

Division C—Social Impact Demonstration  
Projects

**§ 1397n. Purposes**

The purposes of this division are the following:

(1) To improve the lives of families and individuals in need in the United States by funding social programs that achieve real results.

(2) To redirect funds away from programs that, based on objective data, are ineffective, and into programs that achieve demonstrable, measurable results.

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

(4) To establish the use of social impact partnerships to address some of our Nation's most pressing problems.

(5) To facilitate the creation of public-private partnerships that bundle philanthropic or other private resources with existing public spending to scale up effective social interventions already being implemented by private organizations, nonprofits, charitable organizations, and State and local governments across the country.

(6) 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.

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

(Aug. 14, 1935, ch. 531, title XX, §2051, as added Pub. L. 115-123, div. E, title VIII, §50802(2), Feb. 9, 2018, 132 Stat. 269.)

**§ 1397n-1. Social impact partnership application**

**(a) Notice**

Not later than 1 year after February 9, 2018, 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 section.

**(b) Required outcomes for social impact partnership project**

To qualify as a social impact partnership project under this division, a project must produce one or more measurable, clearly defined outcomes that result in social benefit and Federal, State, or local savings through any of the following:

(1) Increasing work and earnings by individuals in the United States who are unemployed for more than 6 consecutive months.

(2) Increasing employment and earnings of individuals who have attained 16 years of age but not 25 years of age.

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

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

(5) Improving rates of high school graduation.

(6) Reducing teen and unplanned pregnancies.

(7) Improving birth outcomes and early childhood health and development among low-income families and individuals.

(8) Reducing rates of asthma, diabetes, or other preventable diseases among low-income families and individuals to reduce the utilization of emergency and other high-cost care.

(9) Increasing the proportion of children living in two-parent families.

(10) Reducing incidences and adverse consequences of child abuse and neglect.

(11) Reducing the number of youth in foster care by increasing adoptions, permanent guardianship arrangements, reunifications, or placements with a fit and willing relative, or by avoiding placing children in foster care by ensuring they can be cared for safely in their own homes.

(12) Reducing the number of children and youth in foster care residing in group homes, child care institutions, agency-operated foster homes, or other non-family foster homes, unless it is determined that it is in the interest of the child's long-term health, safety, or psychological well-being to not be placed in a family foster home.

(13) Reducing the number of children returning to foster care.

(14) Reducing recidivism among juvenile offenders, individuals released from prison, or other high-risk populations.

(15) Reducing the rate of homelessness among our most vulnerable populations.

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

(17) Improving the educational outcomes of special-needs or low-income children.

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

(19) Increasing the financial stability of low-income families.

(20) Increasing the independence and employability of individuals who are physically or mentally disabled.

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

**(c) Application required**

The notice described in subsection (a) shall require a State or local government to submit an application for the social impact partnership project that addresses the following:

(1) The outcome goals of the project.

(2) A description of each intervention in the project and anticipated outcomes of the intervention.

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

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

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

(6) Projected Federal, State, and local government costs and other costs to conduct the project.