

114TH CONGRESS  
2D SESSION

# H. R. 5170

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## AN ACT

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,*

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 ACT.**

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.

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

23               “(D) To establish the use of social impact  
24 partnerships to address some of our Nation’s  
25 most pressing problems.

1           “(E) To facilitate the creation of public-  
2 private partnerships that bundle philanthropic  
3 or other private resources with existing public  
4 spending to scale up effective social interven-  
5 tions already being implemented by private or-  
6 ganizations, nonprofits, charitable organiza-  
7 tions, and State and local governments across  
8 the country.

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

14           “(G) To incorporate outcomes measure-  
15 ment and randomized controlled trials or other  
16 rigorous methodologies for assessing program  
17 impact.

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

20           “(A) NOTICE.—Not later than 1 year after  
21 the date of the enactment of this subsection,  
22 the Secretary of the Treasury, in consultation  
23 with the Federal Interagency Council on Social  
24 Impact Partnerships, shall publish in the Fed-  
25 eral Register a request for proposals from

1 States or local government for social impact  
2 partnership projects in accordance with this  
3 paragraph.

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

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

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

18 “(iii) Increasing employment among  
19 individuals receiving Federal disability ben-  
20 efits.

21 “(iv) Reducing the dependence of low-  
22 income families on Federal means-tested  
23 benefits.

24 “(v) Improving rates of high school  
25 graduation.

1 “(vi) Reducing teen and unplanned  
2 pregnancies.

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

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

11 “(ix) Increasing the proportion of chil-  
12 dren living in two-parent families.

13 “(x) Reducing incidences and adverse  
14 consequences of child abuse and neglect.

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

22 “(xii) Reducing the number of chil-  
23 dren and youth in foster care residing in  
24 group homes, child care institutions, agen-  
25 cy-operated foster homes, or other non-

1 family foster homes, unless it is deter-  
2 mined that it is in the interest of the  
3 child’s long-term health, safety, or psycho-  
4 logical well-being to not be placed in a  
5 family foster home.

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

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

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

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

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

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

23 “(xix) Increasing the financial sta-  
24 bility of low-income families.

1                   “(xx) Increasing the independence and  
2                   employability of individuals who are phys-  
3                   ically or mentally disabled.

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

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

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

14                   “(ii) A description of each interven-  
15                  tion in the project and anticipated out-  
16                  comes of the intervention.

17                   “(iii) Rigorous evidence demonstrating  
18                  that the intervention can be expected to  
19                  produce the desired outcomes.

20                   “(iv) The target population that will  
21                  be served by the project.

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

1           “(vi) Projected Federal, State, and  
2           local government costs and other costs to  
3           conduct the project.

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

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

16          “(ix) A plan for delivering the inter-  
17          vention through a social impact partner-  
18          ship model.

19          “(x) A description of the expertise of  
20          each service provider that will administer  
21          the intervention, including a summary of  
22          the experience of the service provider in  
23          delivering the proposed intervention or a  
24          similar intervention, or demonstrating that



1 the service provider has the expertise nec-  
2 essary to deliver the proposed intervention.

3 “(xi) An explanation of the experience  
4 of the State or local government, the inter-  
5 mediary, or the service provider in raising  
6 private and philanthropic capital to fund  
7 social service investments.

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

14 “(xiii) A summary of the experience of  
15 the service provider delivering the proposed  
16 intervention or a similar intervention, or a  
17 summary demonstrating the service pro-  
18 vider has the expertise necessary to deliver  
19 the proposed intervention.

20 “(xiv) A summary of the unmet need  
21 in the area where the intervention will be  
22 delivered or among the target population  
23 who will receive the intervention.

24 “(xv) The proposed payment terms,  
25 the methodology used to calculate outcome

1 payments, the payment schedule, and per-  
2 formance thresholds.

3 “(xvi) The project budget.

4 “(xvii) The project timeline.

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

11 “(xix) The evaluation design.

12 “(xx) The metrics that will be used to  
13 determine whether the outcomes have been  
14 achieved and how the metrics will be meas-  
15 ured.

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

22 “(xxii) A summary explaining the  
23 independence of the evaluator from the  
24 other entities involved in the project and  
25 the evaluator’s experience in conducting

1 rigorous evaluations of program effective-  
2 ness including, where available, well-imple-  
3 mented randomized controlled trials on the  
4 intervention or similar interventions.

