

114TH CONGRESS  
1ST SESSION

# S. 1089

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

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IN THE SENATE OF THE UNITED STATES

APRIL 27, 2015

Mr. HATCH (for himself and Mr. BENNET) introduced the following bill; which was read twice and referred to the Committee on Finance

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## 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 ship Act”.

6 **SEC. 2. SOCIAL IMPACT PARTNERSHIPS.**

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

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

4 (2) by adding at the end the following:

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

7 **“SEC. 2051. PURPOSES.**

8 “The purposes of this subtitle are the following:

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

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

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

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

22 “(5) To facilitate the creation of public-private  
23 partnerships that bundle philanthropic and other  
24 private resources with existing public spending to  
25 scale up effective social interventions already being

1 implemented by private organizations, non-profits,  
2 charitable organizations, and local governments  
3 across the country.

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

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

10 “(a) NOTICE.—Not later than 1 year after the date  
11 of the enactment of this subtitle, the Secretary of the  
12 Treasury (referred to in this subtitle as the ‘Secretary’),  
13 in consultation with the Federal Interagency Council on  
14 Social Impact Partnerships (established by section 2056),  
15 shall publish in the Federal Register a request for pro-  
16 posals from States or local governments for social impact  
17 partnership projects in accordance with this section.

18 “(b) REQUIRED OUTCOMES FOR SOCIAL IMPACT  
19 PARTNERSHIP PROJECT.—To qualify as a social impact  
20 partnership project under this subtitle, a project must  
21 produce a measurable, clearly defined outcome that results  
22 in social benefit and Federal savings through any of the  
23 following:

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

4           “(2) Increasing employment and earnings of in-  
5           dividuals age 16 to 24.

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

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

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

11          “(6) Reducing teen and unplanned pregnancies.

12          “(7) Improving birth outcomes among low-in-  
13          come families and individuals.

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

18          “(9) Increasing the proportion of children living  
19          in 2-parent families.

20          “(10) Reducing incidences of child abuse and  
21          neglect.

22          “(11) Reducing the number of youth in foster  
23          care by increasing adoptions, permanent guardian-  
24          ship arrangements, reunification, or placement with  
25          a fit and willing relative.

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

8           “(13) Reducing recidivism among individuals  
9 released from prison.

10           “(14) Improving the housing security of individ-  
11 uals experiencing homelessness or at imminent risk  
12 of becoming homeless.

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

16           “(c) FEASIBILITY STUDY REQUIRED.—The notice  
17 described in subsection (a) shall require a State or local  
18 government to submit a feasibility study for the social im-  
19 pact partnership project that contains the following infor-  
20 mation:

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

22           “(2) A description of each intervention in the  
23 project and anticipated outcome of such interven-  
24 tion.

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

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

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

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

11           “(7) Projected Federal, State, and local govern-  
12 ment savings and other savings, including an esti-  
13 mate prepared by the State or local government of  
14 the savings to the Federal, State, and local govern-  
15 ment, on a program-by-program basis and in the ag-  
16 gregate, if the project is implemented and the out-  
17 comes are achieved.

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

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

24           “(10) A description of the expertise of each  
25 service provider that will administer the intervention.

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

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

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

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

19           “(15) The payment terms, the methodology  
20 used to calculate outcome payments, the payment  
21 schedule, and performance thresholds.

22           “(16) The project budget.

23           “(17) The project timeline.

24           “(18) The criteria used to determine the eligi-  
25 bility of an individual for the project, including how

1 selected populations will be identified, how they will  
2 be referred to the project, and how they will be en-  
3 rolled in the project.

4 “(19) The evaluation design.

5 “(20) The metrics that will be used to deter-  
6 mine whether the outcomes have been achieved and  
7 how such metrics will be measured.

8 “(21) An explanation of how the metrics used  
9 to determine whether the outcomes have been  
10 achieved are independent, objective indicators of im-  
11 pact and are not subject to manipulation by the  
12 service provider or investor.

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

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

24 “(d) PROJECT INTERMEDIARY INFORMATION RE-  
25 QUIRED.—The feasibility study described in subsection (c)



1 shall also contain the following information about the  
2 intermediary for the social impact partnership project  
3 (whether the intermediary is the service provider or other  
4 entity):

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

8           “(2) The mission and goals.

