

114TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To establish programs to improve family economic security by breaking the cycle of multigenerational poverty, and for other purposes.

---

IN THE SENATE OF THE UNITED STATES

---

Mr. HEINRICH introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

---

**A BILL**

To establish programs to improve family economic security by breaking the cycle of multigenerational poverty, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Two-Generation Economic Empowerment Act of 2016”.

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings; purposes.
- Sec. 3. Definitions.

## 2

TITLE I—INTERAGENCY COUNCIL ON MULTIGENERATIONAL  
POVERTY

- Sec. 101. Interagency Council on Multigenerational Poverty.
- Sec. 102. Information displayed on Council website.
- Sec. 103. GAO Report.
- Sec. 104. Authorization of appropriations.

## TITLE II—2-GENERATION PROGRAMS

- Sec. 201. Programs.
- Sec. 202. General provisions.

## TITLE III—PERFORMANCE PARTNERSHIP PILOT PROGRAM

- Sec. 301. Definitions.
- Sec. 302. Performance partnership pilots.
- Sec. 303. Reporting; evaluations.
- Sec. 304. Applicability to existing performance partnership pilots.

## TITLE IV—SOCIAL IMPACT BONDS PILOT PROGRAM

- Sec. 401. Definitions; purposes.
- Sec. 402. Social impact bond application.
- Sec. 403. Awarding social impact bond contracts.
- Sec. 404. Feasibility study funding.
- Sec. 405. Evaluations.
- Sec. 406. Role of Interagency Council on Multigenerational Poverty.
- Sec. 407. Availability of information related to social impact bond projects.
- Sec. 408. Funding.
- Sec. 409. Community Reinvestment Act.

**1 SEC. 2. FINDINGS; PURPOSES.**

2 (a) FINDINGS.—Congress finds the following:

3 (1) Almost half, or 44 percent, of children in  
4 the United States are from low-income families.

5 (2) Individuals caught in multigenerational pov-  
6 erty tend to lack the support needed to move beyond  
7 day-to-day situations, make long-term financial  
8 plans, and support the community around them.

9 (3) 25 percent of children in the United States  
10 live in single-mother households, and 80 percent of  
11 African-American or Hispanic children who live in  
12 such households are from low-income families.

1           (4) Many of the services and systems that are  
2           intended to help low-income families are fragmented,  
3           with approaches that address the needs of parents  
4           and children separately. These fragmented ap-  
5           proaches often leave either the parent or the child  
6           behind and dim the family's chance at success.

7           (5) In 2009, the Department of Agriculture es-  
8           timated that 11,500,000 individuals in the United  
9           States are from low-income families that reside more  
10          than 1 mile from a supermarket, and 2,300,000 of  
11          such individuals do not have access to a car.

12          (6) Healthy communities have a variety of com-  
13          ponents, including—

14                (A) safe, sustainable, accessible, and af-  
15                fordable transportation options that enable—

16                   (i) children to commute to and from  
17                   school safely; and

18                   (ii) parents to seek work outside of  
19                   their community;

20                (B) housing that is affordable, high-qual-  
21                ity, socially-integrated, and location-efficient;

22                (C) access to quality schools, parks and  
23                other recreational facilities, child care, libraries,  
24                financial services, and other daily needs; and

1 (D) support for healthy behavioral develop-  
2 ment of children and adolescents.

3 (7) A successful 2-generation program will—

4 (A) improve family economic security by  
5 creating opportunities for, and addressing the  
6 needs of, parents and children;

7 (B) break the cycle of multigenerational  
8 poverty; and

9 (C) foster and develop healthy commu-  
10 nities.

11 (8) The return on investment in education for  
12 children and their parents is high. Early childhood  
13 education programs help children develop new skills  
14 and prepare them for grade school. A parent's level  
15 of educational attainment is the best predictor of a  
16 child's success. Higher education opens the door to  
17 a stable career with a family-sustaining wage, pro-  
18 viding opportunities for families to break the cycle of  
19 multigenerational poverty.

20 (9) Social capital is a key success factor of the  
21 2-generation approach and builds on the strength  
22 and resilience of families, bolstering the aspirations  
23 parents have for their children and for themselves.  
24 Family poverty is associated with a weaker social  
25 network of support. For individuals living in certain

1 regions, the lack of community development contrib-  
2 utes to a lack of economic mobility and a lack of  
3 multigenerational success.

4 (10) Physical and mental health have a major  
5 impact on the ability of a family to thrive. There is  
6 a well-documented correlation between poor health  
7 and poor family finances, with poor health causing  
8 poor family finances and poor family finances caus-  
9 ing poor health. Improved physical health and health  
10 behaviors are associated with higher scores on stand-  
11 ardized tests. There is a link between mothers pro-  
12 viding a higher level of emotional support and posi-  
13 tive outcomes in children, such as children dem-  
14 onstrating an improved social competence and en-  
15 gagement in schooling. Meanwhile, social isolation of  
16 children is associated with a higher rate of abuse  
17 and neglect of children.

18 (b) PURPOSE.—The purpose of this Act is to improve  
19 family economic security by breaking the cycle of  
20 multigenerational poverty, including through developing 2-  
21 generation programs that involve initiatives of the Federal  
22 Government, States, local governments, and tribal govern-  
23 ments and initiatives of the private sector.

24 **SEC. 3. DEFINITIONS.**

25 In this Act:

1           (1) 2-GENERATION APPROACH.—The term “2-  
2           generation approach” means the approach to break-  
3           ing the cycle of multigenerational poverty by improv-  
4           ing family economic security through the implemen-  
5           tation of 2-generation programs that create opportu-  
6           nities for, and address the needs of, parents and  
7           children together.

8           (2) 2-GENERATION PROGRAM.—The term “2-  
9           generation program” means a pilot program estab-  
10          lished under section 201(a).

11          (3) AGENCY.—The term “agency” has the  
12          meaning given such term in section 551 of title 5,  
13          United States Code.

14          (4) COUNCIL AGENCY.—The term “Council  
15          agency” means an agency listed in any of subpara-  
16          graphs (A) through (M) of section 101(c)(1).

17          (5) DISCRETIONARY APPROPRIATIONS.—The  
18          term “discretionary appropriations” has the mean-  
19          ing given such term in section 250(c) of the Bal-  
20          anced Budget and Emergency Deficit Control Act of  
21          1985 (2 U.S.C. 900(c)).

22          (6) INSTITUTION OF HIGHER EDUCATION.—The  
23          term “institution of higher education” has the  
24          meaning given such term in section 101(a) of the  
25          Higher Education Act of 1965 (20 U.S.C. 1001(a)).

1           (7) INTERVENTION.—The term “intervention”  
2 means a specific service delivered to achieve an im-  
3 pact through a social impact bond project under title  
4 IV.

5           (8) MULTIGENERATIONAL POVERTY.—The term  
6 “multigenerational poverty” means pervasive poverty  
7 transferred from parents to their children through  
8 structural and systematic factors.

9           (9) SCHOOL READINESS.—The term “school  
10 readiness” means the development of—

11                   (A) physical well-being and motor skills;

12                   (B) social and emotional skills;

13                   (C) approaches to learning;

14                   (D) language skills (including early lit-  
15 eracy); and

16                   (E) cognition and general knowledge.