5 “(xxiii) The capacity of the service  
6 provider to deliver the intervention to the  
7 number of participants the State or local  
8 government proposes to serve in the  
9 project.

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

17 “(i) Experience and capacity for pro-  
18 viding or facilitating the provision of the  
19 type of intervention proposed.

20 “(ii) The mission and goals.

21 “(iii) Information on whether the  
22 intermediary is already working with serv-  
23 ice providers that provide this intervention  
24 or an explanation of the capacity of the

1 intermediary to begin working with service  
2 providers to provide the intervention.

3 “(iv) Experience working in a collabo-  
4 rative environment across government and  
5 nongovernmental entities.

6 “(v) Previous experience collaborating  
7 with public or private entities to implement  
8 evidence-based programs.

9 “(vi) Ability to raise or provide fund-  
10 ing to cover operating costs (if applicable  
11 to the project).

12 “(vii) Capacity and infrastructure to  
13 track outcomes and measure results, in-  
14 cluding—

15 “(I) capacity to track and ana-  
16 lyze program performance and assess  
17 program impact; and

18 “(II) experience with perform-  
19 ance-based awards or performance-  
20 based contracting and achieving  
21 project milestones and targets.

22 “(viii) Role in delivering the interven-  
23 tion.

24 “(ix) How the intermediary would  
25 monitor program success, including a de-

1           scription of the interim benchmarks and  
2           outcome measures.

3           “(E) FEASIBILITY STUDIES FUNDED  
4           THROUGH OTHER SOURCES.—The notice de-  
5           scribed in subparagraph (A) shall permit a  
6           State or local government to submit an applica-  
7           tion for social impact partnership funding that  
8           contains information from a feasibility study  
9           developed for purposes other than applying for  
10          funding under this subsection.

11          “(3) AWARDING SOCIAL IMPACT PARTNERSHIP  
12          AGREEMENTS.—

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

21               “(B) CONSIDERATIONS IN AWARDING  
22               AGREEMENT.—In determining whether to enter  
23               into an agreement for a social impact partner-  
24               ship project (the application for which was sub-  
25               mitted under paragraph (2)) the Secretary, in

1 consultation with the Federal Interagency  
2 Council on Social Impact Partnerships (estab-  
3 lished by paragraph (6)) and the head of any  
4 Federal agency administering a similar inter-  
5 vention or serving a population similar to that  
6 served by the project, shall consider each of the  
7 following:

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

11 “(ii) The value to the Federal Govern-  
12 ment of the outcomes expected to be  
13 achieved if the outcomes specified in the  
14 agreement are achieved.

15 “(iii) The likelihood, based on evi-  
16 dence provided in the application and other  
17 evidence, that the State or local govern-  
18 ment in collaboration with the inter-  
19 mediary and the service providers will  
20 achieve the outcomes.

21 “(iv) The savings to the Federal Gov-  
22 ernment if the outcomes specified in the  
23 agreement are achieved.

1 “(v) The savings to the State and  
2 local governments if the outcomes specified  
3 in the agreement are achieved.

4 “(vi) The expected quality of the eval-  
5 uation that would be conducted with re-  
6 spect to the agreement.

7 “(C) AGREEMENT AUTHORITY.—

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

22 “(I) The State or local govern-  
23 ment agrees to achieve one or more  
24 outcomes specified in the agreement  
25 in order to receive payment.

1 “(II) The Federal payment to the  
2 State or local government for each  
3 outcome specified is less than or equal  
4 to the value of the outcome to the  
5 Federal Government over a period not  
6 to exceed 10 years, as determined by  
7 the Secretary, in consultation with the  
8 State or local government.

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

11 “(IV) The State or local govern-  
12 ment has demonstrated, through the  
13 application submitted under para-  
14 graph (2), that, based on prior rig-  
15 orous experimental evaluations or rig-  
16 orous quasi-experimental studies, the  
17 intervention can be expected to  
18 achieve each outcome specified in the  
19 agreement.

20 “(V) The State, local govern-  
21 ment, intermediary, or service pro-  
22 vider has experience raising private or  
23 philanthropic capital to fund social  
24 service investments (if applicable to  
25 the project).



1                   “(VI) The State or local govern-  
2                   ment has shown that each service pro-  
3                   vider has experience delivering the  
4                   intervention, a similar intervention, or  
5                   has otherwise demonstrated the exper-  
6                   tise necessary to deliver the interven-  
7                   tion.