9           “(3) Information on whether the intermediary  
10          is already working with service providers that pro-  
11          vide this intervention or an explanation of the capac-  
12          ity of the intermediary to begin working with service  
13          providers to provide the intervention.

14          “(4) Experience working in a collaborative envi-  
15          ronment across government and nongovernmental  
16          entities.

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

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

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

24                 “(A) capacity to track and analyze pro-  
25                 gram performance; and

1           “(B) experience with performance-based  
2           contracting and achieving project milestones  
3           and targets.

4           “(8) Role in delivering the intervention.

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

8   **“SEC. 2053. AWARDING CONTRACTS FOR SOCIAL IMPACT**  
9                                   **PARTNERSHIP PROJECTS.**

10          “(a) **TIMELINE IN AWARDING CONTRACT.**—Not later  
11 than 6 months after receiving an application in accordance  
12 with section 2052, the Secretary shall determine whether  
13 to enter into a contract for a social impact partnership  
14 project with the State or local government that submitted  
15 such application.

16          “(b) **CONSIDERATIONS IN AWARDING CONTRACT.**—  
17 In determining whether to enter into a contract for a so-  
18 cial impact partnership project with a State or local gov-  
19 ernment, the Secretary, in consultation with the Federal  
20 Interagency Council on Social Impact Partnerships and  
21 the head of any Federal agency administering a similar  
22 intervention or serving a population similar to that served  
23 by the project, shall consider each of the following:

1           “(1) The value to the Federal Government of  
2 the outcome expected to be achieved if the outcomes  
3 specified in the contract are achieved.

4           “(2) The ability of the State or local govern-  
5 ment, in collaboration with the intermediary and the  
6 service providers, to achieve the outcomes.

7           “(3) The savings to the Federal Government if  
8 the outcomes specified in contract are achieved.

9           “(4) The savings to the State and local govern-  
10 ments if the outcomes specified in the contract are  
11 achieved.

12           “(5) The expected quality of the evaluation that  
13 would be conducted with respect to the contract.

14           “(c) CONTRACT AUTHORITY.—

15           “(1) CONTRACT REQUIREMENTS.—In accord-  
16 ance with this section, the Secretary, in consultation  
17 with the Federal Interagency Council on Social Im-  
18 pact Partnerships and the head of any Federal agen-  
19 cy administering a similar intervention or serving a  
20 population similar to that served by the project, may  
21 enter into a contract for a social impact partnership  
22 project with a State or local government if the Sec-  
23 retary determines that each of the following require-  
24 ments are met:

1           “(A) The State or local government agrees  
2 to achieve an outcome specified in the contract  
3 in order to receive payment.

4           “(B) The Federal payment to the State or  
5 local government for each outcome specified  
6 does not exceed the monetary value of the out-  
7 come to the Federal Government over a period  
8 not to exceed 10 years, as determined by the  
9 Secretary, in consultation with the State or  
10 local government.

11           “(C) The duration of the project does not  
12 exceed 10 years.

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

20           “(E) The State, local government, inter-  
21 mediary, or service provider has experience rais-  
22 ing private or philanthropic capital to fund so-  
23 cial service investments (if applicable to the  
24 project).

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

6           “(2) PAYMENT.—The Secretary shall pay the  
7 State or local government only if the independent  
8 evaluator described in section 2055 determines that  
9 the social impact partnership project has met the re-  
10 quirements specified in the contract and achieved an  
11 outcome specified in the contract.

12           “(3) LIMITATION.—The Secretary shall not  
13 enter into a contract for a social impact partnership  
14 project under paragraph (1) after the date that is 10  
15 years after the date of the enactment of this subtitle  
16 and shall not obligate any funds made available  
17 under section 2057(a) after such date.

18           “(d) NOTICE OF CONTRACT AWARD.—Not later than  
19 30 days after entering into a contract under this section,  
20 the Secretary shall publish a notice in the Federal Reg-  
21 ister that includes, with regard to such contract, the fol-  
22 lowing:

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

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

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

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

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

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

15           “(7) The project budget.

16           “(8) The project timeline.

17           “(9) The project eligibility criteria.

18           “(10) The evaluation design.

19           “(11) The metrics that will be used to deter-  
20 mine whether the outcomes have been achieved and  
21 how these metrics will be measured.

