

Suspend the Rules and Pass the Bill, H.R. 5170, With an Amendment

(The amendment strikes all after the enacting clause and inserts a new text)

114TH CONGRESS
2^D SESSION

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.

IN THE HOUSE OF REPRESENTATIVES

MAY 6, 2016

Mr. YOUNG of Indiana (for himself and Mr. DELANEY) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

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

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

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

5 “(c) SOCIAL IMPACT DEMONSTRATION PROJECTS.—

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

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

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

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

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

23 “(E) To facilitate the creation of public-
24 private partnerships that bundle philanthropic
25 or other private resources with existing public
26 spending to scale up effective social interven-

1 tions already being implemented by private or-
2 ganizations, nonprofits, charitable organiza-
3 tions, and State and local governments across
4 the country.

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

10 “(G) To incorporate outcomes measure-
11 ment and randomized controlled trials or other
12 rigorous methodologies for assessing program
13 impact.

14 “(2) SOCIAL IMPACT PARTNERSHIP APPLICA-
15 TION.—

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

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

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

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

15 “(iii) Increasing employment among
16 individuals receiving Federal disability ben-
17 efits.

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

21 “(v) Improving rates of high school
22 graduation.

23 “(vi) Reducing teen and unplanned
24 pregnancies.

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

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

9 “(ix) Increasing the proportion of chil-
10 dren living in 2-parent families.

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

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

20 “(xii) Reducing the number of chil-
21 dren and youth in foster care residing in
22 group homes, child care institutions, agen-
23 cy-operated foster homes, or other non-
24 family foster homes, unless it is deter-
25 mined that it is in the interest of the

1 child's long-term health, safety, or psycho-
2 logical well-being to not be placed in a
3 family foster home.

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

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

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

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

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

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

21 “(xix) Increasing the financial sta-
22 bility of low-income families.

23 “(xx) Increasing the independence and
24 employability of individuals who are phys-
25 ically or mentally disabled.

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

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

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

11 “(ii) A description of each interven-
12 tion in the project and anticipated out-
13 comes of the intervention.

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

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

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

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

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

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

13 “(ix) A plan for delivering the inter-
14 vention through a social impact partner-
15 ship model.

16 “(x) A description of the expertise of
17 each service provider that will administer
18 the intervention, including a summary of
19 the experience of the service provider in
20 delivering the proposed intervention or a
21 similar intervention, or demonstrating that
22 the service provider has the expertise nec-
23 essary to deliver the proposed intervention.

24 “(xi) An explanation of the experience
25 of the State or local government, the inter-

1 mediary, or the service provider in raising
2 private and philanthropic capital to fund
3 social service investments.

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

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

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

20 “(xv) The proposed payment terms,
21 the methodology used to calculate outcome
22 payments, the payment schedule, and per-
23 formance thresholds.

24 “(xvi) The project budget.

25 “(xvii) The project timeline.

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

7 “(xix) The evaluation design.

8 “(xx) The metrics that will be used to
9 determine whether the outcomes have been
10 achieved and how the metrics will be meas-
11 ured.

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

18 “(xxii) A summary explaining the
19 independence of the evaluator from the
20 other entities involved in the project and
21 the evaluator’s experience in conducting
22 rigorous evaluations of program effective-
23 ness including, where available, well-imple-
24 mented randomized controlled trials on the
25 intervention or similar interventions.

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

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

13 “(i) Experience and capacity for pro-
14 viding or facilitating the provision of the
15 type of intervention proposed.

16 “(ii) The mission and goals.

17 “(iii) Information on whether the
18 intermediary is already working with serv-
19 ice providers that provide this intervention
20 or an explanation of the capacity of the
21 intermediary to begin working with service
22 providers to provide the intervention.

23 “(iv) Experience working in a collabo-
24 rative environment across government and
25 nongovernmental entities.

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

4 “(vi) Ability to raise or provide fund-
5 ing to cover operating costs (if applicable
6 to the project).

7 “(vii) Capacity and infrastructure to
8 track outcomes and measure results, in-
9 cluding—

10 “(I) capacity to track and ana-
11 lyze program performance and assess
12 program impact; and

13 “(II) experience with perform-
14 ance-based awards or performance-
15 based contracting and achieving
16 project milestones and targets.

