

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 5170  
OFFERED BY MR. BRADY OF TEXAS**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

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

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

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

8 “(c) SOCIAL IMPACT DEMONSTRATION PROJECTS.—

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

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

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

1           “(C) To ensure Federal funds are used ef-  
2           fectively on social services to produce positive  
3           outcomes for both service recipients and tax-  
4           payers.

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

8           “(E) To facilitate the creation of public-  
9           private partnerships that bundle philanthropic  
10          or other private resources with existing public  
11          spending to scale up effective social interven-  
12          tions already being implemented by private or-  
13          ganizations, non-profits, charitable organiza-  
14          tions, and State and local governments across  
15          the country.

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

21          “(G) To incorporate outcomes measure-  
22          ment and randomized controlled trials or other  
23          rigorous methodologies for assessing program  
24          impact.

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

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

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

19                 “(i) Increasing work and earnings by  
20                 individuals who have been unemployed in  
21                 the United States for more than 6 con-  
22                 secutive months.

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

1                   “(iii) Increasing employment among  
2 individuals receiving Federal disability ben-  
3 efits.

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

7                   “(v) Improving rates of high school  
8 graduation.

9                   “(vi) Reducing teen and unplanned  
10 pregnancies.

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

14                  “(viii) Reducing rates of asthma, dia-  
15 betes, or other preventable diseases among  
16 low-income families and individuals to re-  
17 duce the utilization of emergency and other  
18 high-cost care.

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

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

23                  “(xi) Reducing the number of youth  
24 in foster care by increasing adoptions, per-  
25 manent guardianship arrangements, reuni-

1           fication, or placement with a fit and willing  
2           relative, or by avoiding placing children in  
3           foster care by ensuring they can be cared  
4           for safely in their own homes.

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

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

16          “(xiv) Reducing recidivism among ju-  
17          veniles, individuals released from prison, or  
18          other high-risk populations.

19          “(xv) Reducing the rate of homeless-  
20          ness among our most vulnerable popu-  
21          lations.

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

1           “(xvii) Improving the educational out-  
2 comes of special-needs or low-income chil-  
3 dren.

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

7           “(xix) Increasing the financial sta-  
8 bility of low-income families.

9           “(xx) Increasing the independence and  
10 employability of individuals who are phys-  
11 ically or mentally disabled.

12           “(xxi) Other measurable outcomes de-  
13 fined by the State or local government that  
14 result in positive social outcomes and Fed-  
15 eral savings.

16           “(C) APPLICATION REQUIRED.—The notice  
17 described in subparagraph (A) shall require a  
18 State or local government to submit an applica-  
19 tion for the social impact partnership project  
20 that addresses the following:

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

22           “(ii) A description of each interven-  
23 tion in the project and anticipated out-  
24 comes of the intervention.

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

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

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

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

12          “(vii) Projected Federal, State, and  
13          local government savings and other sav-  
14          ings, including an estimate of the savings  
15          to the Federal Government, on a program-  
16          by-program basis and in the aggregate, if  
17          the project is implemented and the out-  
18          comes are achieved.

19          “(viii) If savings resulting from the  
20          successful completion of the project are es-  
21          timated to accrue to the State or local gov-  
22          ernment, the likelihood of the State or  
23          local government to realize those savings.

1           “(ix) A plan for delivering the inter-  
2           vention through a social impact partner-  
3           ship model.

4           “(x) A description of the expertise of  
5           each service provider that will administer  
6           the intervention, including a summary of  
7           the experience of the service provider in  
8           delivering the proposed intervention or a  
9           similar intervention, or demonstrating that  
10          the service provider has the expertise nec-  
11          essary to deliver the proposed intervention.

12          “(xi) An explanation of the experience  
13          of the State or local government, the inter-  
14          mediary, or the service provider in raising  
15          private and philanthropic capital to fund  
16          social service investments.

17          “(xii) The detailed roles and respon-  
18          sibilities of each entity involved in the  
19          project, including any State or local gov-  
20          ernment entity, intermediary, service pro-  
21          vider, independent evaluator, investor, or  
22          other stakeholder.

23          “(xiii) A summary of the experience of  
24          the service provider delivering the proposed  
25          intervention or a similar intervention, or a



1 summary demonstrating the service pro-  
2 vider has the expertise necessary to deliver  
3 the proposed intervention.