17           (10) STATE.—The term “State” means each of  
18 the several States of the United States, the District  
19 of Columbia, and each commonwealth or territory of  
20 the United States.

21           (11) VULNERABLE POPULATION.—The term  
22 “vulnerable population” means a population con-  
23 sisting of individuals who, as determined by the ap-  
24 plicable lead agency designated under section  
25 202(a)—

- 1 (A) are economically disadvantaged;
- 2 (B) are racial or ethnic minorities;
- 3 (C) are low-income children;
- 4 (D) are elderly;
- 5 (E) are homeless;
- 6 (F) are individuals with a disability, as de-
- 7 fined in section 3 of the Americans with Dis-
- 8 abilities Act of 1990 (42 U.S.C. 12102);
- 9 (G) are infected with the human immuno-
- 10 deficiency virus (HIV); or
- 11 (H) have any other chronic health condi-
- 12 tion, including a severe mental illness.

13 **TITLE I—INTERAGENCY COUN-**

14 **CIL ON MULTIGENERATIONAL**

15 **POVERTY**

16 **SEC. 101. INTERAGENCY COUNCIL ON**

17 **MULTIGENERATIONAL POVERTY.**

18 (a) ESTABLISHMENT.—There is established within

19 the Federal Government an interagency council to be

20 known as the “Interagency Council on Multigenerational

21 Poverty” (referred to in this Act as the “Council”) to

22 carry out the objectives under subsection (b) and the 2-

23 generation approach, including by providing guidance, and

24 addressing questions pertaining, to 2-generation programs

1 and other programs engaging in efforts to break the cycle  
2 of multigenerational poverty.

3 (b) OBJECTIVES.—The objectives of the Council are  
4 each of the following:

5 (1) Establish an ongoing system of coordination  
6 among and within agencies or organizations related  
7 to programs aimed at breaking the cycle of  
8 multigenerational poverty.

9 (2) Identify knowledge gaps, research needs,  
10 and policy and program deficiencies associated with  
11 multigenerational poverty.

12 (3) Identify best practices of programs, includ-  
13 ing the 2-generation programs, and methodologies to  
14 break the cycle of multigenerational poverty.

15 (c) MEMBERSHIP.—

16 (1) COMPOSITION.—The Council shall be com-  
17 posed of at least 1 designee from each of the fol-  
18 lowing:

19 (A) The Office of Management and Budg-  
20 et.

21 (B) The Bureau of Indian Affairs.

22 (C) The Department of Agriculture.

23 (D) The Department of Education.

24 (E) The Department of Health and  
25 Human Services.

1 (F) The Department of Housing and  
2 Urban Development.

3 (G) The Department of Labor.

4 (H) The Department of Transportation.

5 (I) The Department of the Treasury.

6 (J) The Department of Veterans Affairs.

7 (K) The Corporation for National and  
8 Community Service.

9 (L) The Domestic Policy Council.

10 (M) The National Economic Council.

11 (2) DESIGNATION.—

12 (A) IN GENERAL.—The head of each  
13 Council agency shall designate at least 1 em-  
14 ployee described in subparagraph (B) of such  
15 agency to serve as a member of the Council.

16 (B) RESPONSIBILITIES.—An employee de-  
17 scribed in this subparagraph shall be a senior  
18 employee of the agency whose responsibilities  
19 relate to policies, procedures, and economics  
20 with respect to family well-being.

21 (3) CHAIRPERSON.—

22 (A) IN GENERAL.—The Chairperson of the  
23 Council (referred to in this section as the  
24 “Chairperson”) shall be a designee under para-

1 graph (1)(E), as selected by the Council if there  
2 is more than 1 such designee.

3 (B) INITIATING GUIDANCE.—The Chair-  
4 person, on behalf of the Council, shall identify  
5 and invite individuals from diverse entities, in-  
6 cluding advocates, individuals from nonprofit  
7 organizations, small businesses, and philan-  
8 thropic organizations, and researchers from in-  
9 stitutions of higher education, to provide the  
10 Council with advice and knowledge pertaining  
11 to addressing multigenerational poverty.

12 (d) DUTIES.—

13 (1) STRATEGIC PLAN TO END AND PREVENT  
14 MULTIGENERATIONAL POVERTY.—Not later than 1  
15 year after the date of enactment of this Act, the  
16 Council shall develop, make available for public com-  
17 ment, and submit to the President and Congress, a  
18 strategic plan to end and prevent multigenerational  
19 poverty that includes activities under the 2-genera-  
20 tion approach and other activities consistent with  
21 the objectives under subsection (b). The Council  
22 shall update such plan annually.

23 (2) IMPLEMENTING AND ADVISING 2-GENERA-  
24 TION PROGRAMS.—The Council shall establish proce-

1       dures for implementing the 2-generation approach  
2       that consist of—

3               (A) coordinating the efforts of each 2-gen-  
4       eration program;

5               (B) advising and assisting relevant agen-  
6       cies in the development and implementation of  
7       each such program;

8               (C) advising relevant agencies on specific  
9       programmatic and policy matters related to  
10       each such program;

11              (D) providing relevant subject matter ex-  
12       pertise to each lead agency designated under  
13       section 202(a); and

14              (E) identifying and addressing issues that  
15       may influence the future of each 2-generation  
16       program.

17       (3) REPORTS TO CONGRESS.—

18              (A) ANNUAL REPORTS.—Not later than 1  
19       year after the date of enactment of this Act,  
20       and annually thereafter, the Council shall pre-  
21       pare and submit to Congress a report that in-  
22       cludes—

23                      (i) information on the progress and  
24       results of each 2-generation program in  
25       achieving the appropriate quantitative lev-

1           els for the outcomes described in section  
2           201(b) that each program is designed to  
3           achieve; and

4                   (ii) information on any issue con-  
5                   cerning each such program and rec-  
6                   ommendations to address each such issue.

7           (B) BIENNIAL REPORTS.—Not later than  
8           1 year after the date of enactment of this Act,  
9           and every 2 years thereafter, the Council shall  
10          prepare and submit to Congress a report that  
11          includes—

12                   (i) information on the overall progress  
13                   of the Council in ending and preventing  
14                   multigenerational poverty; and

15                   (ii) legislative policy recommendations,  
16                   including addressing any needs for greater  
17                   legislative authority to meet the objectives  
18                   of this Act.

19          (4) AVAILABLE FUNDING.—Not later than 90  
20          days after the date of enactment of this Act, each  
21          Council agency shall identify, prepare, and submit to  
22          the Chairperson a list of funding sources that could  
23          support 2-generation programs in achieving the ap-  
24          propriate quantitative levels for the outcomes de-

1       scribed in section 201(b) that each program is de-  
2       signed to achieve.

3 **SEC. 102. INFORMATION DISPLAYED ON COUNCIL WEBSITE.**

4       (a) IN GENERAL.—The Council shall ensure that the  
5 information listed in subsection (b) is made available to  
6 the public and displayed on the official website of the  
7 Council.

8       (b) INFORMATION.—The information listed in this  
9 subsection is each of the following:

10           (1) The national strategic plan to end and pre-  
11 vent multigenerational poverty required under sec-  
12 tion 101(d)(1).