17 “(viii) Role in delivering the interven-
18 tion.

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

23 “(E) FEASIBILITY STUDIES FUNDED
24 THROUGH OTHER SOURCES.—The notice de-
25 scribed in subparagraph (A) shall permit a

1 State or local government to submit an applica-
2 tion for social impact partnership funding that
3 contains information from a feasibility study
4 developed for purposes other than applying for
5 funding under this subsection.

6 “(3) AWARDING SOCIAL IMPACT PARTNERSHIP
7 AGREEMENTS.—

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

16 “(B) CONSIDERATIONS IN AWARDING
17 AGREEMENT.—In determining whether to enter
18 into an agreement for a social impact partner-
19 ship project (the application for which was sub-
20 mitted under paragraph (2)) the Secretary, in
21 consultation with the Federal Interagency
22 Council on Social Impact Partnerships (estab-
23 lished by paragraph (6)) and the head of any
24 Federal agency administering a similar inter-
25 vention or serving a population similar to that

1 served by the project, shall consider each of the
2 following:

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

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

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

16 “(iv) The savings to the Federal Gov-
17 ernment if the outcomes specified in the
18 agreement are achieved.

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

22 “(vi) The expected quality of the eval-
23 uation that would be conducted with re-
24 spect to the agreement.

25 “(C) AGREEMENT AUTHORITY.—

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

15 “(I) The State or local govern-
16 ment agrees to achieve 1 or more out-
17 comes specified in the agreement in
18 order to receive payment.

19 “(II) The Federal payment to the
20 State or local government for each
21 outcome specified is less than or equal
22 to the value of the outcome to the
23 Federal Government over a period not
24 to exceed 10 years, as determined by

1 the Secretary, in consultation with the
2 State or local government.

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

5 “(IV) The State or local govern-
6 ment has demonstrated, through the
7 application submitted under para-
8 graph (2), that, based on prior rig-
9 orous experimental evaluations or rig-
10 orous quasi-experimental studies, the
11 intervention can be expected to
12 achieve each outcome specified in the
13 agreement.

14 “(V) The State, local govern-
15 ment, intermediary, or service pro-
16 vider has experience raising private or
17 philanthropic capital to fund social
18 service investments (if applicable to
19 the project).

20 “(VI) The State or local govern-
21 ment has shown that each service pro-
22 vider has experience delivering the
23 intervention, a similar intervention, or
24 has otherwise demonstrated the exper-

1 tise necessary to deliver the interven-
2 tion.

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

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

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

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

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

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

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

6 “(vi) The payment terms, the method-
7 ology used to calculate outcome payments,
8 the payment schedule, and performance
9 thresholds.

10 “(vii) The project budget.

11 “(viii) The project timeline.

12 “(ix) The project eligibility criteria.

13 “(x) The evaluation design.

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

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

24 “(E) AUTHORITY TO TRANSFER ADMINIS-
25 TRATION OF AGREEMENT.—The Secretary may

1 transfer to the head of another Federal agency
2 the authority to administer (including making
3 payments under) an agreement entered into
4 under subparagraph (C), and any funds nec-
5 essary to do so.

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

11 “(4) FEASIBILITY STUDY FUNDING.—

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

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

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

6 “(iii) Evidence to support the likeli-
7 hood that the intervention will produce the
8 desired outcomes.

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

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

14 “(vi) Estimated costs to conduct the
15 project.

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

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

23 “(ix) With respect to a project for
24 which the State or local government selects
25 an intermediary to operate the project, any

1 partnerships needed to successfully execute
2 the project and the ability of the inter-
3 mediary to foster the partnerships.

4 “(x) The expected resources needed to
5 complete the feasibility study for the State
6 or local government to apply for social im-
7 pact partnership funding under paragraph
8 (2).

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

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

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

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

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

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

9 “(C) PUBLIC DISCLOSURE.—Not later
10 than 30 days after selecting a State or local
11 government for feasibility study funding under
12 this paragraph, the Secretary shall cause to be
13 published on the website of the Federal Inter-
14 agency Council on Social Impact Partnerships
15 information explaining why a State or local gov-
16 ernment was granted feasibility study funding.