22           “(12) The estimate prepared by the State or  
23 local government of the savings to the Federal,  
24 State, and local government, on a program-by-pro-  
25 gram basis and in the aggregate, if the contract is

1 entered into and implemented and the outcomes are  
2 achieved.

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

4 “(a) REQUESTS FOR FUNDING FOR FEASIBILITY  
5 STUDIES.—The Secretary shall reserve a portion of the  
6 funding provided in section 2057 to assist States or local  
7 governments in developing feasibility studies required by  
8 section 2052. To be eligible to receive funding to assist  
9 with completing a feasibility study, a State or local govern-  
10 ment shall submit an application for feasibility study fund-  
11 ing containing the following information:

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

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

18 “(3) Evidence to support the likelihood that  
19 such intervention will produce the desired outcome.

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

23 “(5) Estimated costs to conduct the project.

1           “(6) Estimates of Federal, State, and local gov-  
2           ernment savings and other savings if the project is  
3           implemented and the outcomes are achieved.

4           “(7) An estimated timeline for implementation  
5           and completion of the project, which shall not exceed  
6           10 years.

7           “(8) With respect to a project for which the  
8           State or local government selects an intermediary to  
9           operate the project, any partnerships needed to suc-  
10          cessfully execute the project and the ability of the  
11          intermediary to foster such partnerships.

12          “(9) The expected resources needed to complete  
13          the feasibility study for the State or local govern-  
14          ment to apply for social impact partnership funding  
15          under section 2052.

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



1           “(1) The likelihood that the proposal will  
2           achieve the desired outcome.

3           “(2) The value of the outcome expected to be  
4           achieved.

5           “(3) The potential savings to the Federal Gov-  
6           ernment if the social impact partnership project is  
7           successful.

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

10          “(c) PUBLIC DISCLOSURE.—Not later than 30 days  
11          after selecting a State or local government for feasibility  
12          study funding under this section, the Secretary shall pub-  
13          lish on the website of the Federal Interagency Council on  
14          Social Impact Partnerships information explaining why  
15          the State or local government was granted feasibility study  
16          funding.

17          “(d) FUNDING RESTRICTIONS; NO GUARANTEE OF  
18          FUNDING.—

19                 “(1) FEASIBILITY STUDY RESTRICTION.—The  
20                 Secretary shall not provide feasibility study funding  
21                 under this section for more than 50 percent of the  
22                 estimated total cost of the feasibility study reported  
23                 in the State or local government application sub-  
24                 mitted under subsection (a).

1           “(2) AGGREGATE RESTRICTION.—Of the total  
2           amount appropriated under section 2057, the Sec-  
3           retary shall not use more than \$10,000,000 to pro-  
4           vide feasibility study funding to States or local gov-  
5           ernments under this section.

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

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

15        **“SEC. 2055. EVALUATIONS.**

16          “(a) CONTRACT AUTHORITY.—For each State or  
17          local government awarded a social impact partnership  
18          project approved by the Secretary under this subtitle, the  
19          head of the relevant agency, as determined by the Federal  
20          Interagency Council on Social Impact Partnerships, shall  
21          enter into a contract with such State or local government  
22          to pay for the independent evaluation to determine wheth-  
23          er the State or local government project has met an out-  
24          come specified in the contract in order for the State or

1 local government to receive outcome payments under this  
2 subtitle.

3 “(b) EVALUATOR QUALIFICATIONS.—The head of the  
4 relevant agency may not enter into a contract with a State  
5 or local government under subsection (a) unless the head  
6 determines that the evaluator is independent of the other  
7 parties to the contract and has demonstrated substantial  
8 experience in conducting rigorous evaluations of program  
9 effectiveness including, where available and appropriate,  
10 well-implemented randomized controlled trials on the  
11 intervention or similar interventions.

12 “(c) METHODOLOGIES TO BE USED.—

13 “(1) IN GENERAL.—Subject to paragraph (2),  
14 the evaluation used to determine whether a State or  
15 local government will receive outcome payments  
16 under this subtitle shall, to the extent practicable,  
17 use methodologies based on experimental designs  
18 using random assignment, or, when random assign-  
19 ment is not feasible or appropriate, other reliable,  
20 evidence-based research methodologies, as certified  
21 by the Federal Interagency Council on Social Impact  
22 Partnerships, that allow for the strongest possible  
23 direct, causal inferences.