13           (2) Information on the 2-generation programs,  
14 including—

15               (A) the outcomes described in section  
16 201(b) that each program is designed to  
17 achieve, and the appropriate quantitative levels  
18 for achieving such outcomes;

19               (B) national partners consisting of private  
20 and government entities participating in (or in-  
21 terested in participating in), including by fund-  
22 ing, a 2-generation program;

23               (C) a description of the 2-generation pro-  
24 gram described in title III, including detailed  
25 information on the performance partnership pi-

1           lots approved under section 302(a), the discre-  
2           tionary appropriations used to carry out such  
3           program, and any waivers received under sec-  
4           tion 202(d) for such program, including infor-  
5           mation specifying the waivers used for each  
6           such pilot; and

7                   (D) a description of the 2-generation pro-  
8                   gram described in title IV, including the infor-  
9                   mation described in section 407.

10           (3) Each report, including the data contained in  
11           each such report, that—

12                   (A) the Council submits to Congress under  
13                   section 101(d)(3);

14                   (B) the Comptroller General of the United  
15                   States submits under section 103 or 303(e);  
16                   and

17                   (C) is submitted to the Council under sec-  
18                   tion 303(d) or subsection (d) or (e) of section  
19                   405.

20           (4) Information describing the best practices  
21           (as determined by the Council) of the 2-generation  
22           programs, and other programs engaging in efforts to  
23           break the cycle of multigenerational poverty, to en-  
24           able interested entities to emulate such best prac-

1 tices in any efforts to end or prevent  
2 multigenerational poverty.

3 **SEC. 103. GAO REPORT.**

4 (a) IN GENERAL.—Not later than 1 year after the  
5 date of enactment of this Act, the Comptroller General  
6 of the United States shall conduct a study, and submit  
7 a report to Congress and the Interagency Council on  
8 Multigenerational Poverty, on Federal block grants under  
9 the jurisdiction of council participants to identify barriers  
10 and opportunities for collaboration in order to carry out  
11 the two-generation approach.

12 (b) CONTENTS.—The study and report under sub-  
13 section (a) shall—

14 (1) identify block grants that could be used for  
15 the two-generation approach and whether waiver of  
16 any funding restriction or requirement in particular  
17 would facilitate the two-generation approach without  
18 compromising the policy goals of those block grants;

19 (2) identify opportunities and barriers for col-  
20 laboration among block-grant recipients; and

21 (3) examine any duplications of reporting or ap-  
22 plications as a result of such collaboration.

1 **SEC. 104. AUTHORIZATION OF APPROPRIATIONS.**

2 There are authorized to be appropriated for each of  
3 fiscal years 2017 through 2022 such sums as may be nec-  
4 essary to carry out this title.

5 **TITLE II—2-GENERATION**  
6 **PROGRAMS**

7 **SEC. 201. PROGRAMS.**

8 (a) IN GENERAL.—The Council shall establish, as 2-  
9 generation programs, each of the following:

10 (1) The 2-generation performance partnership  
11 pilot program described in title III.

12 (2) The 2-generation social impact bonds pilot  
13 program described in title IV.

14 (b) OUTCOME MEASURES.—

15 (1) ESTABLISHMENT.—The Council shall estab-  
16 lish clearly defined outcome measures for each 2-  
17 generation program that include the outcomes de-  
18 scribed in paragraphs (2) and (3) that each program  
19 is designed to achieve and the appropriate quan-  
20 titative levels for achieving such outcomes.

21 (2) PRIMARY OUTCOMES.—Each 2-generation  
22 program shall be designed to achieve primary out-  
23 comes consisting of—

24 (A) improved academic achievement of  
25 children and increased earning potential of par-  
26 ents, including enhanced—

1 (i) school readiness of children from  
2 birth through age 5; and

3 (ii) educational attainment of parents;  
4 and

5 (B) 2 or more of the following outcomes:

6 (i) Improved financial stability of fam-  
7 ilies, including increased financial capa-  
8 bility of, and savings for, parents and chil-  
9 dren, achieved through increased earning  
10 potential and enhanced financial decision-  
11 making skills of parents and children.

12 (ii) Increased access for parents and  
13 children to programs that foster healthy  
14 parent-child relationships.

15 (iii) Increased opportunities for all  
16 family members to participate in programs  
17 that address the mental health needs of  
18 parents and children.

19 (iv) Improved education of parents  
20 and children on obesity prevention and nu-  
21 trition, and a subsequent reduction in  
22 rates of obesity and related diseases among  
23 parents and children.

24 (v) Improved maternal and child  
25 health, including social and emotional

1 health and development of mothers and  
2 children.

3 (3) COST-EFFECTIVE OUTCOMES.—In achieving  
4 the primary outcomes described in paragraph (2),  
5 each 2-generation program shall make better use of  
6 budgetary resources to seek enhanced outcomes that  
7 are cost-effective for regions, communities, or vul-  
8 nerable populations.

9 **SEC. 202. GENERAL PROVISIONS.**

10 (a) LEAD AGENCIES.—The Director of the Office of  
11 Management and Budget shall, in collaboration with the  
12 Council—

13 (1) designate a lead agency from among the  
14 Council agencies for the purpose of carrying out the  
15 2-generation program described in title III; and

16 (2) designate a lead agency from among the  
17 Council agencies for the purpose of carrying out the  
18 2-generation program described in title IV.

19 (b) AGENCY HEAD DETERMINATIONS.—

20 (1) IN GENERAL.—A Council agency may par-  
21 ticipate (directly or by providing discretionary appro-  
22 priations that have been appropriated to such agen-  
23 cy) in the 2-generation program described in title III  
24 only upon providing a written determination by the  
25 head of such agency to the lead agency designated

1 under subsection (a)(1) that, based on the best  
2 available information, transferring resources to par-  
3 ticipate in such program will not—

4 (A) result in such agency reducing any  
5 services (funded in whole or in part by the dis-  
6 cretionary appropriations of such agency) that  
7 such agency provided prior to participating in  
8 the 2-generation program; and

9 (B) otherwise adversely affect vulnerable  
10 populations that are recipients of such services.

11 (2) CONSIDERATION.—In making the deter-  
12 mination under paragraph (1), the head of the  
13 Council agency may take into consideration the dis-  
14 cretionary appropriations that will be used in the 2-  
15 generation program.

16 (c) TRANSFER AUTHORITY.—

17 (1) 2-GENERATION ACCOUNT.—The lead agency  
18 designated under subsection (a)(1) may establish an  
19 account for the purpose of carrying out the 2-gen-  
20 eration program described in title III, allowing mul-  
21 tiple Council agencies participating in the 2-genera-  
22 tion program to combine discretionary appropria-  
23 tions for the purpose of carrying out the 2-genera-  
24 tion program.

1           (2) TRANSFERS.—Subject to the written ap-  
2           proval of the Director of the Office of Management  
3           and Budget and paragraph (4), the head of each  
4           Council agency participating in the 2-generation pro-  
5           gram described in title III may transfer discre-  
6           tionary appropriations of the agency to the account  
7           established under paragraph (1), to be used for such  
8           2-generation program.

9           (3) AVAILABILITY.—

10           (A) PURPOSES.—Subject to the waiver au-  
11           thority under subsection (d), the discretionary  
12           appropriations transferred under paragraph (2)  
13           shall remain available for the same purposes for  
14           which the appropriations were originally appro-  
15           priated.

