

115TH CONGRESS
1ST SESSION

H. R. 576

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

IN THE HOUSE OF REPRESENTATIVES

JANUARY 13, 2017

Mr. TIBERI (for himself, Mr. DELANEY, Mr. MACARTHUR, Mr. LARSON of Connecticut, Mr. POLIS, Mr. BLUMENAUER, Mrs. BROOKS of Indiana, Mrs. WALORSKI, and Mr. PAULSEN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

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

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

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

5 “(c) SOCIAL IMPACT DEMONSTRATION PROJECTS.—

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

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

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

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

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

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

tions already being implemented by private organizations, nonprofits, charitable organizations, and State and local governments across the country.

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

“(G) To incorporate outcomes measurement and randomized controlled trials or other rigorous methodologies for assessing program impact.

“(2) SOCIAL IMPACT PARTNERSHIP APPLICATION.—

“(A) NOTICE.—Not later than 1 year after the date of the enactment of this subsection, the Secretary of the Treasury, in consultation with the Federal Interagency Council on Social Impact Partnerships, shall publish in the Federal Register a request for proposals from States or local governments for social impact partnership projects in accordance with this paragraph.

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

8 “(i) Increasing work and earnings by
9 individuals in the United States who are
10 unemployed for more than 6 consecutive
11 months.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 “(xiii) A summary of the experience of
13 the service provider in delivering the pro-
14 posed intervention or a similar interven-
15 tion, or a summary demonstrating the
16 service provider has the expertise necessary
17 to deliver the proposed intervention.

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

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

1 “(xvi) The project budget.

2 “(xvii) The project timeline.

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

9 “(xix) The evaluation design.

10 “(xx) The metrics that will be used in
11 the evaluation to determine whether the
12 outcomes have been achieved as a result of
13 the intervention and how the metrics will
14 be measured.

15 “(xxi) An explanation of how the
16 metrics used in the evaluation to determine
17 whether the outcomes achieved as a result
18 of the intervention are independent, objec-
19 tive indicators of impact and are not sub-
20 ject 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 “(xxiv) A description of whether and
11 how the State or local government and
12 service providers plan to sustain the inter-
13 vention, if it is timely and appropriate to
14 do so, to ensure that successful interven-
15 tions continue to operate after the period
16 of the social impact partnership.

17 “(D) PROJECT INTERMEDIARY INFORMA-
18 TION REQUIRED.—The application described in
19 subparagraph (C) shall also contain the fol-
20 lowing information about any intermediary for
21 the social impact partnership project (whether
22 an intermediary is a service provider or other
23 entity):

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

4 “(ii) The mission and goals.

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

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

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

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

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

23 “(I) capacity to track and ana-
24 lyze program performance and assess
25 program impact; and

1 “(II) experience with perform-
2 ance-based awards or performance-
3 based contracting and achieving
4 project milestones and targets.

5 “(viii) Role in delivering the interven-
6 tion.

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

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

19 “(3) AWARDING SOCIAL IMPACT PARTNERSHIP
20 AGREEMENTS.—

21 “(A) TIMELINE IN AWARDING AGREE-
22 MENT.—Not later than 6 months after receiving
23 an application in accordance with paragraph
24 (2), the Secretary, in consultation with the Fed-
25 eral Interagency Council on Social Impact Part-

nerships, shall determine whether to enter into an agreement for a social impact partnership project with a State or local government.

“(B) CONSIDERATIONS IN AWARDING AGREEMENT.—In determining whether to enter into an agreement for a social impact partnership project (the application for which was submitted under paragraph (2)) the Secretary, in consultation with the Federal Interagency Council on Social Impact Partnerships (established by paragraph (6)) and the head of any Federal agency administering a similar intervention or serving a population similar to that served by the project, shall consider each of the following:

“(i) The recommendations made by the Commission on Social Impact Partnerships.

“(ii) The value to the Federal Government of the outcomes expected to be achieved if the outcomes specified in the agreement are achieved as a result of the intervention.

“(iii) The likelihood, based on evidence provided in the application and other

1 evidence, that the State or local govern-
2 ment in collaboration with the inter-
3 mediary and the service providers will
4 achieve the outcomes.

5 “(iv) The savings to the Federal Gov-
6 ernment if the outcomes specified in the
7 agreement are achieved as a result of the
8 intervention.

9 “(v) The savings to the State and
10 local governments if the outcomes specified
11 in the agreement are achieved as a result
12 of the intervention.

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

16 “(vii) The capacity and commitment
17 of the State or local government to sustain
18 the intervention, if appropriate and timely
19 and if the intervention is successful, be-
20 yond the period of the social impact part-
21 nership.