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

8 “(xv) The proposed payment terms,  
9 the methodology used to calculate outcome  
10 payments, the payment schedule, and per-  
11 formance thresholds.

12 “(xvi) The project budget.

13 “(xvii) The project timeline.

14 “(xviii) The criteria used to determine  
15 the eligibility of an individual for the  
16 project, including how selected populations  
17 will be identified, how they will be referred  
18 to the project, and how they will be en-  
19 rolled in the project.

20 “(xix) The evaluation design.

21 “(xx) The metrics that will be used to  
22 determine whether the outcomes have been  
23 achieved and how the metrics will be meas-  
24 ured.

1           “(xxi) An explanation of how the  
2 metrics used to determine whether the out-  
3 comes have been achieved are independent,  
4 objective indicators of impact and are not  
5 subject to manipulation by the service pro-  
6 vider, intermediary, or investor.

7           “(xxii) A summary explaining the  
8 independence of the evaluator from the  
9 other entities involved in the project and  
10 the evaluator’s experience in conducting  
11 rigorous evaluations of program effective-  
12 ness including, where available, well-imple-  
13 mented randomized controlled trials on the  
14 intervention or similar interventions.

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

20           “(D) PROJECT INTERMEDIARY INFORMA-  
21 TION REQUIRED.—The application described in  
22 subparagraph (C) shall also contain the fol-  
23 lowing information about any intermediary for  
24 the social impact partnership project (whether

1 an intermediary is a service provider or other  
2 entity):

3 “(i) Experience and capacity for pro-  
4 viding or facilitating the provision of the  
5 type of intervention proposed.

6 “(ii) The mission and goals.

7 “(iii) Information on whether the  
8 intermediary is already working with serv-  
9 ice providers that provide this intervention  
10 or an explanation of the capacity of the  
11 intermediary to begin working with service  
12 providers to provide the intervention.

13 “(iv) Experience working in a collabo-  
14 rative environment across government and  
15 nongovernmental entities.

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

19 “(vi) Ability to raise or provide fund-  
20 ing to cover operating costs (if applicable  
21 to the project).

22 “(vii) Capacity and infrastructure to  
23 track outcomes and measure results, in-  
24 cluding—

1                   “(I) capacity to track and ana-  
2                   lyze program performance and assess  
3                   program impact; and

4                   “(II) experience with perform-  
5                   ance-based awards or performance-  
6                   based contracting and achieving  
7                   project milestones and targets.

8                   “(viii) Role in delivering the interven-  
9                   tion.

10                  “(ix) How the intermediary would  
11                  monitor program success, including a de-  
12                  scription of the interim benchmarks and  
13                  outcome measures.

14                  “(E) FEASIBILITY STUDIES FUNDED  
15                  THROUGH OTHER SOURCES.—The notice de-  
16                  scribed in subparagraph (A) shall permit a  
17                  State or local government to submit an applica-  
18                  tion for social impact partnership funding that  
19                  contains information from a feasibility study  
20                  developed for purposes other than applying for  
21                  funding under this subsection.

22                  “(3) AWARDING SOCIAL IMPACT PARTNERSHIP  
23                  AGREEMENTS.—

24                  “(A) TIMELINE IN AWARDING AGREE-  
25                  MENT.—Not later than 6 months after receiving

1 an application in accordance with paragraph  
2 (2), the Secretary, in consultation with the Fed-  
3 eral Interagency Council on Social Impact Part-  
4 nerships, shall determine whether to enter into  
5 an agreement for a social impact partnership  
6 project with a State or local government.

7 “(B) CONSIDERATIONS IN AWARDING  
8 AGREEMENT.—In determining whether to enter  
9 into an agreement for a social impact partner-  
10 ship project (the application for which was sub-  
11 mitted under paragraph (2)) the Secretary, in  
12 consultation with the Federal Interagency  
13 Council on Social Impact Partnerships (estab-  
14 lished by paragraph (6)) and the head of any  
15 Federal agency administering a similar inter-  
16 vention or serving a population similar to that  
17 served by the project, shall consider each of the  
18 following:

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

22 “(ii) The value to the Federal Govern-  
23 ment of the outcomes expected to be  
24 achieved if the outcomes specified in the  
25 agreement are achieved.

1           “(iii) The likelihood, based on evi-  
2           dence provided in the application and other  
3           evidence, that the State or local govern-  
4           ment in collaboration with the inter-  
5           mediary and the service providers will  
6           achieve the outcomes.

