

The Social Impact Partnership Act

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

Too often, we've seen government programs that fail the constituencies they are intended to serve. Unfortunately, discussions around improving these programs tend to revolve around funding levels, rather than focusing on how we can better serve our fellow Americans. Representatives Todd Young and John Delaney's Social Impact Partnership legislation would expand and improve meaningful social interventions, while driving taxpayer savings.

Helping People in Need (Sections 2051, 2052)

- The purpose of this bill is to improve the lives of those in need by funding social programs that work, to ensure money is spent in ways that benefit both service recipients and taxpayers, and to help the US improve the effectiveness of social programs.
- To apply to receive funding for a social impact partnership, a State or local government would have to identify a social problem they hope to address. This might be helping the unemployed find work, working to improving high school graduation rates, increasing efforts to reduce child abuse, or addressing another social problem that would produce both positive social outcomes as well as federal savings. States or local governments would then have to submit a social impact partnership feasibility study to the Office of Budget and Management (OMB) and the newly-formed Federal Interagency Council on Social Impact Partnerships ("Council") for consideration.

Funding Projects That Work (Section 2053)

- The Office of Management and Budget, in consultation with the Federal Interagency Council on Social Impact Partnerships ("Council") and the head of any federal agency administering a similar program or serving a similar population, would have to consider certain criteria before awarding a social impact partnership to a State or local government, such as the value of the outcome to the federal government and the likelihood that the project will produce those outcomes. OMB would only pay the State or local government if the independent evaluator determines that the project has achieved the outcomes agreed to before the project began.

Helping States and Local Governments Implement Social Impact Partnerships (Section 2054)

- States and local governments would be able to apply for funding from OMB to assist in developing their feasibility study. To apply for this federal funding, the State or local government would be required to submit an application detailing their plans for a social impact partnership.
- However, before awarding a contract, OMB, the Council, and the head of any federal agency administering a similar program or serving a similar population would need to consider certain criteria, including the chances of the project succeeding and its projected costs and savings.
- OMB could provide only up to 50 percent of the estimated total cost of the feasibility study, and could not spend more than \$10,000,000 to support states in their development of social impact partnership feasibility studies.

Evaluating Projects to Ensure Success (*Section 2055*)

- In order to evaluate these projects, the relevant federal agency, as determined by the Council, would be required to contract with the State or local government to pay for the independent evaluation. Evaluators would determine whether a State or local project has fulfilled their requirements and met the outcomes necessary for the state or local government to receive payment.
- The evaluator would be independent of the parties and would have demonstrated substantial experience in conducting rigorous experimental evaluations of program effectiveness before being selected.
- Social impact partnership evaluations would be conducted employing experimental designs using random assignment or other research methodologies that allow for the strongest evidence of effectiveness possible.
- The evaluator would be required to complete a progress report detailing the progress that has been made in achieving the outcomes, as well as produce a final report that includes the results of the evaluation and whether the State or local government has met the requirements for payment.
- OMB would not be allowed to spend more than 15 percent of the fund to evaluate the implementation and outcomes of projects.

Coordinating Federal Efforts to Avoid Duplication (*Section 2056*)

- The Federal Interagency Council on Social Impact Partnerships would be established to coordinate the efforts of social impact partnerships and advise and assist OMB and other agencies in the development and implementation of social impact partnerships.
- The Council would be composed of one designee from 10 agencies or departments, including the Department of Health and Human Services and the Department of the Treasury, and would be chaired by the Director of OMB.

Funding (*Section 2057*)

- \$300M would be provided through a one-time mandatory appropriation.
- Funding would be used to pay for the positive outcomes of social impact partnerships, to fund feasibility studies and to pay for evaluations of social impact partnerships.
- OMB would be allowed to spend up to \$2,000,000 each year for federal technical assistance in the development or support of social impact partnerships.

Ensuring Project Transparency (*Section 2058*)

- The Federal Interagency Council on Social Impact Partnerships would be required to establish and maintain a public website that will display important information regarding the contracts, evaluations and the estimates of savings.

Leveraging Local Investment (*Section 2059*)

- OMB would permit a bank's investment in social impact partnerships to be considered as part of the bank's requirement under the Community Reinvestment Act (CRA) to help meet the credit needs in their communities.

Regulations (*Section 2060*)

- OMB, in consultation with the Federal Interagency Council on Social Impact

Partnerships, would be permitted to issue regulations as necessary to ensure the successful implementation of the Social Impact Partnership Act.

Sunset (*Section 2053 (C) (3)*)

- OMB may only enter into social impact partnerships for 10 years after the law is enacted.
- Federal technical assistance funding will continue to be available until all projects are completed.