24 “(2) LIMITATION.—In determining whether an  
25 outcome has been achieved, the evaluation method-

1 ology selected under paragraph (1) shall not con-  
2 sider indirect potential savings to the Federal Gov-  
3 ernment that may be realized from increased in-  
4 come, employment, output, or other economic meas-  
5 ures derived from multiplier effects external to the  
6 outcome metrics upon which contract payments are  
7 based.

8 “(3) APPLICATION OF EXECUTIVE ORDER  
9 13563.—Executive Order 13563 (76 Fed. Reg. 3821;  
10 relating to regulatory review) shall not apply to the  
11 development and selection of methodologies under  
12 this subsection.

13 “(d) PROGRESS REPORT.—

14 “(1) SUBMISSION OF REPORT.—The inde-  
15 pendent evaluator shall—

16 “(A) not later than 2 years after a project  
17 has been approved by the Secretary and bian-  
18 nually thereafter until the project is concluded,  
19 submit to the head of the relevant agency and  
20 the Federal Interagency Council on Social Im-  
21 pact Partnerships a written report summarizing  
22 the progress that has been made in achieving  
23 each outcome specified in the contract; and

24 “(B) at the scheduled time of the first out-  
25 come payment and at the time of each subse-

1           quent payment, submit to the head of the rel-  
2           evant agency and the Federal Interagency  
3           Council on Social Impact Partnerships a writ-  
4           ten report that includes the results of the eval-  
5           uation conducted to determine whether an out-  
6           come payment should be made along with infor-  
7           mation on the unique factors that contributed  
8           to achieving or failing to achieve the outcome,  
9           the challenges faced in attempting to achieve  
10          the outcome, and information on the improved  
11          future delivery of this or similar interventions.

12           “(2) SUBMISSION TO CONGRESS.—Not later  
13          than 30 days after receipt of the written report pur-  
14          suant to paragraph (1)(B), the Federal Interagency  
15          Council on Social Impact Partnerships shall submit  
16          such report to each committee of jurisdiction in the  
17          House of Representatives and the Senate.

18          “(e) FINAL REPORT.—

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

22           “(A) evaluate the effects of the activities  
23          undertaken pursuant to the contract with re-  
24          gard to each outcome specified in the contract;  
25          and

1           “(B) submit to the head of the relevant  
2           agency and the Federal Interagency Council on  
3           Social Impact Partnerships a written report  
4           that includes the results of the evaluation and  
5           the conclusion of the evaluator as to whether  
6           the State or local government has fulfilled each  
7           obligation of the contract, along with informa-  
8           tion on the unique factors that contributed to  
9           the success or failure of the project, the chal-  
10          lenges faced in attempting to achieve the out-  
11          come, and information on the improved future  
12          delivery of this or similar interventions.

13           “(2) SUBMISSION TO CONGRESS.—Not later  
14          than 30 days after receipt of the written report pur-  
15          suant to paragraph (1)(B), the Federal Interagency  
16          Council on Social Impact Partnerships shall submit  
17          such report to each committee of jurisdiction in the  
18          House of Representatives and the Senate.

19           “(f) LIMITATION ON COST OF EVALUATIONS.—Of  
20          the amount made available for social impact partnership  
21          projects in section 2057, the Secretary may not obligate  
22          more than 15 percent of such amount to evaluate the im-  
23          plementation and outcomes of such projects.

1 **“SEC. 2056. FEDERAL INTERAGENCY COUNCIL ON SOCIAL**  
2 **IMPACT PARTNERSHIPS.**

3 “(a) ESTABLISHMENT; DUTIES.—There is estab-  
4 lished the Federal Interagency Council on Social Impact  
5 Partnerships (in this section, referred to as the ‘Council’).  
6 The duties of the Council shall be to—

7 “(1) coordinate the efforts of social impact  
8 partnership projects funded by this subtitle;

9 “(2) advise and assist the Secretary in the de-  
10 velopment and implementation of such projects;

11 “(3) advise the Secretary on specific pro-  
12 grammatic and policy matter related to such  
13 projects;

14 “(4) provide subject-matter expertise to the  
15 Secretary with regard to such projects;

16 “(5) ensure that each State or local government  
17 that has entered into a contract with the Secretary  
18 for a social impact partnership project under this  
19 subtitle and each evaluator selected by the head of  
20 the relevant agency under section 2055 has access to  
21 Federal administrative data to assist the State or  
22 local government and the evaluator in evaluating the  
23 performance and outcomes of the project;