7           “(iv) The savings to the Federal Gov-  
8           ernment if the outcomes specified in the  
9           agreement are achieved.

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

13           “(vi) The expected quality of the eval-  
14           uation that would be conducted with re-  
15           spect to the agreement.

16           “(C) AGREEMENT AUTHORITY.—

17           “(i) AGREEMENT REQUIREMENTS.—

18           In accordance with this paragraph, the  
19           Secretary, in consultation with the Federal  
20           Interagency Council on Social Impact  
21           Partnerships and the head of any Federal  
22           agency administering a similar intervention  
23           or serving a population similar to that  
24           served by the project, may enter into an  
25           agreement for a social impact partnership

1 project with a State or local government if  
2 the Secretary, in consultation with the  
3 Federal Interagency Council on Social Im-  
4 pact Partnerships, determines that each of  
5 the following requirements are met:

6 “(I) The State or local govern-  
7 ment agrees to achieve 1 or more out-  
8 comes specified in the agreement in  
9 order to receive payment.

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

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

20 “(IV) The State or local govern-  
21 ment has demonstrated, through the  
22 application submitted under para-  
23 graph (2), that, based on prior rig-  
24 orous experimental evaluations or rig-  
25 orous quasi-experimental studies, the

1 intervention can be expected to  
2 achieve each outcome specified in the  
3 agreement.

4 “(V) The State, local govern-  
5 ment, intermediary, or service pro-  
6 vider has experience raising private or  
7 philanthropic capital to fund social  
8 service investments (if applicable to  
9 the project).

10 “(VI) The State or local govern-  
11 ment has shown that each service pro-  
12 vider has experience delivering the  
13 intervention, a similar intervention, or  
14 has otherwise demonstrated the exper-  
15 tise necessary to deliver the interven-  
16 tion.

17 “(ii) PAYMENT.—The Secretary shall  
18 pay the State or local government only if  
19 the independent evaluator described in  
20 paragraph (5) determines that the social  
21 impact partnership project has met the re-  
22 quirements specified in the agreement and  
23 achieved an outcome specified in the agree-  
24 ment.



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

7                   “(i) The outcome goals of the social  
8                   impact partnership 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, the 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 that will be used to  
5 determine whether the outcomes have been  
6 achieved and how these metrics will be  
7 measured.

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

14 “(E) AUTHORITY TO TRANSFER ADMINIS-  
15 TRATION OF AGREEMENT.—The Secretary may  
16 transfer to the head of another Federal agency  
17 the authority to administer (including making  
18 payments under) an agreement entered into  
19 under subparagraph (C), and any funds nec-  
20 essary to do so.

21 “(4) FEASIBILITY STUDY FUNDING.—

22 “(A) REQUESTS FOR FUNDING FOR FEASI-  
23 BILITY STUDIES.—The Secretary shall reserve a  
24 portion of the amount reserved to carry out this  
25 subsection to assist States or local governments

1 in developing feasibility studies to apply for so-  
2 cial impact partnership funding under para-  
3 graph (2). To be eligible to receive funding to  
4 assist with completing a feasibility study, a  
5 State or local government shall submit an appli-  
6 cation for feasibility study funding addressing  
7 the following:

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

11 “(ii) A description of the intervention,  
12 including anticipated program design, tar-  
13 get population, an estimate regarding the  
14 number of individuals to be served, and  
15 setting for the intervention.

16 “(iii) Evidence to support the likeli-  
17 hood that the intervention will produce the  
18 desired outcomes.

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

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

24 “(vi) Estimated costs to conduct the  
25 project.

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

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

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

14          “(x) The expected resources needed to  
15          complete the feasibility study for the State  
16          or local government to apply for social im-  
17          pact partnership funding under paragraph  
18          (2).

19          “(B) FEDERAL SELECTION OF APPLICA-  
20          TIONS FOR FEASIBILITY STUDY.—Not later  
21          than 6 months after receiving an application for  
22          feasibility study funding under subparagraph  
23          (A), the Secretary, in consultation with the  
24          Federal Interagency Council on Social Impact  
25          Partnerships and the head of any Federal agen-

1           cy administering a similar intervention or serv-  
2           ing a population similar to that served by the  
3           project, shall select State or local government  
4           feasibility study proposals for funding based on  
5           the following:

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

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

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

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

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

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

1 information explaining why a State or local gov-  
2 ernment was granted feasibility study funding.