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

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

22                         “(i) The outcome goals of the social  
23                         impact partnership project.

24                         “(ii) A description of each interven-  
25                         tion in the project.

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

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

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

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

15 “(vii) The project budget.

16 “(viii) The project timeline.

17 “(ix) The project eligibility criteria.

18 “(x) The evaluation design.

19 “(xi) The metrics that will be used to  
20 determine whether the outcomes have been  
21 achieved and how these metrics will be  
22 measured.

23 “(xii) The estimate of the savings to  
24 the Federal, State, and local government,  
25 on a program-by-program basis and in the

1 aggregate, if the agreement is entered into  
2 and implemented and the outcomes are  
3 achieved.

4 “(E) AUTHORITY TO TRANSFER ADMINIS-  
5 TRATION OF AGREEMENT.—The Secretary may  
6 transfer to the head of another Federal agency  
7 the authority to administer (including making  
8 payments under) an agreement entered into  
9 under subparagraph (C), and any funds nec-  
10 essary to do so.

11 “(F) REQUIREMENT ON FUNDING USED TO  
12 BENEFIT CHILDREN.—Not less than 50 percent  
13 of all Federal payments made to carry out  
14 agreements under this paragraph shall be used  
15 for initiatives that directly benefit children.

16 “(4) FEASIBILITY STUDY FUNDING.—

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

1 cation for feasibility study funding addressing  
2 the following:

3 “(i) A description of the outcome  
4 goals of the social impact partnership  
5 project.

6 “(ii) A description of the intervention,  
7 including anticipated program design, tar-  
8 get population, an estimate regarding the  
9 number of individuals to be served, and  
10 setting for the intervention.

11 “(iii) Evidence to support the likeli-  
12 hood that the intervention will produce the  
13 desired outcomes.

14 “(iv) A description of the potential  
15 metrics to be used.

16 “(v) The expected social benefits to  
17 participants who receive the intervention  
18 and others who may be impacted.

19 “(vi) Estimated costs to conduct the  
20 project.

21 “(vii) Estimates of Federal, State,  
22 and local government savings and other  
23 savings if the project is implemented and  
24 the outcomes are achieved.

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

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

10 “(x) The expected resources needed to  
11 complete the feasibility study for the State  
12 or local government to apply for social im-  
13 pact partnership funding under paragraph  
14 (2).

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

1 feasibility study proposals for funding based on  
2 the following:

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

6 “(ii) The likelihood that the proposal  
7 will achieve the desired outcomes.

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

10 “(iv) The potential savings to the  
11 Federal Government if the social impact  
12 partnership project is successful.

13 “(v) The potential savings to the  
14 State and local governments if the project  
15 is successful.

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

24 “(D) FUNDING RESTRICTION.—

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

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

14                  “(iii) NO GUARANTEE OF FUNDING.—  
15                  The Secretary shall have the option to  
16                  award no funding under this paragraph.

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

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

6           “(5) EVALUATIONS.—

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

21          “(B) EVALUATOR QUALIFICATIONS.—The  
22          head of the relevant agency may not enter into  
23          an agreement with a State or local government  
24          unless the head determines that the evaluator is  
25          independent of the other parties to the agree-



1           ment and has demonstrated substantial experi-  
2           ence in conducting rigorous evaluations of pro-  
3           gram effectiveness including, where available  
4           and appropriate, well-implemented randomized  
5           controlled trials on the intervention or similar  
6           interventions.

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

17          “(D) PROGRESS REPORT.—

18                 “(i) SUBMISSION OF REPORT.—The  
19                 independent evaluator shall—

20                         “(I) not later than 2 years after  
21                         a project has been approved by the  
22                         Secretary and biannually thereafter  
23                         until the project is concluded, submit  
24                         to the head of the relevant agency and  
25                         the Federal Interagency Council on

1 Social Impact Partnerships a written  
2 report summarizing the progress that  
3 has been made in achieving each out-  
4 come specified in the agreement; and

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

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

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

5 “(E) FINAL REPORT.—

6 “(i) SUBMISSION OF REPORT.—Within  
7 6 months after the social impact partner-  
8 ship project is completed, the independent  
9 evaluator shall—

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

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

1 achieve the outcome, and information  
2 on the improved future delivery of this  
3 or similar interventions.