17 “(D) FUNDING RESTRICTION.—

18 “(i) FEASIBILITY STUDY RESTRIC-
19 TION.—The Secretary may not provide fea-
20 sibility study funding under this paragraph
21 for more than 50 percent of the estimated
22 total cost of the feasibility study reported
23 in the State or local government applica-
24 tion submitted under subparagraph (A).

1 “(ii) AGGREGATE RESTRICTION.—Of
2 the total amount reserved to carry out this
3 subsection, the Secretary may not use
4 more than \$10,000,000 to provide feasi-
5 bility study funding to States or local gov-
6 ernments under this paragraph.

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

10 “(E) SUBMISSION OF FEASIBILITY STUDY
11 REQUIRED.—Not later than 9 months after the
12 receipt of feasibility study funding under this
13 paragraph, a State or local government receiv-
14 ing the funding shall complete the feasibility
15 study and submit the study to the Federal
16 Interagency Council on Social Impact Partner-
17 ships.

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

23 “(5) EVALUATIONS.—

24 “(A) AUTHORITY TO ENTER INTO AGREE-
25 MENTS.—For each State or local government

1 awarded a social impact partnership project ap-
2 proved by the Secretary under this subsection,
3 the head of the relevant agency, as determined
4 by the Federal Interagency Council on Social
5 Impact Partnerships, shall enter into an agree-
6 ment with the State or local government to pay
7 for all or part of the independent evaluation to
8 determine whether the State or local govern-
9 ment project has met an outcome specified in
10 the agreement in order for the State or local
11 government to receive outcome payments under
12 this subsection.

13 “(B) EVALUATOR QUALIFICATIONS.—The
14 head of the relevant agency may not enter into
15 an agreement with a State or local government
16 unless the head determines that the evaluator is
17 independent of the other parties to the agree-
18 ment and has demonstrated substantial experi-
19 ence in conducting rigorous evaluations of pro-
20 gram effectiveness including, where available
21 and appropriate, well-implemented randomized
22 controlled trials on the intervention or similar
23 interventions.

24 “(C) METHODOLOGIES TO BE USED.—The
25 evaluation used to determine whether a State or

1 local government will receive outcome payments
2 under this subsection shall use experimental de-
3 signs using random assignment or other reli-
4 able, evidence-based research methodologies, as
5 certified by the Federal Interagency Council on
6 Social Impact Partnerships, that allow for the
7 strongest possible causal inferences when ran-
8 dom assignment is not feasible.

9 “(D) PROGRESS REPORT.—

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

12 “(I) not later than 2 years after
13 a project has been approved by the
14 Secretary and biannually thereafter
15 until the project is concluded, submit
16 to the head of the relevant agency and
17 the Federal Interagency Council on
18 Social Impact Partnerships a written
19 report summarizing the progress that
20 has been made in achieving each out-
21 come specified in the agreement; and

22 “(II) before the scheduled time of
23 the first outcome payment and before
24 the scheduled time of each subsequent
25 payment, submit to the head of the

1 relevant agency and the Federal
2 Interagency Council on Social Impact
3 Partnerships a written report that in-
4 cludes the results of the evaluation
5 conducted to determine whether an
6 outcome payment should be made
7 along with information on the unique
8 factors that contributed to achieving
9 or failing to achieve the outcome, the
10 challenges faced in attempting to
11 achieve the outcome, and information
12 on the improved future delivery of this
13 or similar interventions.

14 “(ii) SUBMISSION TO CONGRESS.—
15 Not later than 30 days after receipt of the
16 written report pursuant to clause (i)(II),
17 the Federal Interagency Council on Social
18 Impact Partnerships shall submit the re-
19 port to each committee of jurisdiction in
20 the House of Representatives and the Sen-
21 ate.

22 “(E) FINAL REPORT.—

23 “(i) SUBMISSION OF REPORT.—Within
24 6 months after the social impact partner-

1 ship project is completed, the independent
2 evaluator shall—

3 “(I) evaluate the effects of the
4 activities undertaken pursuant to the
5 agreement with regard to each out-
6 come specified in the agreement; and

7 “(II) submit to the head of the
8 relevant agency and the Federal
9 Interagency Council on Social Impact
10 Partnerships a written report that in-
11 cludes the results of the evaluation
12 and the conclusion of the evaluator as
13 to whether the State or local govern-
14 ment has fulfilled each obligation of
15 the agreement, along with information
16 on the unique factors that contributed
17 to the success or failure of the project,
18 the challenges faced in attempting to
19 achieve the outcome, and information
20 on the improved future delivery of this
21 or similar interventions.