16           (B) OBLIGATION BY THE FEDERAL GOV-  
17           ERNMENT.—The discretionary appropriations  
18           transferred under paragraph (2) shall remain  
19           available for obligation by the Federal Govern-  
20           ment for the period for which such appropria-  
21           tions were permitted to remain available, as of  
22           the day before the date of the transfer.

23           (4) NOTICE REQUIREMENT.—Not later than 30  
24           days prior to transferring any discretionary appro-  
25           priations under paragraph (2), the head of the

1 Council agency transferring the appropriations shall  
2 provide written notice of the transfer to the Com-  
3 mittee on Appropriations of the House of Represent-  
4 atives, the Committee on Appropriations of the Sen-  
5 ate, and other appropriate committees of Congress.

6 (d) WAIVER AUTHORITY.—

7 (1) IN GENERAL.—To reduce administrative  
8 burdens (including application and reporting re-  
9 quirements) and subject to other provisions of this  
10 Act (but notwithstanding subsection (c)(3)(A)), the  
11 head of a Council agency participating in the 2-gen-  
12 eration program described in title III may waive (in  
13 whole or in part) the application, solely with respect  
14 to discretionary appropriations used in such 2-gen-  
15 eration program, of any statutory, regulatory, or ad-  
16 ministrative requirement that such agency head—

17 (A) is authorized to waive (in accordance  
18 with the terms and conditions of the Federal  
19 law authorizing such appropriations); or

20 (B) would not otherwise be authorized to  
21 waive, but for the application of this subsection.

22 (2) LIMITATIONS.—

23 (A) IN GENERAL.—An agency head de-  
24 scribed in paragraph (1) shall not waive any re-  
25 quirement related to nondiscrimination, wage

1 and labor standards, or allocation of funds to  
2 State or sub-State levels.

3 (B) REQUIREMENTS.—For the waiver of  
4 any statutory, regulatory, or administrative re-  
5 quirement described in paragraph (1)(B), an  
6 agency head described in paragraph (1) shall—

7 (i) prior to granting the waiver, sub-  
8 mit to the lead agency designated under  
9 subsection (a)(1) a written determination,  
10 with respect to the discretionary appropria-  
11 tions described in paragraph (1), that the  
12 granting of such waiver for purposes of the  
13 2-generation program described in title  
14 III—

15 (I) is consistent with the statu-  
16 tory purposes of the Federal program  
17 for which such discretionary appro-  
18 priations were appropriated and the  
19 other provisions of this section, as  
20 well as the written determination by  
21 such agency head under subsection  
22 (b)(1);

23 (II) is necessary to achieve the  
24 appropriate quantitative levels for the  
25 outcomes described in section 201(b)

1 that the program is designed to  
2 achieve, and is no broader in scope  
3 than is necessary to achieve such lev-  
4 els; and

5 (III) will result in—

6 (aa) realizing efficiencies by  
7 simplifying reporting burdens or  
8 reducing administrative barriers  
9 with respect to such discretionary  
10 appropriations; or

11 (bb) increasing the ability of  
12 individuals to obtain access to  
13 services that are provided  
14 through such discretionary ap-  
15 propriations; and

16 (ii) provide at least 60 days of ad-  
17 vance written notice to the Committee on  
18 Appropriations of the House of Represent-  
19 atives, the Committee on Appropriations of  
20 the Senate, and other appropriate commit-  
21 tees of Congress.

22 (e) PROHIBITED USE OF ASSESSMENT FOR YOUNG  
23 CHILDREN.—To participate in a 2-generation program de-  
24 scribed in title III or IV, an entity shall provide an assur-  
25 ance that the entity will not assess the achievement of chil-

1 dren from birth through grade 2, or programs providing  
2 services to such children, by engaging in activities that in-  
3 clude—

4 (1) assessing such children or programs in a  
5 manner that provides or leads to any reward or  
6 sanction for any individual child, teacher, early  
7 childhood education program, as defined in section  
8 103 of the Higher Education Act of 1965 (20  
9 U.S.C. 1003), or school;

10 (2) using a single method for assessing the ef-  
11 fectiveness of a program serving such children as the  
12 primary or only method for assessing such program;  
13 or

14 (3) evaluating such children for any purpose  
15 other than to—

16 (A) improve instruction or classroom envi-  
17 ronment;

18 (B) target high-quality, evidence-based  
19 professional development;

20 (C) determine the need for health (includ-  
21 ing mental health), disability, or family support  
22 services;

23 (D) inform the quality improvement proc-  
24 ess for such programs at the State level;

1 (E) evaluate such a program for the pur-  
2 poses of program improvement and providing  
3 information to the parents of children partici-  
4 pating in such program; or

5 (F) provide research conducted as part of  
6 a national evaluation.

7 **TITLE III—PERFORMANCE**  
8 **PARTNERSHIP PILOT PROGRAM**

9 **SEC. 301. DEFINITIONS.**

10 In this title:

11 (1) LEAD AGENCY.—The term “lead agency”  
12 means the lead agency designated under section  
13 202(a)(1).

14 (2) PERFORMANCE PARTNERSHIP PILOT.—The  
15 term “performance partnership pilot” means a  
16 project that—

17 (A) seeks to identify, through a demonstra-  
18 tion, cost-effective strategies for providing serv-  
19 ices at the State, regional, or local level;

20 (B) involves 2 or more Federal programs  
21 (administered by 1 or more Federal agencies)—

22 (i) with related policy goals; and

23 (ii) at least 1 of which is administered  
24 (in whole or in part) by a State, local gov-  
25 ernment, or tribal government;

1 (C) carries out the 2-generation approach  
2 by achieving the outcomes described in section  
3 201(b), including making better use of budg-  
4 etary resources to seek enhanced outcomes that  
5 are cost-effective for regions, communities, or  
6 vulnerable populations; and

7 (D) consistent with this title, allows—

8 (i) an entity participating in the  
9 project to combine multiple sources of  
10 funding acquired by the entity; and

11 (ii) multiple entities participating in  
12 the project to combine sources of funding  
13 acquired by the entities.

14 **SEC. 302. PERFORMANCE PARTNERSHIP PILOTS.**

15 (a) APPROVAL OF PILOTS.—In accordance with title  
16 II and this title, the lead agency shall approve not more  
17 than 5 performance partnership pilots under the program  
18 described in this title, by entering into performance part-  
19 nership agreements under subsection (c).

20 (b) USE OF DISCRETIONARY APPROPRIATIONS.—  
21 Subject to section 202 and subsections (a) and (c), a  
22 Council agency may use discretionary appropriations ap-  
23 propriated to such agency to participate in 1 or more of  
24 the approved performance partnership pilots.

25 (c) PERFORMANCE PARTNERSHIP AGREEMENTS.—

1           (1) IN GENERAL.—A Council agency may use  
2           discretionary appropriations to participate in a per-  
3           formance partnership pilot only in accordance with  
4           the terms of a performance partnership agreement,  
5           described in paragraph (3), that is entered into be-  
6           tween—

7                   (A) subject to paragraph (2), the lead  
8                   agency on behalf of each Council agency partici-  
9                   pating in such pilot; and

10                   (B) a representative of each State, local  
11                   government, or tribal government that has ap-  
12                   plied for participation in such pilot, in accord-  
13                   ance with application procedures established by  
14                   the lead agency.

