of public-private partnerships that harness philanthropic and other private-sector investments so we can expand and replicate scientifically proven social and public health programs. Because social impact partnerships are focused on achieving real results, government dollars are paid out only when desired outcomes are met.

Furthermore, this legislation would reauthorize the Temporary Assistance for Needy Families program at current spending levels for 1 year as well as build evidence on our efforts to help our most needy families find jobs and achieve self-sufficiency by cataloging the best evidence-based approaches.

The What Works Clearinghouse would make it easier for States to know which approaches have been tested using independent, rigorous evaluations and, based on those results, an understanding of their effectiveness in achieving positive results for individuals and families.

By cataloging the different approaches States are taking in helping welfare recipients move into work, we can help empower well-intentioned policymakers across all levels of government to improve lives through evidence-based policymaking.

I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Temporary Assistance for Needy Families, TANF, program expires at the end of September. We need to extend this program, and this legislation accomplishes that goal; but we have so much more to do.

Once TANF is temporarily extended, our committee and this Congress should work toward a more comprehensive review and reauthorization of the program. We need to make sure that spending under TANF is focused on the core missions of helping needy families and promoting work. We need to fur-

ther open opportunities to education and training so that TANF recipients can prepare for and find good jobs. And we need to ensure that adequate child care and other supports are available for low-income parents in the workforce.

Of course, if we are serious about reducing poverty, improving TANF must be part of a broader agenda that seeks to help Americans endeavoring to help themselves. We should substantially increase the minimum wage for hard-working Americans, expanding the earned income tax credit to childless workers, and expanding access to affordable housing. By the way, those are inputs that relate to outputs and outcomes. And we should be building on successful programs like the Supplemental Nutrition Assistance Program, the Social Services Block Grant, and the Affordable Care Act.

Instead, the agenda we have seen from the Republican leadership of this House is to block meaningful improvements or, even worse, to gut programs that now provide opportunities for Americans. Eliminating the Social Services Block Grant, as Republicans propose, will make child care less available, making it harder for low-income parents to go to work. Cutting funding for education and training, as the Republican budget suggests, would have the same effect of blocking a path to work. And repealing the Affordable Care Act, as Republicans have voted repeatedly to do, would make it harder for people to move into work and to move between jobs. Republicans say they support work, but time and time again, they oppose work supports.

The programs that arose out of the war on poverty reduced poverty by over 40 percent, despite erroneous claims to the contrary by some of our Republican colleagues. However, at the same time, we still have 47 million Americans who live in poverty. These struggling families deserve real action, not more of the same old failed policies and empty rhetoric that we have heard in the report from the Republican House Poverty Task Force several weeks ago. And they certainly deserve better than huge cuts to programs they depend on.

Mr. Speaker, I support this bill because it extends the TANF program, a necessary program for low-income families. The bill also includes a 1-year allocation to test social impact partnerships in which the private, nonprofit, and government sectors attempt to come together to address certain social problems.

Mr. Speaker, I reserve the balance of my time, and I ask unanimous consent that the balance of my time be managed by the gentleman from Texas (Mr. DOGGETT), ranking member of the Ways and Means Subcommittee on Human Resources.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. YOUNG of Indiana. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. REED).

Mr. REED. Mr. Speaker, I rise in strong support of this legislation. As someone who was raised by a single mother when my father passed when I was 2 years old, and having 11 older brothers and sisters, poverty is something that I know firsthand and that we have seen firsthand in our household.

As we go forward and we deal with extending TANF cash welfare for 1 year, I think what Mr. YOUNG of Indiana has done is try to put forward innovative ideas that change the dialogue, that change the debate when it comes to our antipoverty measures out of Washington, D.C.

Mr. Speaker, no longer should we measure the success of a program just by the amount of money we spend on that program, but measure it by the lives that are positively changed.

□ 1745

That is what this social impact bonding legislation is all about. It is rewarding and standing with people who are moving out of poverty, standing on their own two feet.

Mr. Speaker, I ask my colleagues to join me in support of this critical legislation as we care for those young men and women, as well as those adults who live in poverty, and break that cycle once and for all.

Mr. DOGGETT. Mr. Speaker, I yield myself such time as I may consume.