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

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

5 “(F) LIMITATION ON COST OF EVALUA-
6 TIONS.—Of the amount reserved under this
7 subsection for social impact partnership
8 projects, the Secretary may not obligate more
9 than 15 percent to evaluate the implementation
10 and outcomes of the projects.

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

16 “(6) FEDERAL INTERAGENCY COUNCIL ON SO-
17 CIAL IMPACT PARTNERSHIPS.—

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

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

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

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

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

10 “(v) ensure that each State or local
11 government that has entered into an agree-
12 ment with the Secretary for a social impact
13 partnership project under this subsection
14 and each evaluator selected by the head of
15 the relevant agency under paragraph (5)
16 has access to Federal administrative data
17 to assist the State or local government and
18 the evaluator in evaluating the perform-
19 ance and outcomes of the project;

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

23 “(vii) provide guidance to the execu-
24 tive branch on the future of social impact
25 partnership projects in the United States;

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

12 “(ix) certify, in the case of each ap-
13 proved social impact partnership, that the
14 project will yield a projected savings to the
15 Federal Government if the project out-
16 comes are achieved, and coordinate with
17 the relevant Federal agency to produce an
18 after-action accounting once the project is
19 complete to determine the actual Federal
20 savings realized, and the extent to which
21 actual savings aligned with projected sav-
22 ings; and

23 “(x) provide oversight of the actions
24 of the Secretary and other Federal officials
25 under this subsection and report periodi-

1 cally to Congress and the public on the im-
2 plementation of this subsection.

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

5 “(i) CHAIR.—The Chair of the Coun-
6 cil shall be the Director of the Office of
7 Management and Budget.

8 “(ii) OTHER MEMBERS.—The head of
9 each of the following entities shall des-
10 ignate 1 officer or employee of the entity
11 to be a Council member:

12 “(I) The Department of Labor.

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

15 “(III) The Social Security Ad-
16 ministration.

17 “(IV) The Department of Agri-
18 culture.

19 “(V) The Department of Justice.

20 “(VI) The Department of Hous-
21 ing and Urban Development.

22 “(VII) The Department of Edu-
23 cation.

24 “(VIII) The Department of Vet-
25 erans Affairs.

1 “(IX) The Department of the
2 Treasury.

3 “(X) The Corporation for Na-
4 tional and Community Service.

5 “(7) COMMISSION ON SOCIAL IMPACT PARTNER-
6 SHIPS.—

7 “(A) ESTABLISHMENT.—There is estab-
8 lished the Commission on Social Impact Part-
9 nerships (in this paragraph referred to as the
10 ‘Commission’).

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

13 “(i) assist the Secretary and the Fed-
14 eral Interagency Council on Social Impact
15 Partnerships in reviewing applications for
16 funding under this subsection;

17 “(ii) make recommendations to the
18 Secretary and the Federal Interagency
19 Council on Social Impact Partnerships re-
20 garding the funding of social impact part-
21 nership agreements and feasibility studies;
22 and

23 “(iii) provide other assistance and in-
24 formation as requested by the Secretary or

1 the Federal Interagency Council on Social
2 Impact Partnerships.

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

5 “(i) 1 shall be appointed by the Presi-
6 dent, who will serve as the Chair of the
7 Commission;

8 “(ii) 1 shall be appointed by the Ma-
9 jority Leader of the Senate;

10 “(iii) 1 shall be appointed by the Mi-
11 nority Leader of the Senate;

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

14 “(v) 1 shall be appointed by the Mi-
15 nority Leader of the House of Representa-
16 tives;

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

20 “(vii) 1 shall be appointed by the
21 ranking member of the Committee on Fi-
22 nance of the Senate;

23 “(viii) 1 member shall be appointed by
24 the Chairman of the Committee on Ways

1 and Means of the House of Representa-
2 tives; and

3 “(ix) 1 shall be appointed by the
4 ranking member of the Committee on
5 Ways and Means of the House of Rep-
6 resentatives.

