

## **U.S. DEPARTMENT OF THE TREASURY**

### **Social Impact Partnerships to Pay for Results Act Demonstration Projects**

**Agency:** U.S. Department of the Treasury, Office of Economic Policy

**Action:** Notice of Funding Availability

**Summary:** The U.S. Department of the Treasury (Treasury) is issuing this Notice of Funding Availability (NOFA) to invite applications from State and local governments for awards under the Social Impact Partnerships to Pay for Results Act (SIPPRA).<sup>1</sup> An award recipient will receive payment if a specified outcome of the social impact partnership project is achieved, as determined by the project's independent evaluator. The payment to the grantee cannot exceed the value of the outcome to the federal government. Awards made under this NOFA will be administered by Treasury or by another federal agency with expertise in the area of social benefit addressed in the proposed project. Treasury expects to award up to \$66,290,000 in such competitive project grants under this NOFA. In addition, State and local governments receiving project grants will be eligible to receive up to 15 percent of the project grant to pay for all or a portion of the cost of a statutorily required independent evaluator, which will be paid to conduct an independent evaluation regardless of whether outcomes have been met. Treasury expects up to approximately \$9,940,000 to be available to pay for the costs of independent evaluators under this NOFA.

**Funding Opportunity Number:** UST-SIPPRA-2019-001

**Catalog of Federal Domestic Assistance (CFDA) Number:** 21.017

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<sup>1</sup> P.L. 115-123, Division E, Title VIII, 132 Stat. 269, 42 U.S.C. 1397n–1397n-13.

**Dates:** Applications under this NOFA must be submitted no earlier than April 22, 2019 and no later than 4:00 p.m. Eastern Time May 22, 2019 electronically via [www.Grants.gov](http://www.Grants.gov). Treasury will not download and receive such applications until after the application deadline. As discussed in Section D.2.a, Notice of Intent to Apply, Treasury encourages all potential applicants to submit a notice of intent to apply on or prior to April 8, 2019.

**For More Information:** Questions about this announcement may be directed to William Girardo, SIPPPRA Coordinator, at (202) 622-0262 or SIPPPRA@Treasury.gov. For complete application and submission information, including online application instructions, please refer to Section D of this NOFA.

## **A. Funding Opportunity Description**

### ***1. Program Purpose***

In 2018 Congress appropriated \$100 million to Treasury to implement SIPPPRA, which established a new grant demonstration program to encourage funding social programs that achieve results. Under this NOFA, Treasury announces the availability of up to \$66,290,000 for payments for successful outcomes of social impact partnership projects through grants to State and local governments, and, for project evaluations, the availability of up to approximately \$9,940,000. All awards provided through this NOFA are subject to funding availability.

As stated in SIPPPRA, the purposes of SIPPPRA are

- (1) To improve the lives of families and individuals in need;
- (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 the 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;
- (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; and
- (7) To incorporate outcomes measurement and randomized controlled trials or other rigorous methodologies for assessing program impact.<sup>2</sup>

## ***2. Types of Funding and Funding Availability***

SIPPRA provides funds for two types of awards: (1) social impact partnership project grants, including grants to pay for independent evaluators for such projects and (2) feasibility study grants. This NOFA only relates to funds for social impact partnership project grants and funds for the cost of a grantee's independent evaluator. Treasury will issue a separate NOFA for feasibility study grants, likely later in 2019.

A grantee under this NOFA will receive a disbursement only if the grantee achieves one or more outcomes specified in the award agreement and such outcomes are validated by an independent evaluator. The federal payment to the grantee for each specified outcome will be not more than the value of the outcome to the federal

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<sup>2</sup> See 42 U.S.C. 1397n.

government. Payment for the cost of the independent evaluator will be made regardless of whether outcomes have been met.

Treasury may make awards to all, some, or none of the applicants under this NOFA and may make awards for amounts less than the amounts requested by applicants. SIPPRRA provides that not less than 50 percent of all federal payments made to carry out social impact partnership project agreements shall be used for initiatives that directly benefit children.<sup>3</sup> Treasury is implementing this provision by allocating 50 percent of the \$66,290,000 available under this NOFA for projects that directly benefit children. Treasury will accordingly grant awards for projects that do not directly benefit children only to the extent that potential federal award payments for such projects in the aggregate do not exceed \$33,145,000. As long as the potential payments for award agreements for projects that do not directly benefit children do not exceed \$33,145,000, the amount of potential payments for projects that do not directly benefit children may exceed the amount of potential payments for projects that do benefit children. For purposes of this determination, Treasury is defining “children” as individuals under the age of 18. For purposes of determining whether a project directly benefits children, the children in question must meet this definition at the time their participation in the project begins.

### ***3. Qualifying Outcomes***

Applicants must propose to carry out a “social impact partnership project.”<sup>4</sup> To qualify as a social impact partnership project under this NOFA, SIPPRRA requires the project to be designed to produce one or more measurable, clearly defined outcomes that

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<sup>3</sup> See 42 U.S.C. 1397n-2(f).

<sup>4</sup> See 42 U.S.C. 1397n-1(c), 1397n-12(4).

result in social benefit and federal, State, or local government savings through one or more 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 children with special needs or from low-income families;
- (18) Improving the employment and well-being of returning United States military members;<sup>5</sup>
- (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.<sup>6</sup>

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<sup>5</sup> This may include improving the employment and well-being of United States military members as they transition to civilian status either as non-activated members of the National Guard or Reserves or as they become Veterans of the Armed Forces.

<sup>6</sup> See 42 U.S.C. 1397n-1(b).

Demonstration projects may propose enhancements or alternative models that would add to or otherwise complement existing federal programs.

#### ***4. Framework for Social Impact Partnership Projects***

##### *a. The Pay for Results Model*

The pay for results model mandated by SIPBRA differs from that of more traditional federal grant programs, in which the federal government generally agrees to pay in advance for the cost of programs and services regardless of their outcomes. Under the pay for results model (also referred to as the “pay for success” model), instead of paying for specific processes and services, the federal government agrees to make payments only if specific, predetermined, measurable outcomes are achieved within a given timeframe. SIPBRA provides that the federal government’s payment for an outcome cannot exceed the value of the outcome to the federal government.

##### *b. Outcome Payments*

Under this NOFA, an applicant may propose one or multiple project outcomes and receive separate payments at separate points in time for each outcome achieved, subject to the independent evaluator validating both the outcome and the value of the outcome to the federal government in the independent evaluator’s periodic progress reports and the relevant federal agency’s approval of the payment. See Section F.5.b and F.5.c on evaluation progress reports and final reports, respectively.

For each outcome, an applicant may elect to receive an outcome payment if a specific outcome has been met, or, alternatively, may propose a tiered outcome payment scheme based on levels of success in achieving the outcome. In either case, however, only a single outcome payment will be made for each outcome; progress payments will

not be made. To the extent that the proposed intervention affects multiple outcomes that are not separable, applicants may only receive payment for achieving the set of non-separable outcomes following the independent evaluator validating that the project achieved the outcomes related to the non-separable outcomes.

If an applicant proposes a tiered outcome scheme, it 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, but no further payments will be made if the outcome exceeds the proposed maximum outcome. Applicants must propose a floor that represents a significantly improved outcome over current conditions. Payments will be made only to the extent that the value of the outcome to the federal government is at least equal to the amount of the payment.

*c. Partnership Structure*

In designing and implementing a project producing one or more of the statutory outcomes listed above, the State or local government as the eligible applicant may work with other entities, referred to as “partners.” In addition to the applicant itself, the partnership may include investors, a service provider, which is the entity that delivers the intervention, and an intermediary. An applicant also may fulfill one or more of these roles—for example—it may be the service provider or the intermediary. See Appendix I.2, Other Key Parties, for definitions of each of these terms.