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

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

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

23 “(6) FEDERAL INTERAGENCY COUNCIL ON SO-  
24 CIAL IMPACT PARTNERSHIPS.—

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

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

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

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

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

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

1 the evaluator in evaluating the perform-  
2 ance and outcomes of the project;

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

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

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

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

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

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

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

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

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

20 “(I) The Department of Labor.

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

23 “(III) The Social Security Ad-  
24 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 nine members, of whom—

13 “(i) one shall be appointed by the  
14 President, who will serve as the Chair of  
15 the Commission;

16 “(ii) one shall be appointed by the  
17 Majority Leader of the Senate;

18 “(iii) one shall be appointed by the  
19 Minority Leader of the Senate;

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

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

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

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

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

11 “(ix) one 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 one 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 five mem-  
20          bers 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) Three members shall serve  
2                   for 2 years.

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

5                   “(III) Three members (one of  
6                   which shall be Chair of the Commis-  
7                   sion appointed by the President) shall  
8                   serve 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.”.

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

4 (a) FAMILY ASSISTANCE GRANTS.—Section  
5 403(a)(1) of the Social Security Act (42 U.S.C. 603(a)(1))  
6 is amended in each of subparagraphs (A) and (C), by  
7 striking “2012” and inserting “2017”.

8 (b) HEALTHY MARRIAGE PROMOTION AND RESPON-  
9 SIBLE FATHERHOOD GRANTS.—Section 403(a)(2)(D) of  
10 such Act (42 U.S.C. 603(a)(2)(D)) is amended by striking  
11 “2012” each place it appears and inserting “2017”.

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

15 (d) CHILD CARE ENTITLEMENT.—Section 418(a)(3)  
16 of such Act (42 U.S.C. 618(a)(3)) is amended by striking  
17 “2012” and inserting “2017”.

18 (e) GRANTS TO THE TERRITORIES.—Section  
19 1108(b)(2) of such Act (42 U.S.C. 1308(b)(2)) is amend-  
20 ed by striking “2012” and inserting “2017”.

21 **SEC. 4. STRENGTHENING WELFARE RESEARCH AND EVAL-**  
22 **UATION AND DEVELOPMENT OF A WHAT**  
23 **WORKS CLEARINGHOUSE.**

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

1   **“SEC. 413. EVALUATION OF TEMPORARY ASSISTANCE FOR**  
2                   **NEEDY FAMILIES AND RELATED PROGRAMS.**

3           “(a) **EVALUATION OF THE IMPACTS OF TANF.**—The  
4   Secretary shall conduct research on the effect of State pro-  
5   grams funded under this part and any other State pro-  
6   gram funded with qualified State expenditures (as defined  
7   in section 409(a)(7)(B)(i)) on employment, self-suffi-  
8   ciency, child well-being, unmarried births, marriage, pov-  
9   erty, economic mobility, and other factors as determined  
10  by the Secretary.

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

18          “(c) **DISSEMINATION OF INFORMATION.**—The Sec-  
19 retary shall, in consultation with States receiving funds  
20 provided under this part, develop methods of dissemi-  
21 nating information on any research, evaluation, or study  
22 conducted under this section, including facilitating the  
23 sharing of information and best practices among States  
24 and localities.

25          “(d) **STATE-INITIATED EVALUATIONS.**—A State  
26 shall be eligible to receive funding to evaluate the State

1 program funded under this part or any other State pro-  
2 gram funded with qualified State expenditures (as defined  
3 in section 409(a)(7)(B)(i)) if—

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

6 “(2) the Secretary determines that the design  
7 and approach of the proposed evaluation is rigorous  
8 and is likely to yield information that is credible and  
9 will be useful to other States; and

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

14 “(e) CENSUS BUREAU RESEARCH.—

15 “(1) The Bureau of the Census shall implement  
16 or enhance household surveys of program participa-  
17 tion, in consultation with the Secretary and the  
18 Burueau of Labor Statistics and made available to  
19 interested parties, to allow for the assessment of the  
20 outcomes of continued welfare reform on the eco-  
21 nomic and child well-being of low-income families  
22 with children, including those who received assist-  
23 ance or services from a State program funded under  
24 this part or any other State program funded with  
25 qualified State expenditures (as defined in section

1       409(a)(7)(B)(i)). The content of the surveys should  
2       include such information as may be necessary to ex-  
3       amine the issues of unmarried childbearing, mar-  
4       riage, welfare dependency and compliance with work  
5       requirements, the beginning and ending of spells of  
6       assistance, work, earnings and employment stability,  
7       and the well-being of children.

