



# America Forward on Pay for Success

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## *Innovation, Flexibility, and Data-Driven Results*

### STATE OF PLAY: PAY FOR SUCCESS AND EVIDENCE-BASED POLICY

September 2017

Coming off August recess and summer vacations, Pay for Success and evidence-based policy and practice efforts at the federal and state level have not let up. This year continues to be an incredibly active year for Pay for Success and evidence-based policy and practice. At the federal level, new policies are being introduced and implemented and we are seeing new initiatives being executed at the state and local levels that bring a greater focus on outcomes and the use of evidence and data in the allocation of government resources and implementation of human and social services.

To update the field on all of this activity, America Forward held our fourth Pay for Success and Evidence-Based Policy Network call recently to discuss the current “State of Play” in Pay for Success and evidence-based policy and practice. This post reflects the major updates provided during that call and additional resources needed to access more detail about each major piece of legislation, Administrative initiative and state level effort.

### **Congressional Updates**

**Appropriations:** Though activity around Fiscal Year 2017 (FY17) only wrapped up in May, Congress is already facing similar timing issues with regards to ensuring funding for Fiscal Year 2018 (FY18), which begins October 1<sup>st</sup>. Immediately after returning from August recess, Congress took major steps to keep the government functioning into the new year but their solution is only a short-term fix. The Fall will include another major debate over the budget and funding levels for individual federal programs.

**Current Status:** *On September 8, President Trump [signed into law](#) a bill that addresses the need for emergency relief funding to cover the damage caused by Hurricane Harvey. This spending bill also included a debt limit extension and an FY18 short-term continuing resolution (CR) that are in effect until December 8th. The bill provides funding at approximately the FY17 level for all functions of the federal government thus averting a potential government shutdown. Simultaneous to this action, both the House and Senate continued to work on regular order FY18 appropriations bills but are operating at very different topline budget numbers, which is resulting in drastic differences in the funding, or lack thereof, for individual programs. Specifically, earlier this month, the Senate Appropriations Committee approved the [FY2018 Labor, Health and Human Services, and Education and Related Agencies \(Labor-HHS\) Appropriations Bill](#) and the House passed a \$1.2 trillion fiscal year 2018 spending package. The 12-bill package ([H.R. 3354](#)) includes \$510 billion for non-defense discretionary spending and \$621 billion for defense spending.*

**Social Impact Partnership to Pay for Results Act:** This legislation was previously introduced in both the 113<sup>th</sup> and 114<sup>th</sup> Congresses. A comprehensive Pay for Success bill, the legislation would direct federal resources to states and local communities to support innovative Pay for Success arrangements. In January, led this time by Rep. Tiberi (R-OH) and Rep. Delaney (D-MD), [H.R. 576 Social Impact Partnership to Pay for Results Act](#), was introduced with bi-partisan support. In April, Senators Young (R-IN) and Bennet (D-CO) introduced their version of the bill, [S. 963 Social Impact Partnerships to Pay for Results Act](#). Senators Booker (D-NJ) and Collins (D-ME) were original co-sponsors on the bill.

**Current Status:** *Since introduction, the House version of the legislation has added a handful of additional co-sponsors and efforts continue to build support for both bills and identify a pathway for passage of the legislation.*

**Increasing Opportunity through the Evidence-Based Home-Visiting Act:** In June, Rep. Smith (R-NE) introduced [H.R. 2824 Increasing Opportunity through Evidence-Based Home Visiting Act](#) to reauthorize the Maternal, Infant, and Early Childhood Home Visiting Program. This legislation not only reauthorizes the program it adds in an option to use a Pay for Success (referenced in the legislation as Pay for Outcomes) approach to allocating the dollars associated with the program. In addition, just this month, a bipartisan group of senators **introduced** their reauthorization bill, the *Strong Families Act*, (S. 1829). The bill is very similar to the House version, including the Pay for Outcomes provision, but also eliminates some of the more controversial elements of the House bill.

**Current Status:** *The House bill was moved out of committee on a party line vote on September 21 and the House is poised to vote on the bill on the floor before the end of the month. There is not a current timeline for moving the Senate bill.*

**Reach Every Mother and Child Act of 2017:** In August, a bipartisan group of Senators introduced this [legislation](#) (S. 1730) focused on ending preventable maternal, newborn, and child deaths globally by focusing on outcomes-based targets, implementing highest impact, evidence-based interventions, and utilizing results-based contracting (such as Pay for Success).

**Current Status:** *This bill was only introduced in the Senate and has been referred to the relevant committee, Foreign Relations. There is no identified timeline for moving the bill. There is currently no House companion.*

## Field Updates

### Social Innovation Fund

- 1) Institute for Child Success [announced recipients](#) of Technical Assistance support on Pay for Success to improve early childhood outcomes. The recipients were the Oklahoma Department of Mental Health and Substance Abuse Services and The City of Tallahassee-Office of the Mayor.
- 2) Urban Institute has [announced](#) two new sites to receive Training/Technical Assistance through their Social Innovation Fund Pay for Success Administrative Data grant. The awardees, Yakima Valley Conference of Governments in Yakima Valley, WA and Connecticut Health & Education Facilities Authority, will receive support over the next two years on data issues related to Pay for Success with the goal of moving their individual projects from study to launch.
- 3) Sorenson Impact Center and Social Finance announced awardees in their [SIF PFS structuring grant](#). Charter Oak State College in Connecticut, Lee Pesky Learning Center in

Idaho, and Workforce Investment Network in Tennessee will work to develop Pay for Success projects that expand high-impact social interventions.

- 4) The Corporation for Supportive Housing has an open [RFP](#) for Pay for Success Technical Assistance focused on child welfare involved families. Official application deadline is Sept. 26<sup>th</sup>.
- 5) Urban Institute recently [released an RFP](#) for Training/Technical Assistance focused on strengthening Pay for Success projects by supporting the development of evidence-based interventions and rigorous evaluations. Eligible applicants include government agencies and service providers. Between five and seven awards are expected.

### ***Google Keyword Initiative***

Social Finance was awarded funding from [Google](#) as part of their \$50M work initiative to increase economic opportunity through data-driven, human-focused philanthropy. Google's support of Social Finance will be focused on expanding access to Career and Technical Education through Pay for Success.

### ***Commission on Evidence-Based Policymaking***

The Commission on Evidence-Based Policymaking was officially established in 2016 after passage of the [Evidence-Based Policymaking Commission Act](#). The Commission was tasked with making recommendations for how best to incorporate outcomes into federal program design. The work of the Commission wrapped up this month with the release of the Commission's final report and recommendations, "The Promise of Evidence-Based Policymaking". On our call, we were joined by Sharon Boivin, Ph.D., Senior Research and Policy Analyst for the Commission who reviewed the final report and the Commission's recommendations. All materials related to the Commission's work, including the full text of the final report, can be found [here](#).

If you are interested in learning more about Pay for Success and evidence-based policy or America Forward's related advocacy efforts, please contact America Forward's Government Affairs Director, Nicole Truhe at [Nicole.truhe@newprofit.org](mailto:Nicole.truhe@newprofit.org).