*d. Partnership Agreement*

The partnership agreement between the applicant and the partners, which must be attached to the grant application, must address each of the following:

- Clearly defined roles and responsibilities of each partner;
- A service delivery plan that is flexible and adaptive to the problem and the target population;
- An evaluation design plan;
- A plan for sharing data among the partners, including but not limited to a Memorandum of Understanding or Memorandum of Agreement, which may be conditioned on award of a grant, that appropriately safeguards the privacy of individuals in the targeted population in accordance with applicable laws;
- A representation that all project partners have reviewed an independent evaluation plan for the project and an agreement by all the partners to cooperate in the implementation of the evaluation plan as necessary; and
- A payment arrangement between the applicant and project partners (including the intermediary and/or investors, as applicable), demonstrating that all partners understand that payment by the federal government is conditioned upon the independent evaluator's verification that the project's predetermined outcome(s) and value generated have been met within the grant period.

This payment arrangement must include a plan and timeline describing each payment point that the project partners have agreed on, and the corresponding outcome targets that will be evaluated in the impact evaluation. Although the federal government generally will make payments to the grantee if the independent evaluator determines that the project achieved the specified outcome as a result of the intervention and the payment is

less than or equal to the value of the outcome to the federal government,<sup>7</sup> it is not responsible for making payments to the grantee's partners.

*e. Independent Evaluator*

The applicant also must contract with an independent evaluator, whose responsibilities include assessing whether the project has achieved the outcomes on which payment by the federal government are conditioned. As part of the evaluation, the independent evaluator must also provide an analysis of the observed federal budgetary impact, which the federal government will use to determine whether outcome payment(s) will be made, and, if so, the amount of the payment(s). See Section A.5, Independent Evaluations. The applicant must avoid the selection of an independent evaluator whose objectivity might be impaired. Payment for the evaluation must not be tied in any way to the achievement of the outcomes, and the independent evaluator must not have a financial or other stake in the project that would undermine its objectivity.

**5. Outcomes**

An outcome is a positive impact on a target population that an applicant expects to achieve as a result of an intervention over the duration of a project. An outcome is measured by one or more indicators that are specific, unambiguous, and observable during the intervention period. Well-defined, achievable, and measurable outcomes form the foundation of the pay for results concept. Whether suitable outcome targets (also referred to as outcome goals) can be identified and agreed upon by the partnership is a key determinant of whether pay for results is the appropriate instrument for addressing the identified social issue.

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<sup>7</sup> See 42 U.S.C. 1397n-2(c)(1)(B) and (2).

To qualify for an outcome payment, a project must meet one or more positive outcomes that will result in value to the federal government.<sup>8</sup> Applicants must describe how specific outcomes will be measured and provide rigorous evidence demonstrating that the intervention can be expected to produce these outcomes.<sup>9</sup>

*a. Outcome Target*

An outcome target is a change in an outcome measure or a percentage improvement of the outcome measure over the duration of a project and must be defined relative to the comparison or control group (the baseline). Each outcome measure applicants propose should (1) be observable, (2) able to be defined, as a function of the data applicants intend to use so units of measurement are clearly defined, and, (3) using historical data, show that the proposed outcome target is an improvement over the current status of the target population. Applicants must outline the data and metrics that will be used in measuring outcomes and must also explain how the independent evaluator will gain access to or collect the necessary data. The improvement over the current status must be the result of the intervention and not produced due to random chance, general economic conditions, other pre-existing conditions or trends, or other causes.

*b. Outcome Valuation*

The outcome valuation is the public benefit resulting from achieving the outcome target(s), including public sector savings (defined as reduction in outlay costs) and changes in federal tax receipts. The federal payment to the State or local government for each specified outcome achieved as a result of the intervention must be less than or equal

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<sup>8</sup> See 42 U.S.C. 1397n-2(c).

<sup>9</sup> See 42 U.S.C. 1397n-1(c)(3), (20).

to the value of the outcome to the federal government over a period not exceeding the intervention period.<sup>10</sup> For the purposes of determining the value to the federal government, applicants must use a budget impact analysis methodology to estimate the annual and cumulative net effect of each intervention on federal revenues and outlays overall, per dollar of intervention, and per participant over the intervention period. This analysis involves estimating baseline federal revenues and outlays for the target population and then estimating the changes in federal revenues and outlays as a result of each intervention. Estimated changes in federal revenue and outlays must be the direct result of the SIPBRA intervention, *i.e.*, the SIPBRA intervention must have caused the change in outcome that affected federal revenue and outlays. The outcome valuation should include increases in costs due to intended or unintended impacts of the intervention.

In preparing the estimates, as part of the overall evaluation strategy, applicants must document and submit their estimates of baseline federal revenues and outlays and estimated changes to federal revenues and outlays as a direct result of each proposed intervention such that these estimates are easily replicable. The application must provide sufficient information, *e.g.*, all data sources, such as related literature, assumptions, and justifications, to show how the applicant arrived at the estimate of the baseline federal revenues and outlays, and changes in federal revenues and outlays as a direct result of the proposed intervention.

Using this methodology, applicants will need to estimate the value to the federal government of the proposed intervention(s) before the intervention(s) take place. The

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<sup>10</sup> See 42 U.S.C. 1397n-2(c)(1)(B).

estimate must be submitted as part of the application and will be the applicant's baseline for the intervention. Using the same methodology, independent evaluators will assess the value of the intervention(s) to the federal government after the intervention has taken place.

The following shows the steps involved in calculating the outcome value:

**Step 1: Estimate target population baseline over the intervention period under current law (before intervention performed)**

- A. Estimate total amount of federal revenue paid by target population in dollars, if applicable.
- B. Estimate total amount of federal outlays expended on target population, in dollars (includes cost of all federal programs used by target population).

**Step 2: Estimate outcomes and federal outlays and revenues over the intervention period under current law (as of the date this NOFA is published in the *Federal Register*) assuming intervention takes place**

The estimate of value will be limited to the intervention period only and may not be extrapolated beyond the intervention period (which is not to exceed seven years).

- C. Estimate total federal taxes paid by target population after its outcomes have changed as a direct result of the SIPBRA intervention.
- D. Estimate total amount of federal outlays expended on the target population after its outcomes have changed as a direct result of the SIPBRA intervention.

Applicants should carefully consider how the intervention may cause the substitution of federal benefits delivered through one social program for

another. Specifically, applicants should carefully consider how the intervention will affect eligibility for other federal programs and how this will affect the change in federal outlays.

Any changes in federal revenue or spending must flow through the changes in outcomes caused by the SIPPRRA intervention; these changes must be attributed only to the SIPPRRA intervention and not to other causes. As explained below, randomized controlled trials (RCT) or quasi-experimental designs are to be used to determine causation.

**Step 3: Estimate total value of intervention to the federal government in dollars**

$$\begin{aligned}\text{Value} &= \text{change in revenue} - \text{change in spending} \\ &= (c-a) - (d-b)\end{aligned}$$

In accordance with SIPPRRA, the federal government will pay no more than the value estimated in Step 3.

The estimates of baseline federal outlays and revenues and the estimated federal outlays and revenues after the intervention should be rounded to the nearest hundred, rounding up any number that ends in a number greater than \$50 to the nearest \$100.

Applicants proposing or generating value to the federal government only through reductions in federal administrative expenses will not be considered eligible to receive outcome payments.

As part of the overall evaluation strategy, applicants must document and submit their estimates of baseline federal revenues and outlays and estimated changes to federal revenues and outlays as a direct result of each proposed intervention such that these

analyses can be replicated.<sup>11</sup> Specifically, the application must describe all data sources, such as related literature, assumptions, and justifications, used to arrive at the estimates of the changes in federal revenues and outlays as a direct result of the proposed intervention.

In estimating the effect on federal revenues and outlays, applicants should carefully consider the funding structure of the program and whether or not the program is oversubscribed, *i.e.*, the program has more eligible individuals than funding available for services, such that when one individual is removed from the program another eligible individual replaces him or her.<sup>12</sup>

## ***6. Independent Evaluations***

This section gives an overview of the following: the role of post-award independent evaluation, independent evaluator qualifications, outcomes definitions and measurement, impact evaluation designs and methodology, and outcome valuation.