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

10 “(i) be experienced in finance, eco-
11 nomics, pay for performance, or program
12 evaluation;

13 “(ii) have relevant professional or per-
14 sonal experience in a field related to 1 or
15 more of the outcomes listed in this sub-
16 section; or

17 “(iii) be qualified to review applica-
18 tions for social impact partnership projects
19 to determine whether the proposed metrics
20 and evaluation methodologies are appro-
21 priately rigorous and reliant upon inde-
22 pendent data and evidence-based research.

23 “(E) TIMING OF APPOINTMENTS.—The ap-
24 pointments of the members of the Commission
25 shall be made not later than 120 days after the

1 date of the enactment of this subsection, or, in
2 the event of a vacancy, not later than 90 days
3 after the date the vacancy arises. If a member
4 of Congress fails to appoint a member by that
5 date, the President may select a member of the
6 President's choice on behalf of the member of
7 Congress. Notwithstanding the preceding sen-
8 tence, if not all appointments have been made
9 to the Commission as of that date, the Commis-
10 sion may operate with no fewer than 5 members
11 until all appointments have been made.

12 “(F) TERM OF APPOINTMENTS.—

13 “(i) IN GENERAL.—The members ap-
14 pointed under subparagraph (C) shall serve
15 as follows:

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

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

20 “(III) 3 members (1 of which
21 shall be Chair of the Commission ap-
22 pointed by the President) shall serve
23 for 4 years.

24 “(ii) ASSIGNMENT OF TERMS.—The
25 Commission shall designate the term

1 length that each member appointed under
2 subparagraph (C) shall serve by unani-
3 mous agreement. In the event that unani-
4 mous agreement cannot be reached, term
5 lengths shall be assigned to the members
6 by a random process.

7 “(G) VACANCIES.—Subject to subpara-
8 graph (E), in the event of a vacancy in the
9 Commission, whether due to the resignation of
10 a member, the expiration of a member’s term,
11 or any other reason, the vacancy shall be filled
12 in the manner in which the original appoint-
13 ment was made and shall not affect the powers
14 of the Commission.

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

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

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

3 “(B) any other agency consulted by the
4 Secretary before approving a social impact part-
5 nership project or a feasibility study under
6 paragraph (4).

7 “(9) NO FEDERAL FUNDING FOR CREDIT EN-
8 HANCEMENTS.—No amount reserved to carry out
9 this subsection may be used to provide any insur-
10 ance, guarantee, or other credit enhancement to a
11 State or local government under which a Federal
12 payment would be made to a State or local govern-
13 ment as the result of a State or local government
14 failing to achieve an outcome specified in a contract.

15 “(10) AVAILABILITY OF FUNDS.—Amounts re-
16 served to carry out this subsection shall remain
17 available until 10 years after the date of the enact-
18 ment of this subsection.

19 “(11) WEBSITE.—The Federal Interagency
20 Council on Social Impact Partnerships shall estab-
21 lish and maintain a public website that shall display
22 the following:

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

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

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

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

9 “(ii) A description of each interven-
10 tion in the project.

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

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

16 “(v) The detailed roles, responsibil-
17 ities, and purposes of each Federal, State,
18 or local government entity, intermediary,
19 service provider, independent evaluator, in-
20 vestor, or other stakeholder.

21 “(vi) The payment terms, method-
22 ology used to calculate outcome payments,
23 the payment schedule, and performance
24 thresholds.

25 “(vii) The project budget.

1 “(viii) The project timeline.

2 “(ix) The project eligibility criteria.

3 “(x) The evaluation design.

4 “(xi) The metrics used to determine
5 whether the proposed outcomes have been
6 achieved and how these metrics are meas-
7 ured.

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

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

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

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

21 “(A) AGENCY.—The term ‘agency’ has the
22 meaning given that term in section 551 of title
23 5, United States Code.

24 “(B) INTERVENTION.—The term ‘interven-
25 tion’ means a specific service delivered to

1 achieve an impact through a social impact part-
2 nership project.