The bill which Mr. YOUNG brings to the floor this afternoon concerns five-tenths of 1 percent of the Temporary Assistance for Needy Families program. I want to talk about the other 99.5 percent, and I will address the 0.5 percent—the five-tenths—a little later.

Overall, this legislation perpetuates the myth of compassionate conservatism that was originally spun by George W. Bush. It involves a Republican strategy that we have seen over the last few weeks to block every single Democratic proposal that would reform welfare to work, or Temporary Assistance for Needy Families as it is formally known.

I favor full reform of TANF, to pursue the original objectives of the 1996 welfare reform that I supported to end generational poverty and help poor Americans who are not physically able to work. TANF would permit them to climb up the economic ladder into the middle class while supporting those who are unable to work.

Instead, what we are presented is one modest, unproven social experiment paid for at the expense of poor children. Over the last 20 years, the total resources that are available to get people from welfare to work have steadily declined. Today's legislation is just one more small cut to those resources.

Republicans previously terminated one major part of TANF that helped States with poor populations, like Texas, whacking out \$319 million from



the program. What we have left with TANF today is about one-third of the purchasing power that it had 20 years ago when we adopted the reform. In Texas, about 1 in 20 children receive assistance from TANF. Folks who need a life vest are instead given an anchor.

While it may have had some initial positive impact, the 1996 welfare law has become an example of a failed Federal block grant program. Through the years, the States have diverted more and more moneys that were intended to support poor mothers finding the education and training that they needed and the childcare and placement services they needed to go out and have the dignity of a livable wage, long-term job, and now the States are spending, on average, 8 cents of every dollar on work and another 16 cents on child care.

To the extent that President Johnson's War on Poverty has not been fully won, much of the responsibility goes to those who refuse to fight, who surrendered at the first obstacle, who engaged in passive resistance, and, in places like Texas, who just abandoned the field of battle when it came to protecting their poorest citizens. Clearly, the social safety net that TANF was supposed to be has become mostly hole and little net.

If this is a poverty trap, as we have heard, it is because our Republican colleagues have shut the door on any efforts to unlock it with the exception of this one bill. Now with their recently announced poverty plan, they want to take the same kind of thinking—these failed block grants—and apply it to the national school lunch program, apply it to Medicaid, and according to one of their exhibits, to everything from Pell grants to cervical cancer, blocking it all together, and then putting the victims on the chopping block.

Beginning last summer, I encouraged now-Speaker RYAN and other Republicans to support a reform, basically saying to them: I know you are not going to give another dime to help the poor, but at least ask the States to use the moneys that they already have from the Federal Government to accomplish the law's original objectives and stop diverting this money to plug budget loopholes. Unfortunately, TANF is still a welfare program, but it is Republican Governors, largely, who are on the dole, who take this Federal money and don't use it for the purposes for which it was originally intended.

Last year, even Speaker RYAN recognized that existing TANF limitations impair the ability of the poor to get the educational opportunities that they need to get good jobs. Five Republicans, including a couple from our committee, offered the Preparing More Welfare Recipients for Work Act, which doubled the time that was permitted for educational training to count as a work activity, and as one of them—our colleague, Mr. TIBERI—said, these commonsense reforms streamline and simplify complicated work require-

ments, leading to higher enrollment in work or job training programs. It was common sense then, but as soon as it was attacked by rightwing ideologues, they ran away from it.

Republicans could join us in reforming TANF to make it a true pathway to work and into the middle class, but they have declined to do that. Instead of offering a reauthorization, they split TANF up into six pieces that did not continue it. Part of the same package that hasn't been brought to the floor this afternoon are two other bills.

Mr. Speaker, I include in the RECORD our dissenting views to those bills.

CONGRESS OF THE UNITED STATES,  
Washington, DC, May 17, 2016.

#### DISSENTING VIEWS FOR H.R. 2959

What began as a legislative step forward has become a step backward. What did some modest good, now does harm. As introduced, the TANF Accountability and Integrity Improvement Act (H.R. 2959) would have closed a loophole that a few states have created and exploited to avoid providing their state match for the federal TANF block grant. This loophole unfairly misapplies third-party spending as if it were state spending.