### *a. Overview*

Pay for Results evaluations must be conducted by independent evaluators. Grantees can expect to commit significant time and resources to the formal evaluations of their project. All grantees are eligible to receive evaluation funding to help support post-award evaluation costs, regardless of whether outcomes are met. In each case, the federal government will fund only up to 15 percent of the amount of the project award for an independent evaluation of the project. The federal government will base its maximum award of funds for the grantee's cost of an independent evaluator on the amount of the

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<sup>11</sup> A tool to assist grantees in their calculations will be available on Treasury's SIPRA website.

<sup>12</sup> Examples of budget impact analysis may be found in appendices of Congressional Budget Office publications. *See, e.g.*, The Effects of Potential Cuts in SNAP Spending on Households With Different Amounts of Income (2015), <https://www.cbo.gov/publication/49978>; Possible Higher Spending Paths for Veterans' Benefits (2018), <https://www.cbo.gov/publication/44995>). An additional reference to calculate federal outlays and revenues are available from the National Bureau of Economic Research TAXSIM at <http://users.nber.org/~taxsim/>.

top tier outcome payment. The federal government will fund only completed post-award evaluation work; it will not pay for the portion of an evaluator's contract contemplating evaluation work that is not completed in the event a project terminates earlier than expected.

*b. Evaluation Design Plan*

Evaluations must meet evidence standards for high quality experimental or non-experimental research to receive agreed-upon outcome payments. (See the definitions of “randomized controlled trial” and “quasi-experimental design” in Appendix I.3, Key Concepts and Other Terms.) Evaluations must use the most appropriate and rigorous research method suitable for the project to estimate impacts. RCTs are preferred to the extent their use is consistent with federal, state and local laws; quasi-experimental designs will be accepted if experimental designs are infeasible. An applicant not using a RCT should explain why a RCT is not appropriate for the particular project. Program models that have a moderate or strong existing base of evidence for their effectiveness are strong candidates for pay for results projects. See Section A.6.e, Evidence Standards, for more information on bases of evidence.

The evaluation design plan must:

1. Describe the existing base of evidence and cite available research literature;
2. Explain how the project is suitable for the proposed evaluation;
3. Describe an approach for coordinating all partners and required evaluation activities, including assisting the independent evaluator in collecting and accessing the necessary data, and include a timeline;

4. Document the project evaluation's research question(s), the data to be collected and analyzed, how data quality and integrity will be maintained, *e.g.*, how attrition will be minimized, and specify overall and subgroup samples;
5. Describe how the project will be implemented with fidelity, *e.g.*, how random assignment to treatment and control groups will be ensured;
6. Describe the metrics that will be used in the evaluation to determine whether the outcomes have been achieved as a result of the intervention, *i.e.*, key outcomes and outcome targets; an explanation of how the metrics will be measured; and an explanation of how the metrics are independent, objective indicators of impact and are not subject to manipulation by the service provider, the intermediary, or investors, if any;
7. Explain how the independent evaluator will collect or gain access to the metrics that will be used;
8. Explain how the method used to measure the anticipated outcomes will produce rigorous evidence that the outcomes were not produced due to random chance, general economic conditions, or participant selection (see Section A.6.e, Evidence Standards, for more information);
9. Propose all important covariates that will be used in evaluation analysis, including how these measures will be operationalized, and the data used for them;
10. Explain how the methodology will measure relevant unanticipated outcomes and/or negative impacts;
11. Include a proposed logic model (theory of change) (see Section A.5.c, Evaluation Method);

12. Provide and justify the selected evaluation strategy, *i.e.*, RCT or quasi-experimental design;
13. Describe anticipated statistical and analytical methods, such as regression equations to be used, power calculations, and minimal detectable impacts for each proposed outcome;
14. Include the anticipated customized randomization plan if applicable;
15. State whether the design is likely to generate evidence that can support causal conclusions, as described in Section A.6.e, Evidence Standards;
16. Describe anticipated challenges, *e.g.*, attrition, failed randomization, oversubscription and plans to mitigate them; and
17. Show how the evaluation will be independent of the intervention and financing structure.

The design plan may evolve during a project's early implementation period (approximately the first 6–12 months) to ensure proper measurement of project outcomes. However, outcome targets may not change without prior approval from Treasury or the administering federal agency. Grantees must submit the design plan to Treasury or the administering federal agency once it is finalized. The evaluation design plan will be posted on the Federal Interagency Council on Social Impact Partnerships (Interagency Council)<sup>13</sup> website.

*c. Evaluation Method*

The design plan must also incorporate an appropriate evaluation method. It must outline a narrative theory of change (or logic model). A compelling theory of change (1)

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<sup>13</sup> See 42 U.S.C. 1397n-10(3)(J).

identifies key assumptions upon which an intervention is based; (2) provides a set of testable hypotheses that measure the effect of the proposed strategy; (3) identifies expected outcomes; and (4) where available, describes interim outputs and outcomes that show the project's progress toward the same or similar interventions, or components of the intervention, in the same or similar context.

To the extent feasible and appropriate, applicants should employ experimental design methodologies that use random assignment to create treatment and control groups to measure outcomes. If such an approach is infeasible, a quasi-experimental design in which outcomes for the treatment group, or a broader target population that includes both the treatment group and those outside the treatment group, are measured relative to a comparison group may be used. Applicants that cannot implement a RCT study will not be penalized for implementing a quasi-experimental design. This quasi-experimental design must address other possible causes of the outcomes, such as selection, other policies, economic conditions, and other confounding factors. (See the definition of “quasi-experimental design” in Appendix I.C, Key Concepts and Other Terms.) If selecting this approach, the applicant must explain why an experimental design was infeasible, inappropriate, or unethical, why the proposed evaluation method is a reasonable alternative, and why the proposed approach will yield findings that support causal inference.

*d. Evaluation Facilitation*

Grantees are expected to participate in and manage several activities to ensure the successful independent evaluation of demonstration projects. These activities include:

- Working with the independent evaluator to facilitate the execution of the overall evaluation strategy and to ensure the intervention is performed according to the evaluation design plan described above;
- Reporting progress and final evaluation results to Treasury and/or the relevant federal agency are delivered on schedule;
- Over the course of the performance period, working with the independent evaluator to ensure that project randomization procedures and other evaluation processes are adhered to;
- Working with the independent evaluator to modify evaluation plans, as appropriate; and
- Participating in technical assistance initiatives that Treasury, federal agencies, or experts may provide to ensure evaluation quality and consistency across projects.

*e. Evidence Standards*

Independent Evaluation: The evaluation used to determine whether a State or local government will receive outcome payments under SIPBRA shall use experimental designs using random assignment or other reliable evidence-based research methodologies, as certified by the Interagency Council, that allow for the strongest possible causal inferences when random assignment is not feasible.<sup>14</sup> The project's independent evaluation must be designed to assess the strength of the causal evidence, *i.e.*, the degree to which the research establishes the causal impact of the intervention on the outcomes of interest not due to other factors.<sup>15</sup>

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<sup>14</sup> See 42 U.S.C. 1397n-4(c).

<sup>15</sup> More information on evidence standards in the context of Federal program evaluations can be found at <https://www2.ed.gov/about/offices/list/oese/oss/technicalassistance/edgarrevisionsfactsheet101617.pdf>.

Evidence Base for selecting a project model: Pay for results projects must be informed by designs that support causal conclusions (*i.e.*, studies with high internal validity) and that, in total, include enough of the range of participants and settings to support scaling up to the state, regional, or national level (*i.e.*, studies with high external validity). These include well-designed and well-implemented experimental studies or well-designed and well-implemented quasi-experimental studies that support the effectiveness of the practice, strategy, or program; and large, well-designed and well-implemented randomized controlled, multi-site trials that support the effectiveness of the practice, strategy, or program.