8               “(2) To carry out the activities specified in  
9       paragraph (1), the Bureau of the Census, the Sec-  
10      retary, and the Bureau of Labor Statistics shall con-  
11      sider ways to improve the surveys and data derived  
12      from the surveys to—

13              “(A) address underreporting of the receipt  
14      of means-tested benefits and tax benefits for  
15      low-income individuals and families;

16              “(B) increase understanding of poverty  
17      spells and long-term poverty, including by facili-  
18      tating the matching of information to better un-  
19      derstand intergenerational poverty;

20              “(C) generate a better geographical under-  
21      standing of poverty such as through State-  
22      based estimates and measures of neighborhood  
23      poverty;

1                   “(D) increase understanding of the effects  
2                   of means-tested benefits and tax benefits on the  
3                   earnings of low-income families; and

4                   “(E) improve how poverty and economic  
5                   well-being are measured, including through the  
6                   use of consumption measures.

7           “(f) RESEARCH AND EVALUATION CONDUCTED  
8 UNDER THIS SECTION.—Research and evaluation con-  
9 ducted under this section designed to determine the effects  
10 of a program or policy (other than research conducted  
11 under subsection (e)) shall use experimental designs using  
12 random assignment or other reliable, evidence-based re-  
13 search methodologies that allow for the strongest possible  
14 causal inferences when random assignment is not feasible.

15           “(g) DEVELOPMENT OF WHAT WORKS CLEARING-  
16 HOUSE OF PROVEN AND PROMISING APPROACHES TO  
17 MOVE WELFARE RECIPIENTS INTO WORK.—

18                   “(1) IN GENERAL.—The Secretary, in consulta-  
19 tion with the Secretary of Labor, shall develop a  
20 database (which shall be referred to as the ‘What  
21 Works Clearinghouse of Proven and Promising  
22 Projects to Move Welfare Recipients into Work’) of  
23 the projects that used a proven approach or a prom-  
24 ising approach in moving welfare recipients into  
25 work, based on independent, rigorous evaluations of

1 the projects. The database shall include a separate  
2 listing of projects that used a developmental ap-  
3 proach in delivering services and a further separate  
4 listing of the projects with no or negative effects.  
5 The Secretary shall add to the What Works Clear-  
6 inghouse of Proven and Promising Projects to Move  
7 Welfare Recipients into Work data about the  
8 projects that, based on an independent, well-con-  
9 ducted experimental evaluation of a program or  
10 project, using random assignment or other research  
11 methodologies that allow for the strongest possible  
12 causal inferences, have shown they are proven,  
13 promising, developmental, or ineffective approaches.

14 “(2) CRITERIA FOR EVIDENCE OF EFFECTIVE-  
15 NESS OF APPROACH.—The Secretary, in consultation  
16 with the Secretary of Labor and organizations with  
17 experience in evaluating research on the effective-  
18 ness of various approaches in delivering services to  
19 move welfare recipients into work, shall—

20 “(A) establish criteria for evidence of effec-  
21 tiveness; and

22 “(B) ensure that the process for estab-  
23 lishing the criteria—

24 “(i) is transparent;

25 “(ii) is consistent across agencies;

1 “(iii) provides opportunity for public  
2 comment; and

3 “(iv) takes into account efforts of  
4 Federal agencies to identify and publicize  
5 effective interventions, including efforts at  
6 the Department of Health and Human  
7 Services, the Department of Education,  
8 and the Department of Justice.

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

10 “(A) APPROACH.—The term ‘approach’  
11 means a process, product, strategy, or practice  
12 that is—

13 “(i) research-based, based on the re-  
14 sults of one or more empirical studies, and  
15 linked to program-determined outcomes;  
16 and

17 “(ii) evaluated using rigorous research  
18 designs.

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

21 “(i) meets the requirements of a  
22 promising approach; and

23 “(ii) has demonstrated significant  
24 positive outcomes at more than one site in  
25 terms of increasing work and earnings of



1 participants, reducing poverty and depend-  
2 ence, or strengthening families.

