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FEDERAL GRANT OPPORTUNITY

FROM: Jen Covino

**SUBJECT: Treasury Social Impact Partnership to Pay for Results Act (SIPPRA)
Demonstration Projects**

DATE: February 21, 2019

The U.S. Department of Treasury Office of Economic Policy has issued a Notice of Funding Opportunity (NOFO) seeking applications for ***Social Impact Partnership to Pay for Results Act (SIPPRA) Demonstration Projects***. Treasury will award \$66.29 million in total funding through social impact partnership grants to units of state and local government. Of that funding, at least 50 percent or \$33.145 million must be awarded to projects that will directly benefit children under the age of 18. The maximum period of performance will be seven and a half years, as determined by Treasury, to provide flexibility to the agency. The application deadline is **May 22, 2019**.

The purpose of SIPPRA is to improve the effectiveness of the provision of certain social services to produce social benefit and cost savings to Federal, state, or local government through pay-for-results partnership projects. Pay-for-results partnership projects can focus on producing results across twenty-one eligible outcomes that are listed further below. According to the Notice, the goals of this legislation are to:

- 1) Improve the lives of families and individuals in need;*
- 2) Redirect funds away from programs that, based on objective data, are ineffective, and into programs that achieve demonstrable, measurable results;*
- 3) Ensure federal funds are used effectively on social services to produce positive outcomes for both service recipients and taxpayers;*
- 4) Establish the use of social impact partnerships to address some of the Nation's most pressing problems;*
- 5) 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;*

- 6) 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; and*
- 7) Incorporate outcomes measurement and randomized controlled trials or other rigorous methodologies for assessing program impact.*

Treasury or another federal agency with policy expertise within the project area of social benefit will administer awards made for SIPBRA Demonstration Projects. Eligible applicants are limited to state and local governments. Partnerships may include investors, a service provider to deliver the proposed intervention, and an intermediary. A partnership agreement will define the roles and responsibilities of each partner and outline a flexible service delivery plan that is adaptive to the problem and target population. The agreement must also include a design plan for the evaluation; a plan for sharing data among the partners, including, but not limited to a Memorandum of Understanding or Memorandum of Agreement; and a payment arrangement agreed upon by all parties. Finally, the applicant must contract with an independent evaluator to assess whether project outcomes are achieved.

An eligible social impact partnership project must produce one or more measurable outcomes as defined by SIPBRA and listed below:

- 1. Increasing earnings and work 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, and 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; or*
- 21. Other measurable outcomes defined by the state or local government that result in positive social outcomes and Federal savings.*

Under this system, the federal government will only pay for a project if predetermined project outcomes are achieved and validated by an independent evaluator as required by the legislative statute. Therefore, a grantee will receive their disbursement only if they achieve one or more outcomes specified in the award agreement within a set timeframe and those outcomes are validated. The payment to the grantee will not exceed the value of the successful outcome to the federal government. Payments for the cost of the independent evaluator will be made regardless of whether or not the outcomes have been met. Grantees may receive up to 15 percent of the project grant to pay for all or a portion of the cost for the independent evaluator. Treasury expects to award \$9.94 million of available funding to pay for the costs of independent evaluators.

An applicant may propose one or multiple project outcomes. Grantees would receive separate payments at separate points in time for each outcome achieved. Payments are subject to the independent evaluator's validation of the outcome and its value to the federal government in periodic progress reports, as well as the federal agency's approval. An applicant may 1) receive an outcome payment if a specific outcome has been met or 2) propose a tiered outcome payment scheme based on levels of success in achieving an outcome. If the proposed intervention affects multiple outcomes that are not separable, applicants may only receive payment for achieving the set of non-separable outcomes. A tiered outcome scheme must 1) specify a floor and the range of each outcome for which it proposes a tiered payment and 2) propose a federal payment for each of those outcomes. An applicant may propose a spread of outcomes; however, no payments will be made for outcomes exceeding the proposed maximum outcome.

Treasury plans to issue a separate Notice to provide limited funding to support pay-for-results feasibility studies later this year. Feasibility studies must be completed within a nine month period following receipt of funding. Applicants must provide a nonfederal cost share of at least 50 percent for the feasibility study. Treasury has not yet determined how many feasibility awards will be made, dependent on the number, quality, and viability of project applications and the funds requested by individual applicants.

For more information, see the [Full NOFO](#), [Grants.gov Posting](#), or [SIPPRA Program Website](#). Please let us know if you would like to learn more about SIPPRA and eligible activities. Treasury SIPPRA Coordinator William Girardo is also available at (202) 622-0262 or SIPPRA@Treasury.gov if you have any questions. We are glad to answer any questions you have or connect you with colleagues from government or the industry who have robust expertise in social impact partnerships. We look forward to supporting you and your staff throughout the development of any forthcoming proposal, if this opportunity is of interest.