*f. Contract with Independent Evaluator*

Because the evaluation findings provide the basis for pay for results payments to the grantee, the contract each applicant enters into with an independent evaluator should require an agreed-upon evaluation design and methodology, observed outcome measure(s), and findings regarding outcome targets.

The contract with the independent evaluator should address the following:

- Plan to obtain relevant datasets from various sources, for example, local agencies, state agencies, or other federal agencies, including the responsibilities of the grantee and evaluator in accomplishing this task;

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General explanation of Federal guidelines regarding evaluation and evidence can be found in OMB Circular No. A-11 (2018), Part 6, Section 200.22, “Evaluation” and “Evidence” entries: <https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf>.

- Design and coding of a management information system, as needed, that is tailored for research or evaluation, to track participants and obtain individual-level data;
- Collection or assessment of individual-level data. The independent evaluator must work directly with the applicant and other organizations to enter into one or more agreements for the access and use of the data. These agreements should include assuring data quality and adherence to all federal and state data privacy statutes and policies and data security standards;
- Institutional Review Board (IRB) approval to ensure the protection of human subjects, to the extent applicable; and
- Submission of progress reports to Treasury, the Interagency Council, and the head of the relevant agency in accordance with the reporting requirements described in Section F.5b, Evaluation Progress Reports, and Section F.5.c, Evaluation Final Reports.

## **B. Federal Award Information**

### ***1. Type of Federal Award***

Treasury expects to award up to \$66,290,000 in grants under this NOFA. Treasury anticipates making between five and fifteen grants for social impact partnership demonstration projects under this NOFA. The total amount awarded under this NOFA will be determined based on the strength of the applications received, the number of successful applications for projects for the direct benefit of children, and other programmatic considerations. Treasury reserves the right to make no awards or to make awards for amounts less than the amounts requested by applicants. As noted above, for

projects funded under this NOFA, the federal government, under separate agreements with grantees, will also make available up to 15 percent of the project award amount for the cost of an independent evaluator. These agreements to pay for evaluations will provide for payment regardless of outcomes, but the agreements will limit payments to evaluation work performed.

## ***2. Project Period***

The period of performance for demonstration project awards may not exceed seven and a half years, which includes an intervention period of up to seven years followed by up to six months for final measurement, analysis, evaluation, submission of the independent evaluator's final report, and submission of payment requests to the federal government.<sup>16</sup> Applicants should carefully construct their project timeline to allow sufficient time for all required activities. Applicants must specify the intervention period and explain the basis for specifying such period. Requests to extend the period of performance beyond seven and a half years will not be considered.

## **C. Eligibility Information**

### ***1. Eligible Applicants***

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<sup>16</sup> SIPPRAs provide that the period of performance under the award agreements may not exceed 10 years. *See* 42 U.S.C. 1397n-2(c)(1)(C). Treasury will strive to maximize use of the amounts Congress appropriated to make awards and outcome payments. To help achieve this goal, Treasury decided on a seven and a half year maximum period of performance to provide sufficient flexibility for Treasury to issue an additional NOFA for SIPPRAs demonstration projects with a similar period of performance. In order to make an additional round of awards and any outcome payments associated with such awards, Treasury determined that the period of performance for the first round of awards should not exceed seven and a half years. To elaborate, SIPPRAs appropriate funds that are available for ten years to make awards. *See* 42 U.S.C. 1397n-9 and 1397n-13. Federal law generally provides that disbursements of funds awarded within the SIPPRAs 10 year window (*e.g.*, outcome payments) must occur within five years after that ten year window closes. *See* 31 U.S.C. 1552(a). If grantees receiving awards under this NOFA do not receive outcome payments for the full amount of their awards after the seven year and a half year performance period, the difference between the award amounts and the outcome payments made will be available to make awards under the additional SIPPRAs demonstration project NOFA.

Only States or local governments are eligible applicants; applications from any other entities will not be reviewed. SIPPRRA defines the term “State” to mean each State of the United States, the District of Columbia, each commonwealth, territory, or possession of the United States, and each federally recognized Indian tribe.<sup>17</sup> For purposes of this NOFA, the term “State” shall, consistent with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) at 2 CFR Part 200, include any of a State’s agencies or instrumentalities, and the terms “local government” and “federally recognized Indian tribe” shall have the meanings given in the Uniform Guidance and set forth in Appendix I.1, Applicants.<sup>18</sup>

## ***2. Cost Sharing or Matching***

Cost sharing or matching funds, as defined in the Uniform Guidance,<sup>19</sup> are not required, and the financial contributions from any investors for project implementation are not characterized as cost sharing or matching funds.

## ***3. Other Eligibility Criteria***

The identified social problem(s) or other social benefits to be addressed by the intervention must relate to one of the outcomes identified in SIPPRRA and listed in Section A.3, Qualifying Outcomes.

## **D. Application and Submission Information**

### ***1. How to Obtain an Application Package***

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<sup>17</sup> See 42 U.S.C. 1397n-12(6).

<sup>18</sup> See 2 CFR 200.54, 200.64.

<sup>19</sup> See 2 CFR 200.29.

This NOFA, found at [www.Grants.gov](http://www.Grants.gov) and [www.Treasury.gov/SIPPRA](http://www.Treasury.gov/SIPPRA), contains all of the information and links to forms needed to apply for grant funding. An application package may be obtained from Grants.gov by using this NOFA's CFDA number: 21.017 or by calling the SIPPRA Coordinator at (202) 622-0262. Information on how to apply for grants can be found at <https://www.Grants.gov/web/grants/applicants/apply-for-grants.html>.

## ***2. Content and Form of Application Submission***

### *a. Notice of Intent to Apply*

Treasury strongly encourages State and local governments interested in applying to submit to Treasury a Notice of Intent to Apply to the SIPPRA Program Office. Obtaining advance information about the potential number of applications, as well as the general structure of the proposed intervention projects and evaluation plans, prior to the application deadline will assist Treasury in developing a more efficient application review process. A Notice of Intent to Apply should be submitted via e-mail to [SIPPRA@treasury.gov](mailto:SIPPRA@treasury.gov) on or prior to April 8, 2019. Please use "Intent to Apply" in the e-mail subject line and include the following information:

1. The applicant's name and address;
2. A general overview of the intervention, including the target population and social problem the project will address, anticipated outcome(s) of the project, and a brief summary of the evaluation design (including, where applicable, federal data sets to which the project partners and/or evaluator anticipate needing to access, and the plan to gain access to that data);
3. Any preliminary information identifying the project partners;

4. The intervention period (not to exceed seven years); and
5. Total anticipated funding and total anticipated budget for the proposed project.

An applicant that does not submit a Notice of Intent to Apply may still apply for a project grant, and an application may differ from what the applicant included in its Notice of Intent to Apply.

*b. Application for Project Award*

Applications submitted in response to this NOFA must consist of the following:

1. SF-424, Application for Federal Assistance;
2. SF-424A, Budget Information for Non-Construction Programs (if applicable);
3. SF-424C, Budget Information for Construction Programs (if applicable);
4. Project Narrative, which must include an executive summary that outlines key

information and provides a brief description of the applicant's proposal. The project narrative must include the following:

- The outcome goals of the project, formulated as discussed in Section A.4.f, and rigorous evidence demonstrating that the intervention can be expected to produce the desired outcomes;<sup>20</sup>
- The project timeline, including the project intervention period;<sup>21</sup>
- A description of each intervention in the project and anticipated outcomes of the intervention;<sup>22</sup>
- A work plan for delivering the intervention through a social impact partnership model, including the proposed payment terms (*e.g.*, the terms

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<sup>20</sup> See 42 U.S.C. 1397n-1(c)(1), (3).

<sup>21</sup> See 42 U.S.C. 1397n-1(c)(15), (17).