3 “(D) FUNDING RESTRICTION.—

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

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

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

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

1 Interagency Council on Social Impact Partner-  
2 ships.

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

8 “(5) EVALUATIONS.—

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

23 “(B) EVALUATOR QUALIFICATIONS.—The  
24 head of the relevant agency may not enter into  
25 an agreement with a State or local government

1           unless the head determines that the evaluator is  
2           independent of the other parties to the agree-  
3           ment and has demonstrated substantial experi-  
4           ence in conducting rigorous evaluations of pro-  
5           gram effectiveness including, where available  
6           and appropriate, well-implemented randomized  
7           controlled trials on the intervention or similar  
8           interventions.

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

19          “(D) **PROGRESS REPORT.**—

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

22                          “(I) not later than 2 years after  
23                          a project has been approved by the  
24                          Secretary and biannually thereafter  
25                          until the project is concluded, submit



1 to the head of the relevant agency and  
2 the Federal Interagency Council on  
3 Social Impact Partnerships a written  
4 report summarizing the progress that  
5 has been made in achieving each out-  
6 come specified in the agreement; and

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

24 “(ii) SUBMISSION TO CONGRESS.—

25 Not later than 30 days after receipt of the

1 written report pursuant to clause (i)(II),  
2 the Federal Interagency Council on Social  
3 Impact Partnerships shall submit the re-  
4 port to each committee of jurisdiction in  
5 the House of Representatives and the Sen-  
6 ate.

7 “(E) FINAL REPORT.—

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

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

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

1 to the success or failure of the project,  
2 the challenges faced in attempting to  
3 achieve the outcome, and information  
4 on the improved future delivery of this  
5 or similar interventions.

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

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

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

1           “(6) FEDERAL INTERAGENCY COUNCIL ON SO-  
2           CIAL IMPACT PARTNERSHIPS.—

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

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

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

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

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

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

1 to assist the State or local government and  
2 the evaluator in evaluating the perform-  
3 ance and outcomes of the project;

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

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

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

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

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

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

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

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

17 “(ii) OTHER MEMBERS.—The head of  
18 each of the following entities shall des-  
19 ignate 1 officer or employee of the entity  
20 to be a Council member:

21 “(I) The Department of Labor.

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

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

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

3                   “(V) The Department of Justice.

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

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

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

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

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

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

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

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

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

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

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

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

13           “(i) 1 shall be appointed by the Presi-  
14           dent, who will serve as the Chair of the  
15           Commission;

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

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

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

22           “(v) 1 shall be appointed by the Mi-  
23           nority Leader of the House of Representa-  
24           tives;



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

4           “(vii) 1 shall be appointed by the  
5           ranking member of the Committee on Fi-  
6           nance of the Senate;

7           “(viii) 1 member shall be appointed by  
8           the Chairman of the Committee on Ways  
9           and Means of the House of Representa-  
10          tives; and

11          “(ix) 1 shall be appointed by the  
12          ranking member of the Committee on  
13          Ways and Means of the House of Rep-  
14          resentatives.

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

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

21                 “(ii) have relevant professional or per-  
22                 sonal experience in a field related to 1 or  
23                 more of the outcomes listed in this sub-  
24                 section; or

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

7           “(E) TIMING OF APPOINTMENTS.—The ap-  
8           pointments of the members of the Commission  
9           shall be made not later than 120 days after the  
10          date of the enactment of this subsection, or, in  
11          the event of a vacancy, not later than 90 days  
12          after the date the vacancy arises. If a member  
13          of Congress fails to appoint a member by that  
14          date, the President may select a member of the  
15          President’s choice on behalf of the member of  
16          Congress. Notwithstanding the preceding sen-  
17          tence, if not all appointments have been made  
18          to the Commission as of that date, the Commis-  
19          sion may operate with no fewer than 5 members  
20          until all appointments have been made.

21          “(F) TERM OF APPOINTMENTS.—

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

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

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

5                   “(III) 3 members (1 of which  
6                   shall be Chair of the Commission ap-  
7                   pointed by the President) shall serve  
8                   for 4 years.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13           “(vii) The project budget.

14           “(viii) The project timeline.

15           “(ix) The project eligibility criteria.

16           “(x) The evaluation design.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