15           (2) LIMITATION.—The lead agency may only  
16           enter into an agreement under paragraph (1) upon  
17           receiving, from the head of each Council agency to  
18           be participating in such pilot, a written concurrence  
19           to enter into such agreement, including an agree-  
20           ment that such Council agency will comply with all  
21           requirements under this Act for participating in  
22           such pilot.

23           (3) TERMS OF THE AGREEMENT.—A perform-  
24           ance partnership agreement entered into under para-

1 graph (1) shall specify, at a minimum, each of the  
2 following:

3 (A) The length of such agreement, which  
4 shall end not later than 5 fiscal years after the  
5 date of enactment of this Act.

6 (B) The Federal programs and federally  
7 funded services that are involved in such pilot.

8 (C) The discretionary appropriations that  
9 are being used in the performance partnership  
10 pilot (by the respective Federal account identi-  
11 fier, and the total amount from such account  
12 that is being used in such pilot), and the period  
13 of availability for obligation by the Federal Gov-  
14 ernment of such funds.

15 (D) The non-Federal funds that are being  
16 used in such pilot, by source (which may in-  
17 clude private funds and governmental funds)  
18 and by amount.

19 (E) The State, local, or tribal programs  
20 that are involved in such pilot.

21 (F) The populations to be served by such  
22 pilot.

23 (G) The cost-effective Federal oversight  
24 procedures that will be used for the purpose of  
25 maintaining the necessary level of account-

1 ability for the use of the discretionary appro-  
2 priations in such pilot.

3 (H) The cost-effective State, local, or tribal  
4 oversight procedures that will be used for the  
5 purpose of maintaining the necessary level of  
6 accountability for the use of the discretionary  
7 appropriations in such pilot.

8 (I) The outcomes described in section  
9 201(b) that such pilot is designed to achieve  
10 and the appropriate quantitative levels for  
11 achieving such outcomes.

12 (J) The appropriate, reliable, and objective  
13 outcome-measurement methodology that will be  
14 used in carrying out such pilot, to determine  
15 the success of such pilot in achieving any out-  
16 come, and the appropriate quantitative level for  
17 achieving such outcome, specified under sub-  
18 paragraph (I).

19 (K) Any statutory, regulatory, or adminis-  
20 trative requirements related to a Federal man-  
21 datory program that are barriers to achieving  
22 any outcome or level specified under subpara-  
23 graph (I).

24 (L) In a case in which, during the course  
25 of such pilot, it is determined that the pilot is

1 not achieving the appropriate quantitative levels  
2 for the outcomes specified under subparagraph  
3 (I)—

4 (i) any consequence that will result  
5 from the failure to achieve such levels, with  
6 respect to the discretionary appropriations  
7 that are being used in such pilot; and

8 (ii) the corrective actions that will be  
9 taken to increase the likelihood that such  
10 pilot, upon completion, will have achieved  
11 such levels.

12 **SEC. 303. REPORTING; EVALUATIONS.**

13 (a) STATE, LOCAL GOVERNMENT, OR TRIBAL GOV-  
14 ERNMENT REPORTS.—

15 (1) IN GENERAL.—Not later than 90 days after  
16 the first day of each fiscal year, a State, local gov-  
17 ernment, or tribal government participating (in  
18 whole or in part) in a performance partnership pilot  
19 shall submit a report to the lead agency.

20 (2) CONTENTS.—The report under paragraph  
21 (1) shall include information on—

22 (A) the progress of such performance part-  
23 nership pilot in achieving the appropriate quan-  
24 titative levels for the outcomes the pilot is de-

1 signed to achieve under section 302(c)(3)(I), in-  
2 cluding data supporting such progress; and

3 (B) the discretionary appropriations, and  
4 any other funds, used to carry out such per-  
5 formance partnership pilot.

6 (b) COUNCIL AGENCY REPORTS.—Not later than 120  
7 days after the first day of each fiscal year, each Council  
8 agency participating in a performance partnership pilot  
9 shall submit a report to the lead agency in such manner  
10 and containing such information about the performance  
11 partnership pilot as the lead agency may require.

12 (c) EVALUATION BY COMPTROLLER GENERAL.—

13 (1) IN GENERAL.—The Comptroller General of  
14 the United States shall conduct an evaluation of the  
15 2-generation program described in this title, which  
16 shall include information describing—

17 (A) the criteria used by the lead agency to  
18 approve performance partnership pilots;

19 (B) the States, local governments, and  
20 tribal governments that participated in any per-  
21 formance partnership pilot;

22 (C) how each such State, local government,  
23 and tribal government used funds received  
24 under such performance partnership pilot; and

1 (D) the success of each performance part-  
2 nership pilot in achieving the appropriate quan-  
3 titative levels for the outcomes the pilot is de-  
4 signed to achieve under section 302(c)(3)(I).

5 (2) SUBMISSION.—Not later than 90 days after  
6 the first day of each fiscal year, the Comptroller  
7 General of the United States shall submit a report  
8 containing the evaluation conducted under para-  
9 graph (1) to the lead agency and the Council.

10 (d) LEAD AGENCY REPORT TO THE COUNCIL.—Not  
11 later than 180 days after the first day of each fiscal year,  
12 the lead agency shall submit a report to the Council that  
13 evaluates the information provided in the reports under  
14 subsections (a), (b), and (c).

15 **SEC. 304. APPLICABILITY TO EXISTING PERFORMANCE**  
16 **PARTNERSHIP PILOTS.**

17 Nothing in this Act shall be construed to apply to  
18 any performance partnership pilot authorized under sec-  
19 tion 526 of the Departments of Labor, Health and Human  
20 Services, and Education, and Related Agencies Appropria-  
21 tions Act, 2014 (Public Law 113–76), section 524 of the  
22 Departments of Labor, Health and Human Services, and  
23 Education, and Related Agencies Appropriations Act,  
24 2015 (Public Law 113–235), or section 525 of the Depart-  
25 ments of Labor, Health and Human Services, and Edu-

1 cation, and Related Agencies Appropriations Act, 2016  
2 (Public Law 114–113).

3 **TITLE IV—SOCIAL IMPACT**  
4 **BONDS PILOT PROGRAM**

5 **SEC. 401. DEFINITIONS; PURPOSES.**

6 (a) DEFINITIONS OF SOCIAL IMPACT BOND MODEL  
7 AND SOCIAL IMPACT BOND PROJECT.—

8 (1) SOCIAL IMPACT BOND MODEL.—The term  
9 “social impact bond model” means a method of fi-  
10 nancing social services in which—

11 (A) Federal funds are awarded to a State  
12 or local government only if such State or local  
13 government achieves appropriate quantitative  
14 levels for certain outcomes agreed upon by the  
15 State or local government and the lead agency  
16 designated under section 202(a)(2); and

17 (B) the State or local government collabo-  
18 rates with service providers, investors (if appli-  
19 cable to the project), and (if necessary) an  
20 intermediary to identify—

21 (i) an intervention expected to  
22 produce such achievement on appropriate  
23 quantitative levels;

24 (ii) a service provider to deliver the  
25 intervention to the target population; and

1 (iii) if applicable, investors to assist in  
2 funding the delivery of the intervention.

3 (2) SOCIAL IMPACT BOND PROJECT.—The term  
4 “social impact bond project” means a project that fi-  
5 nances social services using a social impact bond  
6 model.