The non-partisan General Accountability Office (GAO) has criticized this wrongful approach, which shortchanges poor children and their parents. I fully support the bill's complete closure of this loophole that only a few states exploit to avoid providing their fair share of support for moving their impoverished residents from welfare to work.

Unfortunately, only hours prior to the Committee markup, this bill was amended to do the opposite of what it originally would have accomplished. As amended, it legalizes this unfair loophole by grandfathering in current offenders. Now it does little more than prevent other states from following the leadership of a few pioneers in abuse. Why reward those states who balance their books on the backs of those least able to bear the burden?

According to the GAO, Georgia is the chief offender, with nearly 60 percent of its TANF contributions coming from private entities. Not only is it not making its proper match to access federal funds, but Georgia also consistently ignores the needs of its poorest citizens. For every TANF dollar, Georgia uses 80 cents for in ways that ignore the core purposes of TANF—work, direct assistance and child care.

The Department of Health and Human Services (HHS) should have already initiated action to close this unjustified loophole. As amended, the bill would now prevent HHS from collecting this abuse. It should be rejected.

LLOYD DOGGETT.  
JIM McDERMOTT.

CONGRESS OF THE UNITED STATES,  
Washington, DC, May 27, 2016.

#### DISSENTING VIEWS FOR H.R. 2952

The Committee has considered multiple bills regarding Temporary Assistance for Needy Families (TANF) without actually extending TANF, which expires in four months. The reason for so many different TANF bills and a refusal to consider an extension in Committee is to block Members from offering genuine reforms of TANF designed to make it function more effectively, to avoid state diversion of TANF funds away from core TANF purposes, and to do more to help TANF recipients move into good, sustainable jobs. This is accomplished through a maneuver claiming that any significant reform

that any member proposes is not germane to any of the narrow bills in question. Indeed, the Committee refused to consider an amendment that would simply have extended the expiring TANF program for another fiscal year on grounds that it was not germane.

This particular part of the Republican TANF package concerns data on wages and employment status, but unfortunately a belated amendment to it would make that data a less accurate measure of the effectiveness of State efforts to move people into work. The revised bill manipulates numbers, creating the misimpression that those who cannot work because of age or disability refuse to work. Furthermore, this bill does not provide a measure of the percentage of those leaving TANF who have found work. It would be insightful to learn whether a state has simply forced an individual off TANF or actually helped them to secure a job through which they can support their family.

We strongly support an accurate employment outcomes measure that can offer insight regarding whether state programs are really making a difference in moving people from welfare to real, wage-paying, longterm employment and providing opportunity for individuals to work their way out of poverty. This bill's flaws undercut that goal, and unfortunately the Majority rejected an amendment that would have corrected these shortcomings.

Representatives Sander Levin, Charles B. Rangel, John Lewis, Xavier Becerra, Bill Pascrell, Jr., Lloyd Doggett, Jim McDermott, Richard E. Neal, Earl Blumenauer, John B. Larson, Ron Kind, Danny Davis, Mike Thompson, Joseph Crowley, Linda Sanchez.

Mr. DOGGETT. Mr. Speaker, I would say that what we have here is an attempt to also add by amendment the very reauthorization that I sought to offer in committee that was blocked then. I guess today will be the first time even our Republican colleagues learn what has been done with this authorization.

Overall, what we have had is a Republican roadblock to real welfare reform and poverty reduction that this Congress should be focused on, and it obviously will take a new President and a new Congress to do it. Like the compassionate conservatism of George W. Bush, Republicans are offering us a slogan, not a solution.

The same day that they rejected our efforts to deal with this issue, they were all about more tax breaks. Their poverty agenda is a collection of retreats that offer little hope for change. It only demonstrates that their approach to poverty is indeed impoverished.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Indiana. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Illinois (Mr. DOLD).

Mr. DOLD. Mr. Speaker, I certainly want to thank my good friend from Indiana for yielding and for his work on this important legislation. I also want to thank my good friend from Maryland, who has also put a lot of work into what I think is really a unique piece of legislation. I want to make sure that I rise in support of the Social

Impact Partnerships to Pay for Results Act.

This reform-minded legislation, Mr. Speaker, is so important because it offers a fresh approach for the way that the Federal Government assists those who are truly in need. It focuses our efforts on evidence-based reforms.

How refreshing is that?

