



June 22, 2015

The Honorable Roy Blunt
Chairman
Senate Appropriations LHHS Subcommittee
Room S128, The Capitol
Washington, DC 20515

The Honorable Patty Murray
Ranking Member
Senate Appropriations LHHS Subcommittee
Room S128, The Capitol
Washington, DC 20515

Dear Chairman Blunt and Ranking Member Murray,

As you begin consideration and mark up of the fiscal year 2016 Labor-HHS Appropriations bill, America Forward urges you to include funding for the Social Innovation Fund (SIF), and specifically the 20 percent set aside of SIF for Pay for Success (PFS). Pay for Success has emerged as an innovative approach to funding government services by improving the quality of services provided in our communities while at the same time using taxpayer dollars effectively.

The Social Innovation Fund recognizes that government alone cannot be expected to generate the evidence-based, positive outcomes we need to see in America. SIF has a strong history of spurring innovation, rewarding results, and catalyzing cross-sector partnerships. Through the authorization granted in 2014, SIF funds are now being used to explore and experiment with Pay for Success approaches. This funding plays a critical role in addressing the limited availability of funds for planning, feasibility studies, project structuring, and pipeline development of PFS projects. Limitations that are constraining the growth PFS at a time in which there is great need for improving the services that we provide and ensuring efficient use of our limited resources.

The response to the initial grant application process for the SIF PFS funding was overwhelming. Eight grantees are currently working with over 45 subgrantees from states, localities, and private providers on projects focused on a wide range of issue areas. It is clear that there is interest in PFS and that governments and providers alike see a real benefit to the funding provided through the SIF to help assess the potential for PFS across a variety of social issues and to strengthen and diversify the pipeline of governments and nonprofit organizations that are prepared to engage in PFS projects.

Unfortunately, last week's markup by the House Labor-HHS Appropriations Subcommittee approved a proposal to cut the federal budget for SIF entirely, including the PFS set aside. We strongly encourage you to fund the Social Innovation Fund at \$80 million dollars and retain the 20 percent PFS set aside authority so PFS can be tested for locally-driven approaches to solve major social challenges that can have measureable impacts in our nation's communities. We recognize the many difficult choices the Committee faces and thank you for the Committee's ongoing support for social innovation policies and pay for success. We look forward to working with you to advance this important issue in the months ahead.

Sincerely,

Members of the America Forward Pay for Success Task Force



America's Promise Alliance
AppleTree Institute
AVANCE
Bottom Line
City Year, Inc.
College Forward
College Possible
Compact Working Capital
Connecticut Center for Social Innovation
Corporation for Supportive Housing
First Place for Youth
Institute for Child Success
Invest in Outcomes
New Classrooms
Opportunity Nation
REDF
Roca, Inc.
Root Cause
Save the Children
Single Stop
Social Enterprise Alliance
Social Finance
The Children's Aid Society
The Corps Network
Third Sector Capital Partners
Twin Cities RISE!
Waterford Institute
Year Up
YouthBuild USA
Youth Villages