<sup>22</sup> See 42 U.S.C. 1397n-1(c)(2).

of any tiered payment scheme proposed by the applicant) and performance thresholds (*i.e.*, the outcome target or, in the case of a tiered payment scheme, range of targets);<sup>23</sup>

- The target population that will be served by the project and the criteria used to determine the eligibility of an individual for the project, including how the target population will be identified, how individuals will be referred to the project, how they will be enrolled in it, and the extent to which affected stakeholders will be engaged in the development and implementation of the project;<sup>24</sup>
- A summary of the unmet need in the area where the intervention will be delivered or among the target population who will receive the intervention<sup>25</sup> and the expected social benefits to participants who receive the intervention and others who may be impacted;<sup>26</sup>
- The detailed roles and responsibilities of each entity involved in the project, including any State or local government entity, intermediary, service provider, independent evaluator, investor, or other stakeholder;<sup>27</sup>
- A description of whether and how the applicant and service providers plan to sustain the intervention, if it is timely and appropriate to do so, to

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<sup>23</sup> See 42 U.S.C. 1397n-1(c)(9), (15).

<sup>24</sup> See 42 U.S.C. 1397n-1(c)(4), (c)(18).

<sup>25</sup> See 42 U.S.C. 1397n-1(c)(14).

<sup>26</sup> See 42 U.S.C. 1397n-1(c)(5).

<sup>27</sup> See 42 U.S.C. 1397n-1(c)(12).

ensure that successful interventions continue to operate after the period of the social impact partnership;<sup>28</sup> and

- Whether and how the project is for the direct benefit of children.<sup>29</sup>

5. Project Narrative Attachments;
6. SF-LLL, Disclosure of Lobbying Activities;
7. Grant.gov Lobbying Form;
8. SF-424B, Assurance for Non-Construction Programs (if applicable);
9. SF-424D, Assurance for Construction Programs (if applicable);

The following items are required to be submitted as attachments to the project narrative:

- **Project budget:** Provide a narrative for the budget, including amounts expected to be expended by partners.<sup>30</sup>
- **Partnership agreements:** Provide a partnership agreement between the applicant and all project partners. The partnership agreement must either be signed or, if submitted in draft form, must be accompanied by signed letters of intent to enter into such an agreement should the application be successful. Refer to Section A.4.d, Partnership Agreements for what must be included in partnership agreements.

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<sup>28</sup> See 42 U.S.C. 1397n-1(c)(24). An applicant may discuss its commitment to scalability and building capacity or plans to maintain project benefits and/or continue the intervention beyond the period of performance in the event the intervention successfully addresses the needs of the target population. An applicant may include plans to make adaptations within its environment to strengthen or expand its proposed intervention beyond the period of performance.

<sup>29</sup> See 42 U.S.C. 1397n-2(f).

<sup>30</sup> See 42 U.S.C. 1397n-1(c)(16). The budget must include any projected federal, State, and local government costs and other costs to conduct the project. See 42 U.S.C. 1397n-1(c)(6).

- **Partner qualifications:** Describe the expertise of each service provider that will administer the intervention, including a summary of the experience of the service provider in delivering the proposed intervention or a similar intervention, or demonstrating that the service provider has the expertise necessary to deliver the proposed intervention.<sup>31</sup> This description should include a discussion of the capacity of the service provider to deliver the intervention to the number of participants the State or local government proposes to serve in the project.<sup>32</sup> In addition, to the extent the applicant intends to use investors and has not already identified and received commitments from them, the application should discuss the experience of the State or local government, intermediary, if any, or service provider in raising private and philanthropic capital to fund social service investments.<sup>33</sup> With respect to any intermediary specifically, the application should discuss the intermediary’s mission and goals; its experience and capacity for providing or facilitating the provision of the type of intervention proposed; information on whether the intermediary is already working with service providers that provide this intervention or an explanation of the capacity of the intermediary to begin working with service providers to provide the intervention; its experience working in a collaborative environment across government and nongovernmental entities to implement evidence-based programs; its previous experience collaborating with public or private entities to implement evidence-based programs; its ability to raise or provide funding to cover operating costs, as

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<sup>31</sup> See 42 U.S.C. 1397n-1(c)(10), (13).

<sup>32</sup> See 42 U.S.C. 1397n-1(c)(23).

<sup>33</sup> See 42 U.S.C. 1397n-1(c)(11).

applicable; its capacity and infrastructure to track outcomes and measure results, including its capacity to track and analyze program performance and assess program impact; its experience with performance-based awards or performance-based contracting and achieving milestones and targets; and an explanation of how the intermediary would monitor program success, including a description of the interim benchmarks and outcome measures.<sup>34</sup>

- **Independent evaluator qualifications:** Provide a summary explaining the independence of the evaluator from the other entities involved in the project and the evaluator’s experience in conducting rigorous evaluations of program effectiveness including, where available, well-implemented RCTs on the intervention or similar interventions.<sup>35</sup> Applicants should address the following qualifications of the evaluator:
  - Experience working with the datasets the project expects to use;
  - Prior work in conducting implementation and causal impact analyses and how their past methodologies and evaluation design experience will be used in the proposed project;
  - Qualifications of the individuals designing and overseeing the evaluation and ensuring its quality, including their education or training and type and years of experience;
  - Experience in managing similar evaluation protocols (*e.g.*, this type of sampling, data collection, analysis); and

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<sup>34</sup> See 42 U.S.C. 1397n-1(d).

<sup>35</sup> See 42 U.S.C. 1397n-1(c)(22).

- Experience dealing with unforeseen data or implementation issues in other program evaluations. Provide specific examples and experiences dealing with unforeseen data or implementation issues.
- **Evaluation design plan:** Provide an evaluation design<sup>36</sup> plan as described in Section A.5.b, Evaluation Design Plan.
- **Independent evaluator contract.** Provide a copy of the contract to be entered into between the State or local government and the independent evaluator as described in Section A.6.f, Contract with Independent Evaluator.
- **Outcome valuation:** Provide an attachment supporting the outcome valuation, as described in Section A.5.b, Outcome Valuation, and a discussion of project savings not otherwise incorporated into the outcome valuation, including projected federal, State, and local government savings and other savings, including an estimate of the savings to the federal government, on a program-by-program basis and in the aggregate, if the project is implemented and the outcomes are achieved as a result of the intervention and, if savings resulting from the successful completion of the project are estimated to accrue to the State or local government, the likelihood of the State or local government to realize those savings.<sup>37</sup> Applicants must provide the estimated total value and savings, estimated value and savings per project participant, and estimated value and savings per dollar spent on the intervention, as well as the methodology used by the applicant in arriving at such estimates.

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<sup>36</sup> See 42 U.S.C. 1397n-1(c)(19)–(21).

<sup>37</sup> See 42 U.S.C. 1397n-1(c)(7), (8). A tool for these calculations will be made available on Treasury's SIPPRAs website.

- **Legal compliance:** If an applicant proposes a project including a construction component, the applicant must identify the State and federal environmental laws, regulations, and policies that will apply to the project, and the environmental documents required under State and federal laws. If an applicant proposes a project including a transportation component, the applicant must identify applicable federal, State, and local laws relating to that component, and any transportation-related permitting and licensing documents required under federal, State and local laws. The applicant must identify laws applying to the population being served and demonstrate that the project will be in compliance with those laws. The applicant must also comply with applicable federal, State, and local privacy laws. The applicant must also identify any approved waivers of any existing laws or regulations, including but not limited to environmental or transportation laws or regulations, required by the intervention design; if waivers are pending, the applicant must include documentation that it has sought the waiver, that it is under consideration, and when approval is expected to be received. Failure to obtain a necessary waiver may be grounds for termination of a grant.

An application may contain additional supporting documentation as attachments such as an existing feasibility study.