We spend a tremendous amount of money, Mr. Speaker, trying to make sure that we are giving people an opportunity to get out from being impoverished. We have too many people today, Mr. Speaker, around the country who are fighting poverty. This actually brings entrepreneurs, nonprofits, and the government together to actually solve these problems.

The Social Impact Partnerships to Pay for Results Act is a bipartisan solution that rewards and promotes programs that actually help individuals achieve positive outcomes. It actually helps and relieves the taxpayers a tremendous burden. No longer are the taxpayers on the hook for failed programs. This actually is providing the opportunity for entrepreneurs and those who are in the nonprofit sector to also play a role in trying to actually come up with unique solutions in very different ways in State-by-State outcomes. This innovative piece of legislation will give the States more flexibility to be creative with TANF dollars and establish approaches that will uniquely address the problems facing local communities.

Mr. Speaker, this legislation will also serve as an extension of the TANF program to make sure that we continue to provide necessary assistance to individuals looking to achieve self-sufficiency through job training and education.

The challenges we face in fighting poverty are clearly steep. We know that in the War on Poverty, we have spent over \$22 trillion to move the needle from 15 percent in poverty to 14.6 percent in poverty. We need to start thinking creatively about how can we focus on outcomes, how can we get more people off of the unemployment rolls, how can we get more people off the TANF rolls, off the welfare rolls. This is a program, this is an idea, a bipartisan reform that is going to focus on outcomes and will help start solving the problem. It does require meaningful action.

I believe that the American Dream revolves around the idea that each and every one of us has something positive to contribute to our great Nation. This legislation is a step in the right direction in helping individuals reach their full potential, and gives States flexibility.

Again, I want to go back and I want to thank my good friend from Maryland for his work on this and my friend from Indiana for, again, working in a bipartisan way to start thinking outside of the box. The government doesn't always have the solution, and we need to leverage nonprofits. We need to leverage those who are working

out there and bringing unique ideas to the fold.

Mr. DOGGETT. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland (Mr. DELANEY), a leading advocate for social impact financing and, I know, a partner of Mr. YOUNG.

Mr. DELANEY. Mr. Speaker, I want to thank my good friend and colleague from Texas for yielding me this time, and I want to express my support for his comments and associate myself with his comments. He has been a singular champion of the TANF program and the goals that it represents. I appreciate his work and the opportunity to work with him on this bill.

I also want to thank my good friend and colleague from Indiana. We have spent a considerable amount of time working on this piece of legislation together, talking to groups, and he has been a wonderful champion and it has been a real pleasure to work with him on this concept.

Mr. Speaker, prior to coming to Congress, I spent my whole career as an entrepreneur in the private sector building businesses. The one thing I would observe from that experience whenever I would travel around the United States, or around the world for that matter, whenever you saw good economic outcomes and broad-based prosperity for the citizens, you always found a situation where the government, the nonprofit sector, and the private sector worked well together to solve the problems in society, and it is that spirit that animates the social impact partnership that we are here to discuss this evening.

If you think about what is going on in the world today, Mr. Speaker, and the changes that are playing out in our economy based on technological innovation and global interconnection, you realize that it has helped many of our citizens and it has helped billions of people around the world, but it has also hurt many of our citizens. It happened too fast; we weren't quite prepared for it; and chronic and vexing issues like poverty, educational disparities, income and opportunity disparities have only grown based on these trends.

To make a difference against these problems, Mr. Speaker, we need to do several things. First, we need to invest. You cannot definitionally make transformative changes, whether it be in the private sector or the public sector, unless you make investments.

The second thing we need, Mr. Speaker, is we need innovation. We need the best ideas to be applied against some of these very difficult challenges that we have.

Mr. Speaker, we also need a new sense and spirit of collaboration and cooperation among all the stakeholders because the government right now has three significant problems when it tries to tackle these issues.

The first problem it has is a funding problem. Whether it is the condition of the Federal budget or the State budget, it is very difficult for the government to make investments.

The second issue the government has is an innovation problem. Mr. Speaker, I think we all know that the government has never been the incubator necessarily of great innovation. It has been good at investing, but we find more innovation often outside of government. Right now that gap is growing. So the government has an innovation problem.