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

5 “(i) that meets the requirements of  
6 subparagraph (D)(i);

7 “(ii) that has been evaluated using  
8 well-designed and rigorous randomized  
9 controlled or quasi-experimental research  
10 designs;

11 “(iii) that has demonstrated signifi-  
12 cant positive outcomes at only one site in  
13 terms of increasing work and earnings of  
14 participants, reducing poverty and depend-  
15 ence, or strengthening families; and

16 “(iv) under which the benefits of the  
17 positive outcomes have exceeded the costs  
18 of achieving the outcomes.

19 “(D) DEVELOPMENTAL APPROACH.—The  
20 term ‘developmental approach’ means an ap-  
21 proach that—

22 “(i) is research-based, grounded in  
23 relevant empirically-based knowledge, and  
24 linked to program-determined outcomes;

1 “(ii) is evaluated using rigorous re-  
2 search designs; and

3 “(iii) has yet to demonstrate a signifi-  
4 cant positive outcome in terms of increas-  
5 ing work and earnings of participants in a  
6 cost-effective way.

7 “(h) APPROPRIATION.—

8 “(1) IN GENERAL.—Of the amount appro-  
9 priated by section 403(a)(1) for each fiscal year,  
10 0.33 percent shall be available for research and eval-  
11 uation under this section.

12 “(2) ALLOCATION.—Of the amount made avail-  
13 able under paragraph (1) for each fiscal year, the  
14 Secretary shall make available \$10,000,000 plus  
15 such additional amount as the Secretary deems nec-  
16 essary and appropriate, to carry out subsection  
17 (e).”.

18 (b) CONFORMING AMENDMENT.—Section  
19 403(a)(1)(B) of such Act (42 U.S.C. 603(a)(1)(B)) is  
20 amended by inserting “, reduced by the percentage speci-  
21 fied in section 413(h) with respect to the fiscal year,” be-  
22 fore “as the amount”.

1 **SEC. 5. TECHNICAL CORRECTIONS TO DATA EXCHANGE**  
2 **STANDARDS TO IMPROVE PROGRAM COORDI-**  
3 **NATION.**

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

6 “(d) DATA EXCHANGE STANDARDS FOR IMPROVED  
7 INTEROPERABILITY.—

8 “(1) DESIGNATION.—The Secretary shall, in  
9 consultation with an interagency work group estab-  
10 lished by the Office of Management and Budget and  
11 considering State government perspectives, by rule,  
12 designate data exchange standards to govern, under  
13 this part—

14 “(A) necessary categories of information  
15 that State agencies operating programs under  
16 State plans approved under this part are re-  
17 quired under applicable Federal law to elec-  
18 tronically exchange with another State agency;  
19 and

20 “(B) Federal reporting and data exchange  
21 required under applicable Federal law.

22 “(2) REQUIREMENTS.—The data exchange  
23 standards required by paragraph (1) shall, to the ex-  
24 tent practicable—

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

4           “(B) contain interoperable standards devel-  
5           oped and maintained by intergovernmental  
6           partnerships, such as the National Information  
7           Exchange Model;

8           “(C) incorporate interoperable standards  
9           developed and maintained by Federal entities  
10          with authority over contracting and financial  
11          assistance;

12          “(D) be consistent with and implement ap-  
13          plicable accounting principles;

14          “(E) be implemented in a manner that is  
15          cost-effective and improves program efficiency  
16          and effectiveness; and

17          “(F) be capable of being continually up-  
18          graded as necessary.

19          “(3) RULE OF CONSTRUCTION.—Nothing in  
20          this subsection shall be construed to require a  
21          change to existing data exchange standards found to  
22          be effective and efficient.”.

23          (b) EFFECTIVE DATE.—Not later than the date that  
24          is 24 months after the date of the enactment of this sec-

1 tion, the Secretary of Health and Human Services shall  
2 issue a proposed rule that—

3 (1) identifies federally required data exchanges,  
4 include specification and timing of exchanges to be  
5 standardized, and address the factors used in deter-  
6 mining whether and when to standardize data ex-  
7 changes; and

8 (2) specifies State implementation options and  
9 describes future milestones.

10 **SEC. 6. EFFECTIVE DATE.**

11 The amendments made by this Act shall take effect  
12 on October 1, 2016.

Passed the House of Representatives June 21, 2016.

Attest:

*Clerk.*

114<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5170

## AN ACT

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