7 (b) PURPOSES.—The purposes of this title are the  
8 following:

9 (1) To reduce poverty among parents and chil-  
10 dren.

11 (2) To improve the lives of families and individ-  
12 uals in need in the United States by funding social  
13 programs that achieve real results.

14 (3) To ensure Federal funds are used effectively  
15 on social services to produce positive outcomes for  
16 both service recipients and taxpayers.

17 (4) To establish programs that lessen the pov-  
18 erty burden families face in the short-term while fos-  
19 tering opportunities for families to achieve long-term  
20 success.

21 (5) To establish the use of social impact bonds  
22 to address some of our nation’s most pressing prob-  
23 lems.

24 (6) To facilitate the creation of public-private  
25 partnerships that bundle philanthropic and other

1 private resources with existing public spending to  
2 scale up effective social interventions already being  
3 implemented by private organizations, non-profits,  
4 charitable organizations, and local governments  
5 across the country.

6 (7) To bring pay-for-performance to the social  
7 sector, allowing the United States to improve the im-  
8 pact and effectiveness of vital social programs.

9 **SEC. 402. SOCIAL IMPACT BOND APPLICATION.**

10 (a) NOTICE.—Not later than 1 year after the date  
11 of the enactment of this Act, the agency designated by  
12 the Council under section 202(a)(2) (referred to in this  
13 title as the “lead agency”), in consultation with the Coun-  
14 cil, shall publish in the Federal Register a notice that the  
15 lead agency is seeking proposals from States or local gov-  
16 ernments for social impact bond projects in accordance  
17 with this section.

18 (b) REQUIREMENTS FOR SOCIAL IMPACT BOND  
19 PROJECTS.—To qualify as a social impact bond project  
20 under this title, the services provided by the State or local  
21 government through the project must—

22 (1) produce social benefits and Federal savings  
23 by achieving outcomes under section 201(b) at the  
24 appropriate quantitative levels; and

1           (2) supplement and not supplant any services  
2           provided by the State or local government prior to  
3           the commencement of the project.

4           (c) FEASIBILITY STUDY REQUIRED.—The notice de-  
5           scribed in subsection (a) shall require a State or local gov-  
6           ernment to submit a feasibility study for the social impact  
7           bond project that contains the following information:

8           (1) The outcome goals of the project.

9           (2) A description of each intervention in the  
10          project and the anticipated outcome of such inter-  
11          vention.

12          (3) Rigorous evidence demonstrating that the  
13          intervention can be expected to produce the desired  
14          outcome.

15          (4) The target population that will be served by  
16          the project.

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

20          (6) Projected Federal, State, and local govern-  
21          ment costs and other costs to conduct the project.

22          (7) Projected Federal, State, and local govern-  
23          ment savings and other savings, including an esti-  
24          mate prepared by the State or local government of  
25          the savings to the Federal, State, and local govern-

1       ment, on a program-by-program basis and in the ag-  
2       gregate, if the project is implemented and the out-  
3       comes are achieved.

4           (8) If savings resulting from the successful  
5       completion of the project are estimated to accrue to  
6       the State or local government, the likelihood of the  
7       State or local government to realize those savings.

8           (9) A plan for delivering the intervention  
9       through a social impact bond model.

10          (10) A description of the expertise of each serv-  
11       ice provider that will administer the intervention.

12          (11) An explanation of the experience of the  
13       State or local government, the intermediary, or the  
14       service provider in raising private and philanthropic  
15       capital to fund social service investments.

16          (12) The detailed roles and responsibilities of  
17       each entity involved in the project, including any  
18       State or local government entity, intermediary, serv-  
19       ice provider, independent evaluator, investor, or  
20       other stakeholder.

21          (13) A summary of the experience of the service  
22       provider delivering the proposed intervention, a simi-  
23       lar intervention, or a summary demonstrating the  
24       service provider has the expertise necessary to de-  
25       liver the intervention.

1           (14) A summary of the unmet need in the area  
2 where the intervention will be delivered or among the  
3 target population who will receive the intervention.

4           (15) The payment terms, the methodology used  
5 to calculate outcome payments, the payment sched-  
6 ule, and performance thresholds.

7           (16) The project budget.

8           (17) The project timeline.

9           (18) The criteria used to determine the eligi-  
10 bility of an individual for the project, including how  
11 selected populations will be identified, how they will  
12 be referred to the project, and how they will be en-  
13 rolled in the project.

14          (19) The evaluation design.

15          (20) The metrics that will be used to determine  
16 whether the outcomes have been achieved and how  
17 such metrics will be measured.

18          (21) A summary explaining the independence of  
19 the evaluator from the other entities involved in the  
20 project and the evaluator's experience in conducting  
21 rigorous evaluations of program effectiveness includ-  
22 ing, where available, well-implemented randomized  
23 controlled trials on the intervention or similar inter-  
24 ventions.

1           (22) The capacity of the service provider to de-  
2           liver the intervention to the number of participants  
3           the State or local government proposes to serve in  
4           the project.

5           (23) An assurance that the services provided by  
6           the State or local government through the project  
7           will supplement and not supplant any services pro-  
8           vided by the State or local government prior to the  
9           commencement of the project.

10          (d) PROJECT INTERMEDIARY INFORMATION RE-  
11          QUIRED.—The feasibility study described in subsection (c)  
12          shall also contain the following information about the  
13          intermediary for the social impact bond project (whether  
14          the intermediary is the service provider or other entity):

15                (1) Experience and capacity for providing or fa-  
16                cilitating the provision of the type of intervention  
17                proposed.

18                (2) The mission and goals.

19                (3) Information on whether the intermediary is  
20                already working with service providers that provide  
21                this intervention or an explanation of the capacity of  
22                the intermediary to begin working with service pro-  
23                viders to provide the intervention.

1           (4) Experience working in a collaborative envi-  
2           ronment across government and nongovernmental  
3           entities.

4           (5) Previous experience collaborating with pub-  
5           lic or private entities to implement evidence-based  
6           programs.

7           (6) Ability to raise or provide funding to cover  
8           operating costs (if applicable to the project).

9           (7) Capacity and infrastructure to track out-  
10          comes and measure results, including—

11                 (A) capacity to track and analyze program  
12                 performance; and

13                 (B) experience with performance-based  
14                 contracting and achieving project milestones  
15                 and targets.

16          (8) Role in delivering the intervention.

17          (9) How the intermediary would monitor pro-  
18          gram success, including a description of the interim  
19          benchmarks and outcome measures.

20 **SEC. 403. AWARDING SOCIAL IMPACT BOND CONTRACTS.**

21          (a) **TIMELINE IN AWARDING CONTRACT.**—Not later  
22 than 6 months after receiving an application in accordance  
23 with section 402, the lead agency shall determine whether  
24 to enter into a contract for a social impact bond project  
25 with a State or local government.

1 (b) CONSIDERATIONS IN AWARDING CONTRACT.—In  
2 determining whether to enter into a contract for a social  
3 impact bond project (the application for which was sub-  
4 mitted under section 402) the lead agency, in consultation  
5 with the Council and the head of any Federal agency ad-  
6 ministering a similar intervention or serving a population  
7 similar to that served by the project, shall consider each  
8 of the following:

9 (1) The value to the Federal Government of the  
10 outcome expected to be achieved if the outcomes  
11 specified in the contract are met at the appropriate  
12 quantitative levels.