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

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

10 “(E) SOCIAL IMPACT PARTNERSHIP
11 MODEL.—The term ‘social impact partnership
12 model’ means a method of financing social serv-
13 ices in which—

14 “(i) Federal funds are awarded to a
15 State or local government only if a State
16 or local government achieves certain out-
17 comes agreed on by the State or local gov-
18 ernment and the Secretary; and

19 “(ii) the State or local government co-
20 ordinates with service providers, investors
21 (if applicable to the project), and (if nec-
22 essary) an intermediary to identify—

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

1 “(II) a service provider to deliver
2 the intervention to the target popu-
3 lation; and

4 “(III) investors to fund the deliv-
5 ery of the intervention.

6 “(F) STATE.—The term ‘State’ means
7 each State of the United States, the District of
8 Columbia, each commonwealth, territory or pos-
9 session of the United States, and each federally
10 recognized Indian tribe.

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

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

16 (a) FAMILY ASSISTANCE GRANTS.—Section
17 403(a)(1) of the Social Security Act (42 U.S.C. 603(a)(1))
18 is amended in each of subparagraphs (A) and (C), by
19 striking “2012” and inserting “2017”.

20 (b) HEALTHY MARRIAGE PROMOTION AND RESPON-
21 SIBLE FATHERHOOD GRANTS.—Section 403(a)(2)(D) of
22 such Act (42 U.S.C. 603(a)(2)(D)) is amended by striking
23 “2012” each place it appears and inserting “2017”.

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

4 (d) CHILD CARE ENTITLEMENT.—Section 418(a)(3)
5 of such Act (42 U.S.C. 618(a)(3)) is amended by striking
6 “2012” and inserting “2017”.

7 (e) GRANTS TO THE TERRITORIES.—Section
8 1108(b)(2) of such Act (42 U.S.C. 1308(b)(2)) is amend-
9 ed by striking “2012” and inserting “2017”.

10 **SEC. 4. STRENGTHENING WELFARE RESEARCH AND EVAL-**
11 **UATION AND DEVELOPMENT OF A WHAT**
12 **WORKS CLEARINGHOUSE.**

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

15 **“SEC. 413. EVALUATION OF TEMPORARY ASSISTANCE FOR**
16 **NEEDY FAMILIES AND RELATED PROGRAMS.**

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

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

8 “(c) DISSEMINATION OF INFORMATION.—The Sec-
9 retary shall, in consultation with States receiving funds
10 provided under this part, develop methods of dissemi-
11 nating information on any research, evaluation, or study
12 conducted under this section, including facilitating the
13 sharing of information and best practices among States
14 and localities.

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

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

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

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

5 “(e) CENSUS BUREAU RESEARCH.—

6 “(1) The Bureau of the Census shall implement
7 or enhance household surveys of program participa-
8 tion, in consultation with the Secretary and the
9 Bureau of Labor Statistics and made available to
10 interested parties, to allow for the assessment of the
11 outcomes of continued welfare reform on the eco-
12 nomic and child well-being of low-income families
13 with children, including those who received assist-
14 ance or services from a State program funded under
15 this part or any other State program funded with
16 qualified State expenditures (as defined in section
17 409(a)(7)(B)(i)). The content of the surveys should
18 include such information as may be necessary to ex-
19 amine the issues of unmarried childbearing, mar-
20 riage, welfare dependency and compliance with work
21 requirements, the beginning and ending of spells of
22 assistance, work, earnings and employment stability,
23 and the well-being of children.

24 “(2) To carry out the activities specified in
25 paragraph (1), the Bureau of the Census, the Sec-

1 retary, and the Bureau of Labor Statistics shall con-
2 sider ways to improve the surveys and data derived
3 from the surveys to—

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

7 “(B) increase understanding of poverty
8 spells and long-term poverty, including by facili-
9 tating the matching of information to better un-
10 derstand intergenerational poverty;

11 “(C) generate a better geographical under-
12 standing of poverty such as through State-
13 based estimates and measures of neighborhood
14 poverty;

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

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

21 “(f) RESEARCH AND EVALUATION CONDUCTED
22 UNDER THIS SECTION.—Research and evaluation con-
23 ducted under this section designed to determine the effects
24 of a program or policy (other than research conducted
25 under subsection (e)) shall use experimental designs using

1 random assignment or other reliable, evidence-based re-
2 search methodologies that allow for the strongest possible
3 causal inferences when random assignment is not feasible.