### ***3. Other***

- a. *Dun and Bradstreet Data Universal Numbering System (DUNS) Number and System of Award Management (SAM)*

Applications will be identified by the DUNS number of the State or local government lead applicant. A DUNS number is a unique, nine-digit sequence recognized as the universal standard for identifying and keeping track of over 70 million entities worldwide. Sub-awards may be made only to entities that have DUNS numbers. Information on how to obtain a DUNS number may be obtained from Dun and Bradstreet, Inc. at <http://fedgov.dnb.com/webform> or by calling 866-705-5711. Applicants should obtain this DUNS number immediately to ensure all registration steps are complete prior to submitting an application. The DUNS number should be entered in the block with the applicant's name and address on the cover page of the application, block 8c on the Form SF 424, Application for Federal Assistance. The name and address in the application should be exactly as given for the DUNS number. After obtaining a DUNS number, applicants must also register with the SAM, a federal governmentwide portal used for acquisition and federal assistance processes, and maintain an active SAM registration until the application process is complete and, if a grant is awarded, throughout the life of the award. SAM registration must be renewed annually. Treasury suggests finalizing a new registration or renewing an existing one at least one month before the application deadline to allow time to resolve any issues that may arise. Applicants must use their SAM-registered legal name and address on all grant applications to Treasury. Treasury will not make an award to an applicant if the applicant has not complied with all applicable DUNS and SAM requirements.<sup>38</sup>

*b. Privileged or Confidential Information*

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<sup>38</sup> For more information about SAM, see the information provided by the General Services Administration at <https://www.sam.gov/SAM/pages/public/generalInfo/aboutSAM.jsf>.

SIPPRRA establishes a Commission on Social Impact Partnerships (Commission) whose principal obligation is to make recommendations to Treasury regarding the funding of SIPPRRA demonstration project and feasibility studies.<sup>39</sup> The Commission is subject to the provisions of the Federal Advisory Committee Act (FACA), which generally requires that documents made available to the Commission be made available for public inspection and copying.<sup>40</sup> Treasury expects to provide to the Commission all complete applications received under this NOFA from eligible applicants and expects to make these applications available for public inspection and copying. However, FACA also provides that trade secrets and commercial or financial information that is privileged or confidential under the Freedom of Information Act (confidential business information) need not be made publicly available.<sup>41</sup> In order to comply with FACA's public disclosure requirements while protecting confidential business information in accordance with FACA, each applicant must propose redactions of confidential business information. An applicant may omit pages for which it does not propose any redactions. Proposed redactions must be highlighted in a way that leaves the material proposed to be redacted visible to Treasury staff. Treasury will review the redactions proposed by each applicant.

#### ***4. Submission Date, Times, Process and Addresses***

Applications must be submitted between 9:00 a.m. Eastern Time on April 22, 2019 and 4:00 p.m. Eastern Time on May 22, 2019. Applications must be submitted electronically through Grants.gov. Mail, e-mail, telegram, or facsimile (FAX) submissions will not be accepted. Registration for Grants.gov is a multi-step process that

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<sup>39</sup> See 42 U.S.C. 1397n-6.

<sup>40</sup> See 5 U.S.C. App. 2 10(b).

<sup>41</sup> See *id.*; 5 U.S.C. 552(b)(4).

may take several weeks to complete before an application may be submitted. Grants.gov scheduled maintenance and outage times are announced on the Grants.gov website, <http://www.Grants.gov>. The deadline will not be extended due to scheduled maintenance or outages. Applicants take a significant risk by waiting to the last day to submit by Grants.gov.

General information for registering and submitting applications through Grants.gov can be found at <https://www.Grants.gov/web/grants/applicants.html> along with specific instructions for the forms and attachments required for submission. Applicants encountering a problem with Grants.gov may call the Grants.gov Contact Center at 1-800-518-4726 or 606-545-5035 to speak to a Customer Support Representative, or e-mail [support@Grants.gov](mailto:support@Grants.gov). The Contact Center is open 24 hours a day, seven days a week, other than on federal holidays, when it is closed. All required documents comprising the application must be included at the time the application is submitted as set forth in Section D.2, Content and Form of Application.

Applications may be withdrawn by providing written notice to [SIPPRA@Treasury.gov](mailto:SIPPRA@Treasury.gov) at any time before an award is made.

### ***5. Intergovernmental Review***

This funding opportunity is subject to Executive Order 12372, “Intergovernmental Review of Federal Programs,” as amended by Executive Order 12416. Some States require that applicants contact their State’s Single Point of Contact (SPOC) to comply with the State’s SPOC process established pursuant to Executive Order 12372. Names and addresses of the SPOCs are listed on the Office of Management and Budget’s homepage at <https://www.whitehouse.gov/wp-content/uploads/2017/11/SPOC-Feb.->

2018.pdf. Applications from federally-recognized Indian tribes are not subject to intergovernmental review.

#### **6. *Funding Restrictions***

Grants will only be awarded to those entities and for those projects that are eligible as described in Section C, Eligibility Information. As discussed above in Section A.2, Types of Funding and Funding Availability, SIPBRA provides that not less than 50 percent of all federal payments made to carry out social impact partnership project agreements shall be used for initiatives that directly benefit children.

#### **E. *Application Review Information***

##### **1. *Review and selection process***

Review of applications for grants under this NOFA will be conducted through the following five phases.

##### **Phase 1: *Completeness and Eligibility Review***

In the first review phase, Treasury will review all applications to determine eligibility and completeness, which will consist of a non-substantive review to determine whether the applicant is a State or local government; whether the proposed project qualifies as an eligible project as set forth in Section A.3, Qualifying Outcomes; and whether each of the application content requirements set forth in Section D.2, Content and Form of Application, has been satisfied. An application received from an ineligible entity or for an ineligible project will be rejected. Applicants are required to establish that the proposed project is an eligible project. Incomplete applications may, at Treasury's discretion, receive further consideration. Treasury expects to afford applicants a reasonable opportunity to cure such incompleteness.

## **Phase 2: Subject Matter Expert Panel Review**

Treasury will assign complete applications submitted by eligible applicants to one or more panels of subject matter experts who will be selected based on their knowledge of the social benefit(s) or problem(s), technical expertise in the type of intervention, experience working with the target population that is the subject of the application, or other considerations. Review panelists may be selected from federal agencies or from the private sector, or both. Reviewers will be screened for conflicts of interest.

The panel assigned to an application will score that application in accordance with the criteria set forth in the table below, which reflects the considerations that Treasury, in consultation with the Interagency Council and the head of the relevant federal agency, is required by SIPBRA to consider when granting awards<sup>42</sup> and each of the application content requirements under SIPBRA.<sup>43</sup> The total and component scores will serve as a reference in the further phases of review discussed below, and awards may be made out of rank order. The panel scores will not be binding with respect to these further phases of review; furthermore, Treasury may reject applications that show significant deficiencies with respect to any one component that is critical to the success of the project under the pay for results model, *e.g.*, an application that does not identify an evaluator that is independent from the other project participants, regardless of the applicant's total score.

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<sup>42</sup> See 42 U.S.C. 1397n-2(b).

<sup>43</sup> See 42 U.S.C. 1397n-1(c), 1397n-1(d).

Value of and Savings from the Project		15 points
- Value to the federal government	10 points	
- Savings to the State or local government	5 points	
Likelihood of Achieving Outcomes		50 points
- Evidence demonstrating intervention can be expected to achieve desired outcome	15 points	
- Project budget, work plan, timeline, and partnership agreement	20 points	
- Project partners	15 points	
Quality of Evaluation		30 points
- Evaluation design and metrics	20 points	
- Evaluator independence and experience	10 points	
Capacity and Commitment to Sustain the Intervention		5 points
TOTAL		100 points

***Value of and Savings from the Project***

SIPPRA requires Treasury to take into consideration the value to the federal government of the outcomes expected to be achieved if the outcomes specified in the grant agreement are achieved as a result of the intervention.<sup>44</sup> SIPPRA also requires Treasury to take into consideration both the savings to the federal government and the savings to the State and local governments.<sup>45</sup>

The outcome valuation is the public benefit resulting from achieving the outcome target(s), including public sector savings, defined as reduction in outlay costs, and changes in federal tax receipts. The federal payment to the State or local government for each specified outcome achieved as a result of the intervention must be less than or equal

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<sup>44</sup> See 42 U.S.C. 1397n-2(b)(2).