13 (2) The ability of the State or local government  
14 in collaboration with the intermediary and the serv-  
15 ice providers to achieve the outcomes at the appro-  
16 priate quantitative levels.

17 (3) The savings to the Federal Government if  
18 the outcomes specified in the contract are met at the  
19 appropriate quantitative levels.

20 (4) The savings to the State and local govern-  
21 ments if the outcomes specified in the contract are  
22 met at the appropriate quantitative levels.

23 (5) The expected quality of the evaluation that  
24 would be conducted with respect to the contract.

25 (c) CONTRACT AUTHORITY.—

1           (1) CONTRACT REQUIREMENTS.—In accordance  
2 with this section, the lead agency, in consultation  
3 with the Council and the head of any Federal agency  
4 administering a similar intervention or serving a  
5 population similar to that served by the project, may  
6 enter into a contract for a social impact bond project  
7 with a State or local government if the lead agency  
8 determines that each of the following requirements  
9 are met:

10           (A) The State or local government agrees  
11 to achieve an outcome specified in the contract  
12 at the appropriate quantitative level in order to  
13 receive payment.

14           (B) The Federal payment to the State or  
15 local government for each outcome specified is  
16 less than or equal to the value of the outcome  
17 to the Federal Government over a period not to  
18 exceed 15 years, as determined by the lead  
19 agency, in consultation with the State or local  
20 government.

21           (C) The duration of the project does not  
22 exceed 15 years, unless the lead agency grants  
23 an extension pursuant to paragraph (3)(B).

24           (D) The State or local government has  
25 demonstrated, through the application sub-

1           mitted under section 402, that, based on prior  
2           rigorous experimental evaluations or rigorous  
3           quasi-experimental studies, the intervention can  
4           be expected to achieve each outcome specified in  
5           the contract at the appropriate quantitative  
6           level.

7           (E) The State, local government, inter-  
8           mediary, or service provider has experience rais-  
9           ing private or philanthropic capital to fund so-  
10          cial service investments (if applicable to the  
11          project).

12          (F) The State or local government has  
13          shown that each service provider has experience  
14          delivering the intervention, a similar interven-  
15          tion, or has otherwise demonstrated the exper-  
16          tise necessary to deliver the intervention.

17          (2) PAYMENT.—The lead agency shall pay the  
18          State or local government only if the independent  
19          evaluator described in section 405 determines that  
20          the social impact bond project has met the require-  
21          ments specified in the contract and achieved an out-  
22          come specified in the contract.

23          (3) LIMITATION; OPTIONAL EXTENSION TO  
24          ACHIEVE SAVINGS.—

1           (A) IN GENERAL.—Subject to subpara-  
2 graph (B), the lead agency may not enter into  
3 a contract for a social impact bond project  
4 under paragraph (1) after the date that is 5  
5 years after the date of the enactment of this  
6 Act.

7           (B) EXTENSION.—If the lead agency de-  
8 termines that a social impact bond project that  
9 has not achieved the Federal savings it was  
10 projected to achieve would achieve such savings  
11 if the project were continued for a period that  
12 is not greater than 5 years, the lead agency  
13 may extend the project for not more than 5 ad-  
14 ditional years without requiring the State or  
15 local government conducting the project to re-  
16 submit an application in accordance with sec-  
17 tion 402.

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

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

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

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

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

8           (5) The detailed roles, responsibilities, and pur-  
9 poses of each Federal, State, or local government en-  
10 tity, intermediary, service provider, independent  
11 evaluator, investor, or other stakeholder.

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

15           (7) The project budget.

16           (8) The project timeline.

17           (9) The project eligibility criteria.

18           (10) The evaluation design.

19           (11) The metrics that will be used to determine  
20 whether the outcomes have been achieved and how  
21 these metrics will be measured, including scenarios  
22 when only partial outcomes have been achieved.

23           (12) The estimate prepared by the State or  
24 local government of the savings to the Federal,  
25 State, and local government, on a program-by-pro-

1       gram basis and in the aggregate, if the contract is  
2       entered into and implemented and the outcomes are  
3       achieved.

4   **SEC. 404. FEASIBILITY STUDY FUNDING.**

5       (a) REQUESTS FOR FUNDING FOR FEASIBILITY  
6   STUDIES.—The lead agency shall reserve a portion of the  
7   funding provided in section 408 to assist States or local  
8   governments in developing feasibility studies required by  
9   section 402(c). To be eligible to receive funding to assist  
10  with completing a feasibility study, a State or local govern-  
11  ment shall submit an application for feasibility study fund-  
12  ing containing the following information:

13           (1) A description of the outcome goals of the  
14   social impact bond project.

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

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

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

24           (5) Estimated costs to conduct the project.

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

5           (7) An estimated timeline for implementation  
6           and completion of the project, which shall not exceed  
7           15 years.

8           (8) With respect to a project for which the  
9           State or local government selects an intermediary to  
10          operate the project, any partnerships needed to suc-  
11          cessfully execute the project, the ability of the inter-  
12          mediary to foster such partnerships, the identity of  
13          likely partners, and whether commitments to partici-  
14          pate in the project have been secured from such  
15          partners.

16          (9) The expected resources needed to complete  
17          the feasibility study.

18          (10) An assurance that the services provided by  
19          the State or local government through the project  
20          will supplement and not supplant any services pro-  
21          vided by the State or local government prior to the  
22          commencement of the project.

23          (b) FEDERAL SELECTION OF APPLICATIONS FOR  
24          FEASIBILITY STUDY.—Not later than 6 months after re-  
25          ceiving an application for feasibility study funding under

1 subsection (a), the lead agency, in consultation with the  
2 Council and the head of any Federal agency administering  
3 a similar intervention or serving a population similar to  
4 that served by the project, shall select State or local gov-  
5 ernment feasibility study proposals for funding based on  
6 the following:

7 (1) The likelihood that the proposal will achieve  
8 the desired outcome at the appropriate quantitative  
9 level.

10 (2) The value of the outcome expected to be  
11 achieved.

12 (3) The potential savings to the Federal Gov-  
13 ernment if the social impact bond project is success-  
14 ful.

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

17 (c) PUBLIC DISCLOSURE.—Not later than 30 days  
18 after selecting a State or local government for feasibility  
19 study funding under this section, the lead agency shall  
20 publish on the website of the Council information explain-  
21 ing why a State or local government was granted feasi-  
22 bility study funding.

23 (d) FUNDING RESTRICTION.—

24 (1) FEASIBILITY STUDY RESTRICTION.—The  
25 lead agency may not provide feasibility study fund-

1       ing under this section for more than 50 percent of  
2       the estimated total cost of the feasibility study re-  
3       ported in the State or local government application  
4       submitted under subsection (a).

5           (2) AGGREGATE RESTRICTION.—Of the total  
6       amount appropriated under section 408, the lead  
7       agency may not use more than \$5,000,000 to pro-  
8       vide feasibility study funding to States or local gov-  
9       ernments under this section.