22 “(C) AGREEMENT AUTHORITY.—

23 “(i) AGREEMENT REQUIREMENTS.—
24 In accordance with this paragraph, the
25 Secretary, in consultation with the Federal

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

12 “(I) The State or local govern-
13 ment agrees to achieve one or more
14 outcomes as a result of the interven-
15 tion, as specified in the agreement
16 and validated by independent evalua-
17 tion, in order to receive payment.

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

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

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

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

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

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

1 tise necessary to deliver the interven-
2 tion.

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

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

18 “(i) The outcome goals of the social
19 impact partnership 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, the 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 that will be used in
18 the evaluation to determine whether the
19 outcomes have been achieved as a result of
20 each intervention and how these metrics
21 will be measured.

22 “(xii) The estimate of the savings to
23 the Federal, State, and local government,
24 on a program-by-program basis and in the
25 aggregate, if the agreement is entered into

1 and implemented and the outcomes are
2 achieved as a result of each intervention.

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

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

15 “(4) FEASIBILITY STUDY FUNDING.—

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

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 as a result of each
10 intervention.

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

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

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

25 “(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 rec-
12 ommended by the Federal Interagency Council
13 on Social Impact Partnerships and determined
14 by the Secretary, shall enter into an agreement
15 with the State or local government to pay for
16 all or part of the independent evaluation to de-
17 termine whether the State or local government
18 project has achieved a specific outcome as a re-
19 sult of the intervention in order for the State
20 or local government to receive outcome pay-
21 ments under this subsection.

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

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

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

18 “(D) PROGRESS REPORT.—

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

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

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

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

23 “(ii) SUBMISSION TO THE SECRETARY
24 AND CONGRESS.—Not later than 30 days
25 after receipt of the written report pursuant

1 to clause (i)(II), the Federal Interagency
2 Council on Social Impact Partnerships
3 shall submit the report to the Secretary
4 and each committee of jurisdiction in the
5 House of Representatives and the Senate.

6 “(E) FINAL REPORT.—

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

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

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

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

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

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

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

24 “(6) FEDERAL INTERAGENCY COUNCIL ON SO-
25 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 with the Secretary on
6 the efforts of social impact partnership
7 projects funded under 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) certify to the Secretary that each
18 State or local government that has entered
19 into an agreement with the Secretary for a
20 social impact partnership project under
21 this subsection and each evaluator selected
22 by the head of the relevant agency under
23 paragraph (5) has access to Federal ad-
24 ministrative data to assist the State or
25 local government and the evaluator in eval-

uating the performance and outcomes of
the project;

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

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

“(viii) prior to approval by the Sec-
retary, certify that each State and local
government application for a social impact
partnership contains rigorous, independent
data and reliable, evidence-based research
methodologies to support the conclusion
that the project will yield savings to the
State or local government or the Federal
Government if the project outcomes are
achieved;

“(ix) certify to the Secretary, in the
case of each approved social impact part-
nership that is expected to yield savings to
the Federal Government, that the project
will yield a projected savings to the Fed-
eral Government if the project outcomes
are achieved, and coordinate with the rel-

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

7 “(x) provide periodic reports to the
8 Secretary and make available reports peri-
9 odically to Congress and the public on the
10 implementation 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 (f) EXTENSION OF THE TEMPORARY ASSISTANCE
 22 FOR NEEDY FAMILIES PROGRAM AND RELATED PRO-
 23 GRAMS THROUGH DECEMBER 31, 2017.—Activities au-
 24 thorized by part A of title IV and section 1108(b) of such
 25 Act (other than under section 403(b) of such Act) shall

1 continue through December 31, 2017, in the manner au-
 2 thorized for fiscal year 2017, and out of any money in
 3 the Treasury of the United States not otherwise appro-
 4 priated, there are hereby appropriated such sums as may
 5 be necessary for such purpose. Grants and payments may
 6 be made pursuant to this authority on a quarterly basis
 7 through the first quarter of fiscal year 2018 at the level
 8 provided for such activities for the corresponding quarter
 9 of fiscal year 2017.

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

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

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

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

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

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

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

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

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

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

5 “(e) CENSUS BUREAU RESEARCH.—

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

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

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

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

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

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

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

19 “(E) improve how poverty and economic
 20 well-being are measured, including through the
 21 use of consumption measures, material depriva-
 22 tion measures, social exclusion measures, and
 23 economic and social mobility measures.