<sup>45</sup> See 42 U.S.C. 1397n-2(b)(4), (5).

to the value of the outcome to the federal government over a period not exceeding the intervention period.<sup>46</sup>

Value calculated for the purpose of this NOFA is discussed in Section A.4.f.ii, Outcome Valuation. The term “savings” refers to reduced outlays, whether by the federal or State or local government, as applicable, as a result of the project. Interventions may also result in savings to the State or local government, which will be taken into consideration when deciding which projects to fund.<sup>47</sup> As noted above, however, the federal payment to the State or local government for each specified outcome achieved as a result of the intervention will be limited to the value of the outcome to the federal government, which is the sum of (1) savings to the federal government and (2) increased federal revenues as a result of the project, over a period not exceeding the intervention period.

The panels will review the applicant’s identified target population, outcome goals and proposed intervention(s) and description of the unmet need in the area where the intervention will be delivered or among the target population that will receive the intervention.<sup>48</sup> The required description of expected social benefits to participants who receive the intervention and others who may be impacted will also be relevant to the extent they impact the value of and savings from the project.<sup>49</sup> In addition, savings to the federal government and State and local governments are specifically addressed by the requirements for applicants to provide projected federal, State, and local government

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<sup>46</sup> See 42 U.S.C. 1397n-2(c)(1)(B).

<sup>47</sup> See 42 U.S.C. 1397n-2(b)(5).

<sup>48</sup> See 42 U.S.C. 1397n-1(c)(1), (2), (4), (14).

<sup>49</sup> See 42 U.S.C. 1397n-1(c)(5).

savings and other savings, including an estimate of the savings to the federal government, on a program-by-program basis and in the aggregate, if the project is implemented and the outcomes are achieved as a result of the intervention,<sup>50</sup> and, if savings resulting from the successful completion of the project are estimated to accrue to the State or local government, the likelihood of the State or local government to realize those savings.<sup>51</sup>

In evaluating applications with respect to both value and savings, the panels will take into consideration the estimated total value and savings, estimated value and savings per project participant, and estimated value and savings per dollar spent on the intervention, as well as the methodology used by the applicant in arriving at such estimates.

#### ***Likelihood of Achieving Outcomes***

SIPPRA requires Treasury to take into consideration the likelihood, based on evidence provided in the application and other evidence, that the State or local government in collaboration with the intermediary and the service providers will achieve the specified outcomes.<sup>52</sup> Projects showing a greater likelihood of success will receive more points from the panels.

#### ***Evidence demonstrating intervention can be expected to achieve desired outcomes***

In connection with this consideration, panels will assess applicants' compliance with the requirement to provide rigorous experimental evaluations or quasi-experimental studies demonstrating that the intervention can be expected to produce the desired outcomes.<sup>53</sup> More points will be given for applications providing greater evidence in

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<sup>50</sup> See 42 U.S.C. 1397n-1(c)(7).

<sup>51</sup> See 42 U.S.C. 1397n-1(c)(8).

<sup>52</sup> See 42 U.S.C. 1397n-2(b)(3).

<sup>53</sup> See 42 U.S.C. 1397n-1(c)(3), 1397n-2(c)(1)(D).

support of the intervention and its specified outcomes; in particular, points will be awarded for evidence based on previous interventions or interventions similar to the proposed intervention that were shown to produce the desired outcomes as a direct result of the intervention and not as a result of other factors.

*Project budget, work plan, timeline, and partnership agreement*

The likelihood of success is also determined by whether the particular project is designed, structured, and implemented in a way that will foster success. To this end, the panels will assess the thoroughness and comprehensiveness of the applicant's work plan for delivering the intervention, including the proposed payment terms (*e.g.*, the terms of any tiered payment scheme proposed by the applicant), and the payment schedule (*i.e.*, the intervention period), and performance thresholds (*i.e.*, the outcome target or, in the case of a tiered payment scheme, range of targets).<sup>54</sup>

The panels will also assess the applicant's project budget, including projected costs, and the project timeline.<sup>55</sup> The panels will assess the strength of the partnership agreement to the extent not covered under other components of the panel's scoring criteria. Applications will be assessed with respect to both the thoroughness of the budget, timeline, and partnership agreement and the extent to which the intervention is achievable under the budget, work plan, timeline, and partnership agreement, particularly the service delivery plan included in the partnership agreement. To the extent the applicant intends to use investors and has not already identified and received commitments from them, the panel will consider the experience of the State or local

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<sup>54</sup> See 42 U.S.C. 1397n-1(c)(9), (15). As to 42 U.S.C. 1397n-1(c)(15), the methodology used to calculate outcome payments is discussed under "Quality of the Evaluation" below.

<sup>55</sup> See 42 U.S.C. 1397n-1(c)(6), (16), (17).

government, intermediary, or service provider in raising private and philanthropic capital to fund social service investments.<sup>56</sup>

Panels will also review the criteria used to determine the eligibility of an individual for the project, including how the target population will be identified, how individuals will be referred to the project, and how they will be enrolled in it.<sup>57</sup>

Applications will be assessed based on the soundness of the methodology for identifying the target population and the thoroughness of the applicant's plan for referring and enrolling individuals, including assurances that the process avoids targeting easier-to-serve individuals from the target population for enrollment. The panel will also consider whether, to the extent applicable, the applicant has demonstrated that members of the target population are not being unfairly discriminated against in the selection, referral, and enrollment process. (See Section F.2.c, Non-discrimination laws and regulations.) Panelists will also review the extent to which the target population and related community will be engaged in the development and implementation of the project.

#### *Project partners*

In recognition that the likelihood of success is also determined by the capabilities of the project partners, the panels will assess the assigned responsibilities and the qualifications of the partners. This will include an assessment of the applicant's description of the roles and responsibilities of each entity involved in the project, including, to the extent applicable, any State or local government entity, intermediary, service provider, investor, or other stakeholder.<sup>58</sup> The panel will also assess the

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<sup>56</sup> See 42 U.S.C. 1397n-1(c)(11)

<sup>57</sup> See 42 U.S.C. 1397n-1(c)(18).

<sup>58</sup> See 42 U.S.C. 1397n-1(c)(12), (d)(8).

relevance and depth of expertise of each service provider and capacity of each service provider to deliver the intervention, as described by the applicant.<sup>59</sup> Likewise, the panel will review the relevance and depth of experience of any project intermediary and the capacity of the intermediary to fill the roles assigned to it.<sup>60</sup>

### ***Quality of Evaluation***

SIPPRAs requires Treasury to consider the expected quality of the evaluation that would be conducted with respect to the agreement.<sup>61</sup> The panels will assess the project's evaluation design;<sup>62</sup> the metrics that will be collected and analyzed in the evaluation to determine whether the outcomes have been achieved as a result of the intervention and how the metrics will be measured;<sup>63</sup> and the applicant's explanation of how the metrics used in the evaluation are independent, objective indicators of impact and are not subject to manipulation by the service provider, intermediary, or investors, if any.<sup>64</sup>

Additionally, the panel will assess the independence of the evaluator from the other entities involved in the project and the evaluator's experience in conducting rigorous evaluations of program effectiveness, including, where available, well-implemented RCTs on the intervention or similar interventions.<sup>65</sup> As discussed above, the independence of the evaluator is crucial to the pay-for-results financing model.

### ***Capacity and Commitment to Sustain the Intervention***

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<sup>59</sup> See 42 U.S.C. 1397n-1(c)(10), (13), (23).

<sup>60</sup> See 42 U.S.C. 1397n-1(d).

