July 21, 2021

The Honorable Secretary Yellen
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Ave. NW
Washington, D.C. 20220

Dear Secretary Yellen:

We write regarding the Social Impact Partnerships to Pay for Results Act (SIPPRA) of 2018, which created a new breakthrough federal outcomes fund that the Treasury Department is tasked with implementing.

In brief, we write to express our concern that if the federal government does not act expeditiously, some SIPPRA projects could effectively run out of time this year. As the SIPPRA statue states funds under SIPPRA "shall remain available until 10 years" after 2018, a SIPPRA award covering a 7 year period would need to be executed by this year, at the very latest.

First, we deeply appreciated the comments of Benjamin Harris, the President's nominee to serve as Assistant Secretary of the Treasury for Economic Policy, at his recent Senate Finance Committee confirmation hearing. In response to a question from Senator Michael Bennet, he observed that "the SIPPRA approach is a favored strategy for those who truly want to see effective government. So, this Pay for Results approach, I think, is critical, and I 100% commit to making this program more effective."

We agree, and appreciate your support of evidence-based approaches such as SIPPRA. In his question, Senator Bennet accurately summarized the situation, noting that SIPPRA "was a bill that I wrote with Senator Young, bipartisan legislation that offers an innovative way to improve the effectiveness of certain social services. After a rigorous review, the SIPPRA commission approved eight applications in [October] 2019 including projects in my state of Colorado, as well as those of Senators Young, Lankford and Scott . . . and to date the Treasury Department has only released one of the eight approved grants, two years after applications were due. The other seven projects, including the four in states represented by senators on this committee, are still delayed, leaving communities and families in limbo."

We supported the enactment of SIPPRA, and believe it holds great potential to catalyze a shift across government to finance and fund strategies that emphasize outcomes and drive measurable impact. We also fully recognize and acknowledge that this is a situation that the Biden-Harris Administration is inheriting. The ongoing delays to announce awards put undue burdens on the jurisdictions that seek to implement these impactful projects. We ask our state and local governments to be the laboratories of innovation, and implement new ideas to drive better impact of government dollars. We should support them in their efforts to do this important work.

SIPPRA requires a level of rigor far above most federal grants. If the federal government declines to make more than one award, we believe it could have a chilling effect on this field for years to come. We also note, with concern, that the Treasury Department's SIPPRA FAQs state that SIPPRA awards may cover a "maximum 7 year intervention period." As noted above, this creates a pressing timing problem if



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projects are not announced right away. Finally, the SIPPRA statute also states that Treasury must make awards “not later than 6 months after receiving an application.” As Treasury received all applications by May 22, 2019, it is more than 18 months late to meet a statutory deadline.

Notwithstanding the delay of over two years, some SIPPRA finalist projects remain ready to launch. In other cases, given how much circumstances have changed since 2019, some projects may now require substantive alterations. We ask that you and your colleagues across the federal government work expeditiously to move both categories of projects forward. The federal government should announce awards for the finalists that remain shovel ready without further delay, while concurrently prioritizing streamlined discussions with jurisdictions that may require alterations for their projects to proceed, moving forward on that process as well with all possible speed. Finally, we are concerned that some Treasury staff are now advocating for new requirements that were never included in either the underlying statute, or in the 2019 Notice of Funding Availability, or in subsequent public guidance and FAQs. We request that Treasury not further pursue these new requirements, as they create unworkable restrictions for most of the finalists that will largely derail the implementation of this vital program.

We appreciate your repeated commitment to use data and evidence to drive public sector decision-making. In that spirit, we look forward to working with you, and with the dedicated public servants tasked with implementing this innovative federal outcomes fund, in order to resolve these issues, and unlock better outcomes for families in communities across this country. Thank you so much for your consideration of, and attention to, this important matter.

Sincerely,

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