The third problem the government has is a transparency problem. I used to say in business that if you can't measure it, you can't manage it. And we are not getting enough data in terms of a positive feedback loop to look at some of these issues and see what works and what doesn't work. That is why Pay for Success frameworks and social impact partnerships can make such a big difference because it solves those problems, it creates pathways for more capital, more investments to flow from the nonprofit sector or the private sector against issues that have traditionally been funded by the government.

□ 1800

It creates pathways for innovation and best ideas and new ideas to flow into the government sector, and it creates a pathway and a framework for more transparency and more metrics as it relates to what the results are.

Whether it is supplied against early childhood education, recidivism issues, chronic healthcare issues like asthma, whatever the framework can be, this approach can create an opportunity for more investment, which we need; more innovation, which we need; greater metrics and transparency, which we need; and a renewed spirit of cooperation between the government, the private sector, and the nonprofit sector to make a difference against these problems, which is why I am very supportive of the social impact partnership framework, the Pay for Success framework.

I urge my colleagues to support the legislation, but I also encourage my colleagues to think seriously about what my colleague from Texas said about the larger TANF program, because there is so much more to be done.

I do believe launching the social impact partnership framework can lead to transformative changes against these very, very difficult issues and create a situation where prosperity is shared more broadly and there is more opportunity for Americans, particularly our American colleagues who have been so affected negatively by some of the larger changes that are going on in the world.

I encourage adoption of the bill.

Mr. YOUNG of Indiana. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. MACARTHUR), my colleague.

Mr. MACARTHUR. Mr. Speaker, I rise today to urge my colleagues to support the Social Impact Partnerships to Pay for Results Act.



As founding co-chair of the bipartisan Congressional Social Investment Taskforce, I believe that we can harness the power of market forces and private capital to solve local problems, benefit American taxpayers, and uplift communities. This bill will encourage the private sector to invest in some of the most pressing challenges we face as a nation.

I believe in the power of government to be a force for good, but after 30 years in business, I tremendously believe in the untapped potential of the private market to solve problems. The goal of this bill is to unleash that power of the private sector to work with local governments and communities.

This bill is based on the pay for results model, in which Federal funds are only spent when measurable results have been achieved. Instead of simply creating more government programs, this saves taxpayer dollars by ensuring funds are only spent on successful programs.

Mr. Speaker, I want to thank Representative TODD YOUNG and my fellow co-chair of the taskforce, Representative JOHN DELANEY, for introducing this important legislation.

I urge all of my colleagues to support this.

Mr. DOGGETT. Mr. Speaker, I yield myself such time as I may consume.

I salute and appreciate the commitment of Mr. YOUNG and Mr. DELANEY to seek new ways to try to combat some old problems. We need creativity to address these challenges. There is no one single approach that will solve all these problems. Where I disagree with them is over how they choose to fund this initiative—a choice that I think they probably personally did not make—and the lack of safeguards to assure their very laudable objectives.

This bill takes money that has always been dedicated to benefit vulnerable children away from the Department of Health and Human Services and authorized its expenditure for other purposes that may be very well intended, but that have absolutely nothing to do with vulnerable children.

Now is not the time to further reduce this funding for needy children just because it happens to be an easy place to take money from. It is only \$100 million, only five-tenths of a percent of the total TANF budget, but I can tell you that it is hard to come by \$100 million to do anything to try to help vulnerable children, and it is a loss to have that money taken away.

It is true that President Obama finally, after almost 8 years of his administration, proposed that the contingency fund be repurposed and that money be added to family assistance grants and require the States to use more of the resources they get from TANF for the purposes of TANF to prevent two-generational poverty. The President's approach was to use the TANF contingency fund for a pathway to jobs initiative and a generational

poverty initiative, not to take it out for other purposes. Today, this contingency fund is simply viewed as the easiest place to get money for what is not an evidence-based approach, but may still have merit.

In committee, I sought to protect at least some of these moneys for children. I appreciate the fact that Mr. YOUNG and Mr. DELANEY have been receptive and have incorporated in the amended version today a measure that will assure that at least half of the money taken away from TANF is allocated for children, with the focus being on helping those poor children who would otherwise have benefited from the money had it stayed with TANF.