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

1           “(7) review State and local government applica-  
2           tions for social impact partnership projects to ensure  
3           that contracts will only be awarded under this sub-  
4           title when rigorous, independent data and reliable,  
5           evidence-based research methodologies support the  
6           conclusion that a contract will yield savings to the  
7           Federal Government that are equal to or greater  
8           than the size of the outlay through the contract be-  
9           fore such applications are approved by the Sec-  
10          retary;

11          “(8) certify, in the case of each approved social  
12          impact partnership project, that the project will yield  
13          a projected savings to the Federal Government, and  
14          coordinate with the relevant Federal agency to  
15          produce an after-action accounting once the project  
16          is complete to determine the actual Federal savings  
17          realized, and the extent to which actual savings  
18          aligned with projected savings; and

19          “(9) provide oversight of the actions of the Sec-  
20          retary and other Federal officials under this subtitle,  
21          and report periodically to Congress and the public  
22          on the implementation of this subtitle.

23          “(b) COMPOSITION OF COUNCIL.—

24          “(1) PRESIDENTIAL APPOINTEES.—The Presi-  
25          dent of the United States shall select 3 members of



1 the Council, at least 1 of whom shall be an official  
2 of the Department of the Treasury and at least 1 of  
3 whom shall not be an employee of the Federal Gov-  
4 ernment. The President shall designate 1 of these 3  
5 members as the Chair of the Council. The Chair  
6 shall serve for a term of 7 years, and the other  
7 members selected by the President shall serve terms  
8 of 4 and 6 years. The President shall determine  
9 which member serves 4 years and which serves 6  
10 years.

11 “(2) ADDITIONAL APPOINTEES.—In addition to  
12 the 3 members appointed under paragraph (1), the  
13 Council shall be further composed of the following 8  
14 members:

15 “(A) 1 member selected by the President  
16 of the United States from a list of candidates  
17 provided by the Majority Leader of the Senate;

18 “(B) 1 member selected by the President  
19 from a list of candidates provided by the Minor-  
20 ity Leader of the Senate;

21 “(C) 1 member selected by the President  
22 from a list of candidates provided by the Speak-  
23 er of the House of Representatives;

1           “(D) 1 member selected by the President  
2           from a list of candidates provided by the Minor-  
3           ity Leader of the House of Representatives;

4           “(E) 1 member selected by the President  
5           from a list of candidates provided by the Chair-  
6           man of the Committee on Finance of the Sen-  
7           ate;

8           “(F) 1 member selected by the President  
9           from a list of candidates provided by the Rank-  
10          ing Member of the Committee on Finance of  
11          the Senate;

12          “(G) 1 member selected by the President  
13          from a list of candidates provided by the Chair-  
14          man of the Committee on Ways and Means of  
15          the House of Representatives; and

16          “(H) 1 member selected by the President  
17          from a list of candidates provided by the Rank-  
18          ing Member of the Committee on Ways and  
19          Means of the House of Representatives.

20          “(3) QUALIFICATIONS.—The membership of the  
21          Council shall consist of individuals who—

22                  “(A) are experienced in finance, economics,  
23                  pay for performance finance or statistics;

1           “(B) have relevant professional or personal  
2 experience in a field related to 1 or more of the  
3 outcomes listed in section 2052(b); and

4           “(C) are qualified to review applications  
5 for social impact partnership projects to deter-  
6 mine whether the proposed metrics and evalua-  
7 tion methodologies are appropriately rigorous  
8 and reliant upon independent data and evi-  
9 dence-based research.

10          “(4) TIMING OF APPOINTMENTS.—

11           “(A) CANDIDATE LISTS.—With respect to  
12 the candidate lists described in paragraph (2),  
13 the designated member of Congress shall pro-  
14 vide a list of candidates to the President not  
15 later than 90 days after the date of the enact-  
16 ment of this subtitle, or, in the event of a va-  
17 cancy, not later than 90 days after the date  
18 upon which the vacancy arises. If a member of  
19 Congress fails to provide a list of candidates to  
20 the President by such date, the President may  
21 select a member of the President’s choice on be-  
22 half of such member of Congress.