4 “(g) DEVELOPMENT OF WHAT WORKS CLEARING-
5 HOUSE OF PROVEN AND PROMISING APPROACHES TO
6 MOVE WELFARE RECIPIENTS INTO WORK.—

7 “(1) IN GENERAL.—The Secretary, in consulta-
8 tion with the Secretary of Labor, shall develop a
9 database (which shall be referred to as the ‘What
10 Works Clearinghouse of Proven and Promising
11 Projects to Move Welfare Recipients into Work’) of
12 the projects that used a proven approach or a prom-
13 ising approach in moving welfare recipients into
14 work, based on independent, rigorous evaluations of
15 the projects. The database shall include a separate
16 listing of projects that used a developmental ap-
17 proach in delivering services and a further separate
18 listing of the projects with no or negative effects.
19 The Secretary shall add to the What Works Clear-
20 ingshouse of Proven and Promising Projects to Move
21 Welfare Recipients into Work data about the
22 projects that, based on an independent, well-con-
23 ducted experimental evaluation of a program or
24 project, using random assignment or other research
25 methodologies that allow for the strongest possible

1 causal inferences, have shown they are proven,
2 promising, developmental, or ineffective approaches.

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

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

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

13 “(i) is transparent;

14 “(ii) is consistent across agencies;

15 “(iii) provides opportunity for public
16 comment; and

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

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

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

4 “(i) research-based, based on the re-
5 sults of 1 or more empirical studies, and
6 linked to program-determined outcomes;
7 and

8 “(ii) evaluated using rigorous research
9 designs.

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

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

14 “(ii) has demonstrated significant
15 positive outcomes at more than 1 site in
16 terms of increasing work and earnings of
17 participants, reducing poverty and depend-
18 ence, or strengthening families.

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

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

23 “(ii) that has been evaluated using
24 well-designed and rigorous randomized

1 controlled or quasi-experimental research
2 designs;

3 “(iii) that has demonstrated signifi-
4 cant positive outcomes at only 1 site in
5 terms of increasing work and earnings of
6 participants, reducing poverty and depend-
7 ence, or strengthening families; and

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

11 “(D) DEVELOPMENTAL APPROACH.—The
12 term ‘developmental approach’ means an ap-
13 proach that—

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

17 “(ii) is evaluated using rigorous re-
18 search designs; and

19 “(iii) has yet to demonstrate a signifi-
20 cant positive outcome in terms of increas-
21 ing work and earnings of participants in a
22 cost-effective way.

23 “(h) APPROPRIATION.—

24 “(1) IN GENERAL.—Of the amount appro-
25 priated by section 403(a)(1) for each fiscal year,

1 0.33 percent shall be available for research and eval-
2 uation under this section.

3 “(2) ALLOCATION.—Of the amount made avail-
4 able under paragraph (1) for each fiscal year, the
5 Secretary shall make available \$10,000,000 plus
6 such additional amount as the Secretary deems nec-
7 essary and appropriate, to carry out subsection
8 (e).”.

9 (b) CONFORMING AMENDMENT.—Section
10 403(a)(1)(B) of such Act (42 U.S.C. 603(a)(1)(B)) is
11 amended by inserting “, reduced by the percentage speci-
12 fied in section 413(h) with respect to the fiscal year,” be-
13 fore “as the amount”.

14 **SEC. 5. TECHNICAL CORRECTIONS TO DATA EXCHANGE**
15 **STANDARDS TO IMPROVE PROGRAM COORDI-**
16 **NATION.**

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

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

21 “(1) DESIGNATION.—The Secretary shall, in
22 consultation with an interagency work group estab-
23 lished by the Office of Management and Budget and
24 considering State government perspectives, by rule,

1 designate data exchange standards to govern, under
2 this part—

3 “(A) necessary categories of information
4 that State agencies operating programs under
5 State plans approved under this part are re-
6 quired under applicable Federal law to elec-
7 tronically exchange with another State agency;
8 and

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

11 “(2) REQUIREMENTS.—The data exchange
12 standards required by paragraph (1) shall, to the ex-
13 tent practicable—

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

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

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

1 “(D) be consistent with and implement ap-
2 plicable accounting principles;

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

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

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

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

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

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

23 **SEC. 6. EFFECTIVE DATE.**

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