Social impact financing offers the potential of greater private investment and resources to tackle some of the serious social ills that our country confronts. Without approving any new legislation, there is no restriction right now on any of our States from going out and using TANF money for social impact financing, so long as they focus on the statutory purposes of TANF. If these laboratories of democracy can do it already, then I think that is probably sufficient.

I do know that there are a number of young entrepreneurs with a social conscience—a number of them I have talked with in Austin, Texas—who want to apply their talents to resolve ills that they see around them. There are a number of feasibility studies already underway in Austin concerning some of the problems that we have in Texas.

But not everyone who applies for these funds will have the outlook of Mr. YOUNG, Mr. DELANEY, some of our colleagues who have come to the floor, and some of these young entrepreneurs because, unfortunately, with the starving of our social service and educational sector, one community after another is so desperate for funds to fight child abuse or neglect that they are willing to do almost anything that they might be sold upon.

Therefore, Mr. Speaker, I will include in the RECORD a list of safeguards that I hope the gentlemen will consider as this bill proceeds to the Senate.

In designing a new program with \$100 million in taxpayer funds, which is designed to ultimately attract many additional taxpayer funds, to an initiative that is not evidence-based, we need to ensure that those dollars are not squandered. And after the Wall Street bailouts, many Americans question whether Wall Street is the place to turn to address social challenges. We have to consider the possibility of the unscrupulous offering false hope to a desperate local community.

In Committee, I raised a list of questions about the lack of adequate safeguards. A state or locality may encounter substantial costs in administering the programs, between fees owed to intermediaries, service providers, evaluators and the like. This bill caps the amount that may be expended on feasibility studies to evaluate a social impact financing proposal, but it places no cap on underwriting costs, which Wall Street firms can charge. The

bill puts no limit on the returns an investor can gain in one of these projects. It has no limit on who can determine what “success” is in one of these proposals. This bill fails to require a clear cost/benefit analysis that includes as a cost the cost of any related feasibility study.

Even without proper safeguards, it is far from certain how many proposals will actually qualify for funding under this bill. Indeed, the Congressional Budget Office notes that “because there is uncertainty as to the extent states conducting the projects will achieve the measurable outcomes required for federal reimbursement, CBO estimates that not all of the funds reserved for the program will be spent.”

House Republicans have been so eager to gain approval of any new idea they can claim responds to poverty and related social needs that this proposal has emerged without careful evaluation. Hopefully, the Senate in its legislative process can correct some of these shortcomings, and the Treasury and the Office of Management and Budget can include additional safeguards in implementing this measure.

I yield back the balance of my time.

Mr. YOUNG of Indiana. Mr. Speaker, I yield myself such time as I may consume.

This bipartisan, bicameral bill was developed over the course of 2 years, incorporating feedback from a variety of stakeholders, ranging from State and local governments to child welfare organizations.

I want to thank these stakeholders, as well as give very special recognition to my colleague, Congressman DELANEY, my Democratic colleague from Maryland, for his leadership and partnership with me on this initiative.

I would also be remiss if I didn't acknowledge the substantial and impressive efforts of members of our staff, from the Ways and Means committee staff, Ryan Martin, to my own personal office staff, Jaymi Light, who literally authored this legislation—we went through about 50 different versions until we got it right—to Xan Fishman of Congressman DELANEY's staff, for his hard work. This was a team effort. This is the sort of big idea, bipartisan teamwork we need more of in Washington, D.C. All of you have helped make it happen here today.

I want to thank my fellow Ways and Means colleagues who are cosponsors of this legislation for their leadership and continued support.

Social impact partnerships address our moral responsibilities to ensure that social programs actually improve recipients' lives, and do so in a fiscally prudent manner. But they also respond to the imperative of improving our economic health by harnessing the capabilities of every able-bodied citizen. Our safety net must reflect our country's belief that, without exception, Americans aren't liabilities to be written off but, instead, assets to be realized.

I urge all of my colleagues to support the Social Impact Partnerships to Pay for Results Act.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana (Mr. YOUNG) that the House suspend the rules and pass the bill, H.R. 5170, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### SMALL BUSINESS HEALTH CARE RELIEF ACT OF 2016

Mr. BOUSTANY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5447) to provide an exception from certain group health plan requirements for qualified small employer health reimbursement arrangements, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5447

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

*This Act may be cited as the “Small Business Health Care Relief Act of 2016”.*

#### SEC. 2. EXCEPTION FROM GROUP HEALTH PLAN REQUIREMENTS FOR QUALIFIED SMALL EMPLOYER HEALTH REIMBURSEMENT ARRANGEMENTS.