23           “(B) APPOINTMENT DATE.—All appoint-  
24 ments of the members of the Council shall be  
25 made not later than 120 days after the date of

1 the enactment of this subtitle. Notwithstanding  
2 the preceding sentence, if not all appointments  
3 have been made to the Council as of such date,  
4 the Council may operate with fewer than all 11  
5 members until all appointments have been  
6 made.

7 “(5) TERM OF APPOINTMENTS.—

8 “(A) IN GENERAL.—The members ap-  
9 pointed under paragraph (2) shall serve as fol-  
10 lows:

11 “(i) 2 members shall serve for 3  
12 years.

13 “(ii) 2 members shall serve for 4  
14 years.

15 “(iii) 2 members shall serve for 5  
16 years.

17 “(iv) 2 members shall serve for 6  
18 years.

19 “(B) ASSIGNMENT OF TERMS.—The Coun-  
20 cil shall designate the term length that each  
21 member appointed under paragraph (2) shall  
22 serve by unanimous agreement. In the event  
23 that unanimous agreement cannot be reached,  
24 term lengths shall be assigned to such members  
25 by a random process.

1           “(6) VACANCIES.—

2                   “(A) IN GENERAL.—Subject to subpara-  
3 graph (B), in the event of a vacancy in the  
4 Council, whether due to the resignation of a  
5 member, the expiration of a member’s term, or  
6 any other reason, such vacancy shall be filled in  
7 the manner in which the original appointment  
8 was made and shall not affect the powers of the  
9 Council.

10                   “(B) POLITICAL PARTY BALANCE RULE.—  
11 If the member of Congress required to provide  
12 a list of candidates under paragraph (2) to fill  
13 a vacancy in a position in accordance with this  
14 paragraph is not of the same political party as  
15 the member of Congress providing the list of  
16 candidates for the original appointment to such  
17 position, the list of candidates to fill such va-  
18 cancy shall be provided instead by the member  
19 of the other political party occupying the cor-  
20 responding position in the House of Congress  
21 or congressional committee concerned.

22                   “(7) APPOINTMENT POWER.—Members of the  
23 Council appointed under this section shall not be  
24 subject to confirmation by the Senate.

25           “(c) RULES OF THE COUNCIL.—

1           “(1) CHARTER.—The Council shall file a char-  
2           ter that meets the requirements of section 9(c) of  
3           the Federal Advisory Committee Act (5 U.S.C.  
4           App.) with the Secretary. Such charter shall be pub-  
5           lished on the website the Council is required to es-  
6           tablish under section 2058.

7           “(2) COUNCIL PROCEDURES.—Section 10 of the  
8           Federal Advisory Committee Act (5 U.S.C. App.),  
9           other than subsections (e) and (f), shall apply to the  
10          Council.

11          “(3) TRANSCRIPTS.—Section 11 of the Federal  
12          Advisory Committee Act (5 U.S.C. App.) shall apply  
13          to the Council.

14          “(4) COMPENSATION.—Members of the Coun-  
15          cil—

16                 “(A) shall not receive compensation for  
17                 service on the Council; and

18                 “(B) shall be allowed travel expenses, in-  
19                 cluding per diem in lieu of subsistence, at rates  
20                 authorized for employees of agencies under sub-  
21                 chapter I of chapter 57 of title 5, United States  
22                 Code, while away from their homes or regular  
23                 places of business in the performance of service  
24                 for the Council.

1       “(d) AGENCY LIAISONS.—The Council shall liaise, as  
2 needed, with officers or employees of each Federal agency  
3 that becomes involved with the social impact partnership  
4 selection and obligation process who are designated by the  
5 head of the agency to serve as liaison to the Council.

6       “(e) RULE OF CONSTRUCTION.—Nothing in this sec-  
7 tion shall give the Council the authority to abrogate a con-  
8 tract entered into by the Secretary under section 2053,  
9 or any payment associated with such contract that is pay-  
10 able under such section.

11 **“SEC. 2057. FUNDING.**

12       “(a) IN GENERAL.—Out of any money in the Treas-  
13 ury not otherwise appropriated, there is hereby appro-  
14 priated \$300,000,000 to remain available until 10 years  
15 after the date specified in section 2053(c)(3) to carry out  
16 the activities authorized under this subtitle. Amounts ap-  
17 propriated under this subsection that are unobligated as  
18 of such date shall be rescinded on such date, except that  
19 the Secretary may retain an amount not to exceed  
20 \$6,000,000 for an additional 3 years for purposes of car-  
21 rying out functions necessary to administer contracts that  
22 were awarded under this subtitle prior to such date.