24 “(f) RESEARCH AND EVALUATION CONDUCTED
 25 UNDER THIS SECTION.—Research and evaluation con-

1 ducted under this section designed to determine the effects
2 of a program or policy (other than research conducted
3 under subsection (e)) shall use experimental designs using
4 random assignment or other reliable, evidence-based re-
5 search methodologies that allow for the strongest possible
6 causal inferences when random assignment is not feasible.

7 “(g) DEVELOPMENT OF WHAT WORKS CLEARING-
8 HOUSE OF PROVEN AND PROMISING APPROACHES TO
9 MOVE WELFARE RECIPIENTS INTO WORK.—

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

1 ducted experimental evaluation of a program or
2 project, using random assignment or other research
3 methodologies that allow for the strongest possible
4 causal inferences, have shown they are proven,
5 promising, developmental, or ineffective approaches.

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

12 “(A) establish criteria for evidence of effec-
13 tiveness; and

14 “(B) ensure that the process for estab-
15 lishing the criteria—

16 “(i) is transparent;

17 “(ii) is consistent across agencies;

18 “(iii) provides opportunity for public
19 comment; and

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

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

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

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

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

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

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

15 “(ii) has demonstrated significant and
16 substantively important positive outcomes
17 at more than one site in terms of increas-
18 ing work and earnings of participants, re-
19 ducing poverty and dependence, improving
20 child well-being, or strengthening families.

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

23 “(i) that meets the requirements of
24 subparagraph (D)(i);

1 “(ii) that has been evaluated using
2 well-designed and rigorous randomized
3 controlled trials (or, if not available, rig-
4 orous quasi-experimental research designs);

5 “(iii) that has demonstrated signifi-
6 cant and substantively important positive
7 outcomes at one site in terms of increasing
8 work and earnings of participants, reduc-
9 ing poverty and dependence, improving
10 child well-being, or strengthening families;
11 and

12 “(iv) under which the benefits of the
13 positive outcomes have exceeded the costs
14 of achieving the outcomes.

15 “(D) DEVELOPMENTAL APPROACH.—The
16 term ‘developmental approach’ means an ap-
17 proach that—

18 “(i) is research-based, grounded in
19 relevant empirically based knowledge, and
20 linked to program-determined outcomes;

21 “(ii) is evaluated using rigorous re-
22 search designs; and

23 “(iii) has yet to demonstrate a signifi-
24 cant positive outcome in terms of increas-

1 ing work and earnings of participants in a
 2 cost-effective way.

3 “(h) APPROPRIATION.—

4 “(1) IN GENERAL.—Of the amount appro-
 5 priated by section 403(a)(1) for each fiscal year,
 6 0.33 percent shall be available for research, technical
 7 assistance, and evaluation under this section.

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

14 (b) CONFORMING AMENDMENT.—Section
 15 403(a)(1)(B) of such Act (42 U.S.C. 603(a)(1)(B)) is
 16 amended by inserting “, reduced by the percentage speci-
 17 fied in section 413(h) with respect to the fiscal year,” be-
 18 fore “as the amount”.

19 **SEC. 5. TECHNICAL CORRECTIONS TO DATA EXCHANGE**
 20 **STANDARDS TO IMPROVE PROGRAM COORDI-**
 21 **NATION.**

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

24 “(d) DATA EXCHANGE STANDARDS FOR IMPROVED
 25 INTEROPERABILITY.—

1 “(1) DESIGNATION.—The Secretary shall, in
2 consultation with an interagency work group estab-
3 lished by the Office of Management and Budget and
4 considering State government perspectives, by rule,
5 designate data exchange standards to govern, under
6 this part—

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

13 “(B) Federal reporting and data exchange
14 required under applicable Federal law.

15 “(2) REQUIREMENTS.—The data exchange
16 standards required by paragraph (1) shall, to the ex-
17 tent practicable—

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

21 “(B) contain interoperable standards devel-
22 oped and maintained by intergovernmental
23 partnerships, such as the National Information
24 Exchange Model;

1 “(C) incorporate interoperable standards
2 developed and maintained by Federal entities
3 with authority over contracting and financial
4 assistance;

5 “(D) be consistent with and implement ap-
6 plicable accounting principles;

7 “(E) be implemented in a manner that is
8 cost-effective and improves program efficiency
9 and effectiveness; and

10 “(F) be capable of being continually up-
11 graded as necessary.

12 “(3) RULE OF CONSTRUCTION.—Nothing in
13 this subsection shall be construed to require a
14 change to existing data exchange standards found to
15 be effective and efficient.”.

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

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

- 1 (2) specifies State implementation options and
- 2 describes future milestones.