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

15       **SEC. 405. EVALUATIONS.**

16       (a) CONTRACT AUTHORITY.—For each State or local  
17       government awarded a social impact bond project ap-  
18       proved by the lead agency under this title, the head of  
19       the relevant agency, as determined by the Council, shall  
20       enter into a contract with such State or local government  
21       to pay, from the amount made available under section  
22       408, for an independent evaluation to determine whether  
23       the State or local government project has met an outcome  
24       specified in the contract at the appropriate quantitative

1 level in order for the State or local government to receive  
2 outcome payments under this title.

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

12 (c) METHODOLOGIES TO BE USED.—The evaluation  
13 used to determine whether a State or local government  
14 will receive outcome payments under this title shall use  
15 experimental designs using random assignment or other  
16 research methodologies that allow for the strongest pos-  
17 sible causal inferences when random assignment is not  
18 feasible.

19 (d) PROGRESS REPORT.—

20 (1) SUBMISSION OF REPORT.—The independent  
21 evaluator shall—

22 (A) not later than two years after a project  
23 has been approved by the lead agency and bian-  
24 nually thereafter until the project is concluded,  
25 submit to the head of the relevant agency and

1 the Council a written report summarizing the  
2 progress that has been made in achieving each  
3 outcome specified in the contract at the appro-  
4 priate quantitative level; and

5 (B) at the scheduled time of the first out-  
6 come payment and at the time of each subse-  
7 quent payment, submit to the head of the rel-  
8 evant agency and the Council a written report  
9 that includes the results of the evaluation con-  
10 ducted to determine whether an outcome pay-  
11 ment should be made along with information on  
12 the unique factors that contributed to achieving  
13 or failing to achieve the outcome, the challenges  
14 faced in attempting to achieve the outcome, and  
15 information on the improved future delivery of  
16 this or similar interventions.

17 (2) SUBMISSION TO CONGRESS.—Not later than  
18 30 days after receipt of the written report pursuant  
19 to paragraph (1)(B), the Council shall submit such  
20 report to each committee of jurisdiction in the  
21 House of Representatives and the Senate.

22 (e) FINAL REPORT.—

23 (1) SUBMISSION OF REPORT.—Within 6 months  
24 after the social impact bond project is completed, the  
25 independent evaluator shall—

1 (A) evaluate the effects of the activities  
2 undertaken pursuant to the contract with re-  
3 gard to each outcome specified in the contract;  
4 and

5 (B) submit to the head of the relevant  
6 agency and the Council a written report that in-  
7 cludes the results of the evaluation and the con-  
8 clusion of the evaluator as to whether the State  
9 or local government has fulfilled each obligation  
10 of the contract, along with information on the  
11 unique factors that contributed to the success  
12 or failure of the project, the challenges faced in  
13 attempting to achieve the outcome, and infor-  
14 mation on the improved future delivery of this  
15 or similar interventions.

16 (2) SUBMISSION TO CONGRESS.—Not later than  
17 30 days after receipt of the written report pursuant  
18 to paragraph (1)(B), the Council shall submit such  
19 report to each committee of jurisdiction in the  
20 House of Representatives and the Senate.

21 (f) LIMITATION ON COST OF EVALUATIONS.—Of the  
22 amount made available for social impact bond projects in  
23 section 408, the lead agency may not obligate more than  
24 15 percent to evaluate the implementation and outcomes  
25 of such projects.

1 **SEC. 406. ROLE OF INTERAGENCY COUNCIL ON**  
2 **MULTIGENERATIONAL POVERTY.**

3 The Council shall—

4 (1) coordinate the efforts of social impact bond  
5 projects funded by this title;

6 (2) advise and assist the lead agency in the de-  
7 velopment and implementation of such projects;

8 (3) advise the lead agency on specific pro-  
9 grammatic and policy matter related to such  
10 projects;

11 (4) provide subject-matter expertise to Council  
12 member agencies with regard to such projects;

13 (5) ensure that each State or local government  
14 that has entered into a contract with the lead agency  
15 for a social impact bond project under this title and  
16 each evaluator selected by the head of the relevant  
17 agency under section 405 has access to Federal ad-  
18 ministrative data to assist the State or local govern-  
19 ment and the evaluator in evaluating the perform-  
20 ance and outcomes of the project; and

21 (6) address issues that will influence the future  
22 of social impact bond projects in the United States.

23 **SEC. 407. AVAILABILITY OF INFORMATION RELATED TO SO-**  
24 **CIAL IMPACT BOND PROJECTS.**

25 The Council shall make publicly available, on its offi-  
26 cial website, a description of the 2-generation program de-

1 scribed in this title and information related to the social  
2 impact bond projects conducted under this title, includ-  
3 ing—

4 (1) a copy of, or method of accessing, each no-  
5 tice published regarding a social impact bond project  
6 pursuant to such title;

7 (2) for each social impact bond project con-  
8 ducted under such title—

9 (A) the outcome goals of such project de-  
10 scribed in section 402(b);

11 (B) a description of each intervention in  
12 such project;

13 (C) the target population to be served by  
14 such project;

15 (D) the expected social benefits to partici-  
16 pants who receive intervention in each such  
17 project and other individuals who may be im-  
18 pacted by such intervention;

19 (E) the detailed roles, responsibilities, and  
20 purposes of each Federal, State, or local gov-  
21 ernment entity, intermediary, service provider,  
22 independent evaluator, investor, or other stake-  
23 holder;

1 (F) the payment terms, methodology used  
2 to calculate outcome payments, payment sched-  
3 ule, and performance thresholds;

4 (G) the project budget;

5 (H) the project timeline;

6 (I) the project eligibility criteria;

7 (J) the evaluation design;

8 (K) the metrics used to determine whether  
9 the proposed outcomes have been achieved and  
10 how these metrics are measured;

11 (L) a copy of the progress reports and the  
12 final reports described in section 405 relating to  
13 each social impact bond project; and

14 (M) an estimate of the savings to Federal,  
15 State, and local governments, on a program-by-  
16 program basis and in the aggregate, resulting  
17 from the successful completion of a social im-  
18 pact bond project.

19 **SEC. 408. FUNDING.**

20 (a) IN GENERAL.—Out of any money in the Treasury  
21 not otherwise appropriated, there is hereby appropriated  
22 \$100,000,000, to remain available until 5 years after the  
23 date specified in section 403(c)(3), to carry out the activi-  
24 ties authorized under this title.

1 (b) LIMITATION.—Of the amounts made available  
2 under subsection (a), the lead agency may not use more  
3 than \$1,000,000 in any fiscal year to support the review,  
4 approval, and oversight of social impact bond projects, in-  
5 cluding activities conducted by—

6 (1) the Council; and

7 (2) any other agency consulted by the lead  
8 agency before approving a social impact bond project  
9 under section 403 or awarding funding for a feasi-  
10 bility study under section 404.

11 **SEC. 409. COMMUNITY REINVESTMENT ACT.**

12 Section 804 of the Community Reinvestment Act of  
13 1977 (12 U.S.C. 2903) is amended by adding at the end  
14 the following:

15 “(e) SOCIAL IMPACT BOND PROJECTS.—In assessing  
16 and taking into account, under subsection (a), the record  
17 of a financial institution, the appropriate Federal financial  
18 supervisory agency shall consider, as a factor, investments  
19 made by the financial institution in social impact bond  
20 projects under title IV of the Two-Generation Economic  
21 Empowerment Act of 2016”.