23       “(b) LIMITATION.—Of the amounts made available  
24 under subsection (a), the Secretary shall not use more  
25 than \$30,000,000 to support the review, approval, and

1 oversight of social impact partnership projects (and shall  
2 not use more than \$15,000,000 for such purposes during  
3 the period of the fiscal year in which the Secretary pub-  
4 lishes the request for proposals required under section  
5 2052(a) and the subsequent 2 fiscal years), including ac-  
6 tivities conducted by—

7           “(1) the Federal Interagency Council on Social  
8           Impact Partnerships; and

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

12 **“SEC. 2058. WEBSITE.**

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

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

19               “(2) For each State or local government that  
20               has entered into a contract with the Secretary for a  
21               social impact partnership project, the website shall  
22               contain the following information:

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

24                       “(B) A description of each intervention in  
25                       the project.



1           “(C) The target population that will be  
2 served by the project.

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

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

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

14           “(G) The project budget.

15           “(H) The project timeline.

16           “(I) The project eligibility criteria.

17           “(J) The evaluation design.

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

21           “(3) A copy of the progress reports and the  
22 final reports relating to each social impact partner-  
23 ship project.

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

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

4               “(5) A copy of the Council’s charter.

5       **“SEC. 2059. REGULATIONS.**

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

9       **“SEC. 2060. GAO AUDITS.**

10              “(a) **AUTHORITY TO AUDIT.**—The Comptroller Gen-  
11       eral of the United States may audit the activities of any  
12       State, local government, or nongovernmental entity that  
13       receives funds under this subtitle to the extent that such  
14       activities are relevant to the operation of a social impact  
15       partnership project under this subtitle.

16              “(b) **ACCESS TO INFORMATION.**—

17                      “(1) **IN GENERAL.**—Notwithstanding any other  
18       provision of law, the Comptroller General shall, upon  
19       request and at such reasonable time and in such rea-  
20       sonable form as the Comptroller General may re-  
21       quest, have access to—

22                              “(A) any records or other information  
23                              under the control of or used by any State, local  
24                              government, or nongovernmental entity that re-  
25                              ceives funds under this subtitle, to the extent

1 that such records or other information are rel-  
2 evant to an audit under subsection (a);

3 “(B) any records or other information  
4 under the control of a person or entity acting  
5 on behalf of or under the authority of a State,  
6 local government, or nongovernmental entity  
7 that receives funds under this subtitle, to the  
8 extent that such records or other information  
9 are relevant to an audit under subsection (a);  
10 and

11 “(C) the officers, directors, employees, fi-  
12 nancial advisors, staff, working groups, and  
13 agents and representatives of any State, local  
14 government, or nongovernmental entity that re-  
15 ceives funds under this subtitle (as related to  
16 the activities on behalf of such State, local gov-  
17 ernment, or nongovernmental entity of such  
18 agent or representative), at such reasonable  
19 times as the Comptroller General may request  
20 and to the extent that such officers, directors,  
21 employees, financial advisors, staff, working  
22 groups, and agents and representatives possess  
23 information that is relevant to an audit under  
24 subsection (a).

1           “(2) COPIES.—The Comptroller General may  
2           make and retain copies of such books, accounts, and  
3           other records, access to which is granted under this  
4           section, as the Comptroller General considers appro-  
5           priate.

6 **“SEC. 2061. DEFINITIONS.**

7           “In this subtitle:

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

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

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

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

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

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

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

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

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

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

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

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

18 **SEC. 3. COMMUNITY REINVESTMENT ACT.**

19 Section 804 of the Community Reinvestment Act of  
20 1977 (12 U.S.C. 2903) is amended by adding at the end  
21 the following:

22 “(e) SOCIAL IMPACT PARTNERSHIP PROJECTS.—In  
23 assessing and taking into account, under subsection (a),  
24 the record of a financial institution, the appropriate Fed-  
25 eral financial supervisory agency shall consider, as a fac-

1 tor, investments made by the financial institution in social  
2 impact partnership projects under subtitle C of title XX  
3 of the Social Security Act.”.

○