(a) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986 AND THE PATIENT PROTECTION AND AFFORDABLE CARE ACT.—

(1) IN GENERAL.—Section 9831 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(d) EXCEPTION FOR QUALIFIED SMALL EMPLOYER HEALTH REIMBURSEMENT ARRANGEMENTS.—

“(1) IN GENERAL.—For purposes of this title (except as provided in section 4980I(f)(4) and notwithstanding any other provision of this title), the term ‘group health plan’ shall not include any qualified small employer health reimbursement arrangement.

“(2) QUALIFIED SMALL EMPLOYER HEALTH REIMBURSEMENT ARRANGEMENT.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘qualified small employer health reimbursement arrangement’ means an arrangement which—

“(i) is described in subparagraph (B), and

“(ii) is provided on the same terms to all eligible employees of the eligible employer.

“(B) ARRANGEMENT DESCRIBED.—An arrangement is described in this subparagraph if—

“(i) such arrangement is funded solely by an eligible employer and no salary reduction contributions may be made under such arrangement,

“(ii) such arrangement provides, after the employee provides proof of coverage, for the payment of, or reimbursement of, an eligible employee for expenses for medical care (as defined in section 213(d)) incurred by the eligible employee or the eligible employee’s family members (as determined under the terms of the arrangement), and

“(iii) the amount of payments and reimbursements described in clause (ii) for any year do not exceed \$5,130 (\$10,260 in the case of an arrangement that also provides for payments or reimbursements for family members of the employee).

“(C) CERTAIN VARIATION PERMITTED.—For purposes of subparagraph (A)(ii), an arrangement shall not fail to be treated as provided on the same terms to each eligible employee merely

because the employee’s permitted benefits under such arrangement vary in accordance with the variation in the price of an insurance policy in the relevant individual health insurance market based on—

“(i) the age of the eligible employee (and, in the case of an arrangement which covers medical expenses of the eligible employee’s family members, the age of such family members), or

“(ii) the number of family members of the eligible employee the medical expenses of which are covered under such arrangement.

The variation permitted under the preceding sentence shall be determined by reference to the same insurance policy with respect to all eligible employees.

“(D) RULES RELATING TO MAXIMUM DOLLAR LIMITATION.—

“(i) AMOUNT PRORATED IN CERTAIN CASES.—In the case of an individual who is not covered by an arrangement for the entire year, the limitation under subparagraph (A)(iii) for such year shall be an amount which bears the same ratio to the amount which would (but for this clause) be in effect for such individual for such year under subparagraph (A)(iii) as the number of months for which such individual is covered by the arrangement for such year bears to 12.

“(ii) INFLATION ADJUSTMENT.—In the case of any year beginning after 2016, each of the dollar amounts in subparagraph (A)(iii) shall be increased by an amount equal to—

“(1) such dollar amount, multiplied by

“(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2015’ for ‘calendar year 1992’ in subparagraph (B) thereof.

If any dollar amount increased under the preceding sentence is not a multiple of \$100, such dollar amount shall be rounded to the next lowest multiple of \$100.

“(3) OTHER DEFINITIONS.—For purposes of this subsection—

“(A) ELIGIBLE EMPLOYEE.—The term ‘eligible employee’ means any employee of an eligible employer, except that the terms of the arrangement may exclude from consideration employees described in any clause of section 105(h)(3)(B) (applied by substituting ‘90 days’ for ‘3 years’ in clause (i) thereof).

“(B) ELIGIBLE EMPLOYER.—The term ‘eligible employer’ means an employer that—

“(i) is not an applicable large employer as defined in section 4980H(c)(2), and

“(ii) does not offer a group health plan to any of its employees.

“(C) PERMITTED BENEFIT.—The term ‘permitted benefit’ means, with respect to any eligible employee, the maximum dollar amount of payments and reimbursements which may be made under the terms of the qualified small employer health reimbursement arrangement for the year with respect to such employee.

