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

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

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

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

(5) 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.

(6) 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.

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

(Aug. 14, 1935, ch. 531, title XX, § 2051, as added Pub. L. 115–123, div. E, title VIII, § 50802(2), Feb. 9, 2018, 132 Stat. 269.)

§ 1397n–1. Social impact partnership application

(a) Notice

Not later than 1 year after February 9, 2018, 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 governments for social impact partnership projects in accordance with this section.

(b) Required outcomes for social impact partnership project

To qualify as a social impact partnership project under this division, a project must produce one or more measurable, clearly defined outcomes that result in social benefit and Federal, State, or local savings through any of the following:

(1) Increasing work and earnings by individuals in the United States who are unemployed for more than 6 consecutive months.

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

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

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

(5) Improving rates of high school graduation.

(6) Reducing teen and unplanned pregnancies.

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

(8) 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.

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

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

(11) Reducing the number of youth in foster care by increasing adoptions, permanent guardianship arrangements, reunifications, or placements 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.

(12) 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.

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

(14) Reducing recidivism among juvenile offenders, individuals released from prison, or other high-risk populations.

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

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

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

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

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

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

(21) 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 subsection (a) shall require a State or local government to submit an application for the social impact partnership project that addresses the following:

(1) The outcome goals of the project.

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

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

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

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

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

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

in the aggregate, if the project is implemented and the outcomes are achieved as a result of the intervention.

(8) 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.

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

(10) 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.

(11) 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.

(12) 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.

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

(14) 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.

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

(16) The project budget.

(17) The project timeline.

(18) 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.

(19) The evaluation design.

(20) The metrics that will be used in the evaluation to determine whether the outcomes have been achieved as a result of the intervention and how the metrics will be measured.

(21) An explanation of how the metrics used in the evaluation to determine whether the outcomes achieved as a result of the intervention are independent, objective indicators of impact and are not subject to manipulation by the service provider, intermediary, or investor.

(22) 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.

(23) 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.

(24) A description of whether and how the State or local government and service providers plan to sustain the intervention, if it is timely and appropriate to do so, to ensure that successful interventions continue to operate after the period of the social impact partnership.

(d) Project intermediary information required

The application described in subsection (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):

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

(2) The mission and goals.

(3) 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.

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

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

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

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

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

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

(8) Role in delivering the intervention.

(9) 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 subsection (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 division.

(Aug. 14, 1935, ch. 531, title XX, § 2052, as added Pub. L. 115–123, div. E, title VIII, § 50802(2), Feb. 9, 2018, 132 Stat. 270.)

§ 1397n–2. Awarding social impact partnership agreements

(a) Timeline in awarding agreement

Not later than 6 months after receiving an application in accordance with section 1397n–1 of this title, 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.