“(4) NOTICE.—

“(A) IN GENERAL.—An employer funding a qualified small employer health reimbursement arrangement for any year shall, not later than 90 days before the beginning of such year (or, in the case of an employee who is not eligible to participate in the arrangement as of the beginning of such year, the date on which such employee is first so eligible), provide a written notice to each eligible employee which includes the information described in subparagraph (B).

“(B) CONTENTS OF NOTICE.—The notice required under subparagraph (A) shall include each of the following:

“(i) A statement of the amount which would be such eligible employee’s permitted benefits under the arrangement for the year.

“(ii) A statement that the eligible employee should provide the information described in clause (i) to any health insurance exchange to which the employee applies for advance payment of the premium assistance tax credit.

“(iii) A statement that if the employee is not covered under minimum essential coverage for

any month the employee may be subject to tax under section 5000A for such month and reimbursements under the arrangement may be includible in gross income.”.

(2) LIMITATION ON EXCLUSION FROM GROSS INCOME.—Section 106 of such Code is amended by adding at the end the following:

“(g) QUALIFIED SMALL EMPLOYER HEALTH REIMBURSEMENT ARRANGEMENT.—For purposes of this section and section 105, payments or reimbursements from a qualified small employer health reimbursement arrangement (as defined in section 9831(d)) of an individual for medical care (as defined in section 213(d)) shall not be treated as paid or reimbursed under employer-provided coverage for medical expenses under an accident or health plan if for the month in which such medical care is provided the individual does not have minimum essential coverage (within the meaning of section 5000A(f)).”.

(3) COORDINATION WITH HEALTH INSURANCE PREMIUM CREDIT.—Section 36B(c) of such Code is amended by adding at the end the following new paragraph:

“(4) SPECIAL RULES FOR QUALIFIED SMALL EMPLOYER HEALTH REIMBURSEMENT ARRANGEMENTS.—

“(A) IN GENERAL.—The term ‘coverage month’ shall not include any month with respect to an employee (or any spouse or dependent of such employee) if for such month the employee is provided a qualified small employer health reimbursement arrangement which constitutes affordable coverage.

“(B) DENIAL OF DOUBLE BENEFIT.—In the case of any employee who is provided a qualified small employer health reimbursement arrangement for any coverage month (determined without regard to subparagraph (A)), the credit otherwise allowable under subsection (a) to the taxpayer for such month shall be reduced (but not below zero) by the amount described in subparagraph (C)(i)(II) for such month.

“(C) AFFORDABLE COVERAGE.—For purposes of subparagraph (A), a qualified small employer health reimbursement arrangement shall be treated as constituting affordable coverage for a month if—

“(i) the excess of—

“(I) the amount that would be paid by the employee as the premium for such month for self-only coverage under the second lowest cost silver plan offered in the relevant individual health insurance market, over

“(II)  $\frac{1}{12}$  of the employee’s permitted benefit (as defined in section 9831(d)(3)(C)) under such arrangement, does not exceed—

“(ii)  $\frac{1}{12}$  of 9.5 percent of the employee’s household income.

“(D) QUALIFIED SMALL EMPLOYER HEALTH REIMBURSEMENT ARRANGEMENT.—For purposes of this paragraph, the term ‘qualified small employer health reimbursement arrangement’ has the meaning given such term by section 9831(d)(2).

“(E) COVERAGE FOR LESS THAN ENTIRE YEAR.—In the case of an employee who is provided a qualified small employer health reimbursement arrangement for less than an entire year, subparagraph (C)(i)(II) shall be applied by substituting ‘the number of months during the year for which such arrangement was provided’ for ‘12’.

“(F) INDEXING.—In the case of plan years beginning in any calendar year after 2014, the Secretary shall adjust the 9.5 percent amount under subparagraph (C)(ii) in the same manner as the percentages are adjusted under subsection (b)(3)(A)(ii).”.

(4) APPLICATION OF EXCISE TAX ON HIGH COST EMPLOYER-SPONSORED HEALTH COVERAGE.—

(A) IN GENERAL.—Section 4980I(f)(4) of such Code is amended by adding at the end the following: “Section 9831(d)(1) shall not apply for purposes of this section.”.

(B) DETERMINATION OF COST OF COVERAGE.—Section 4980I(d)(2) of such Code is amended by