<sup>61</sup> See 42 U.S.C. 1397n-2(b)(6).

<sup>62</sup> See 42 U.S.C. 1397n-1(c)(19).

<sup>63</sup> See 42 U.S.C. 1397n-1(c)(20).

<sup>64</sup> See 42 U.S.C. 1397n-1(c)(21).

<sup>65</sup> See 42 U.S.C. 1397n-1(c)(22).

Finally, SIPPPRA requires Treasury to take into consideration the capacity and commitment of the State or local government to sustain the intervention, if appropriate and timely and if the intervention is successful, beyond the period of the social impact partnership.<sup>66</sup> Panels will consider applicants' submissions with respect to State or local government and service providers' plans to sustain the intervention.<sup>67</sup> Although the primary focus with respect to an application will be on the project period, with respect to this consideration, panels will provide additional points to applications that demonstrate a commitment from the State or local government and service providers and the availability of sufficient funding to extend the project, if appropriate, beyond the project period.<sup>68</sup>

### **Phase 3: Consistency Review and SIPPPRA Commission Recommendation**

Following the panel review, Treasury will review application scores for consistency among subject matter experts on each panel and across panels and rank the applications. The SIPPPRA Commission will then review applications and make award recommendations to Treasury.

### **Phase 4: Interagency Council Certification and Treasury Determination**

The Interagency Council, which is required to certify that applications contain rigorous, independent data and reliable, evidence-based research methodologies before

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<sup>66</sup> See 42 U.S.C. 1397n-2(b)(7).

<sup>67</sup> See 42 U.S.C. 1397n-1(c)(24).

<sup>68</sup> As noted above, an applicant may discuss the commitment to scalability and building capacity or plans to maintain project benefits and/or continue the intervention beyond the project period in the event the intervention successfully addresses the needs of the target population. An applicant may include plans to make adaptations within its environment to strengthen or expand its proposed intervention beyond the period of performance.

Treasury makes its award decision,<sup>69</sup> will determine which applications warrant certification.

Treasury, in consultation with the Interagency Council and the head of any federal agency administering a similar intervention or serving a population similar to that served by the project, will review the applications taking into account the statutory considerations referenced above as well as the recommendations made by the SIPPPRA Commission and the Interagency Council certification (or absence thereof). Depending on the number of meritorious applications, Treasury may also take into consideration the extent to which proposed projects would foster innovation in social policy, yield a diversity of target populations and grantees, and benefit economically distressed rural and urban areas, including qualified opportunity zones, as described in Executive Orders 13790 and 13853.

Finally, as noted above, SIPPPRA requires that “[n]ot less than 50 percent of all Federal payments made to carry out agreements under this section shall be used for initiatives that directly benefit children.”<sup>70</sup> As discussed above, to give effect to this statutory provision, Treasury will allocate a minimum of 50 percent of the funds available under this NOFA to projects designed to directly benefit children. This means that Treasury will award no more than \$33,145,000 under this NOFA for projects that do not directly benefit children.

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<sup>69</sup> See 42 U.S.C. 1397n-5(a)(8).

<sup>70</sup> 42 U.S.C. 1397n-2(f).

**Phase 5: *Review of Federal Awardee Performance and Integrity Information System Information Data and Risk Evaluation***

As required by the Uniform Guidance, Treasury will review and consider any information about an applicant that is in the Federal Awardee Performance and Integrity Information System (FAPIIS) before making any award in excess of the simplified acquisition threshold (currently \$250,000) over the period of performance. Each applicant may review information in the designated integrity and performance systems accessible through SAM and comment on any information about itself that a federal awarding agency previously entered and is currently in the designated integrity and performance system accessible through SAM. Treasury will consider any comments by the applicant, in addition to other information in FAPIIS in making a judgment about the applicant's integrity, business ethics, and record of performance under federal awards when completing the review of risk posed by applicants as described in the Uniform Guidance.<sup>71</sup>

Further, as required by Appendix XII of the Uniform Guidance, non-federal entities (NFEs) are required to disclose in FAPIIS any information about criminal, civil, and administrative proceedings, or affirm that there is no new information to provide.<sup>72</sup> This applies to NFEs for which the total value of active grants, cooperative agreements, and procurement contracts received from all federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of an award or project. This means that Treasury may reject an application based on the information

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<sup>71</sup> See 2 CFR 200.205.

<sup>72</sup> See 2 CFR Part 200, appendix XII.

contained in FAPIIS even if the applicant otherwise scores highly under the 100 point scale.

Treasury will comply with the requirements of 31 CFR Part 19, Government wide Debarment and Suspension (Non-procurement). Additionally, as part of its risk evaluation, Treasury may impose special conditions on an award that correspond to the degree of risk identified in Treasury's review of the application. Criteria to be evaluated include: (1) financial stability; (2) quality of management systems and ability to meet the management standards prescribed in the Uniform Guidance; (3) the applicant's record in managing awards, cooperative agreements, or procurement awards, if it is a prior recipient of such federal awards, including timeliness of compliance with applicable reporting requirements and, if applicable, the extent to which any previously awarded amounts will be expended prior to future awards; (4) reports and findings from audits performed under Subpart F, Audit Requirements of the Uniform Guidance, or the reports and findings of any other available audits and monitoring reports containing findings, issues of non-compliance or questioned costs; and (5) the applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on recipients.

## ***2. Application Clarification and Feedback***

During the course of the review process and risk assessment evaluation, Treasury may ask some applicants to provide confirming or clarifying information. Treasury staff uses such information to inform funding recommendations. A request for confirmation or clarification does not guarantee a grant award. If an applicant does not respond by the deadline to a request for information, Treasury may remove its application from consideration.

Upon request, Treasury expects to provide feedback to unsuccessful applicants after grant awards have been announced.

## **F. Award Administration Information**

### *1. Award Notices*

Before the actual grant is awarded, Treasury may enter into negotiations with the applicant regarding program components, staffing and funding levels, and/or administrative systems in place to support grant implementation. If the negotiations do not result in a mutually acceptable submission, Treasury reserves the right to terminate the negotiations and decline to fund the award.

Treasury expects to announce the results of this competition by November 2019. Treasury will provide successful applicants with a Notice of Award (NoA) that will set forth the amount of the award and other pertinent information. The NoA is the legal document issued to notify an applicant that an award has been made. Treasury expects that the NoA will also include standard Terms and Conditions and any Special Award Conditions related to participation in the Social Impact Partnerships Demonstration program. The NoA will be sent through the U.S. Postal Service to the applicant listed on the SF-424; a copy will also be sent to the electronic mail address listed on the SF-424. The applicant's signature on the SF-424, including electronic signature via E-Authentication on <http://www.grants.gov>, constitutes a binding offer by the applicant. Note that any communication between Treasury and applicants prior to the issuance of the NoA and prior to the execution of any award agreement is not authorization to begin performance on the project.

Unsuccessful applicants will be notified of their status by letter, which will likewise

be sent through the U.S. Postal Service to the applicant listed on the SF-424.

Unsuccessful applicants may apply under subsequent NOFAs.

## ***2. Administrative and National Policy Requirements***

Successful applicants selected for awards must agree to comply with additional applicable legal requirements upon acceptance of an award. All grants are subject to the Office of Management and Budget's regulatory requirements for grants codified in the Uniform Guidance. Grantees and, if applicable, sub-recipients must agree as part of their award agreement to comply with all requirements under 2 CFR Part 200, as applicable. Treasury does not expect that the cost principles in Subpart E of 2 CFR Part 200 will be applicable, except with regard to federal funding for the independent evaluator.

### ***a. Administrative Program Requirements***

Awards under this NOFA are subject to federal laws, regulations, and policies concerning grants. Below is a non-exhaustive list of requirements with which the applicant will need to comply:

1. Lobbying Restrictions at 31 CFR Part 21.
2. Government-wide Debarment and Suspension Requirements at 31 CFR Part 19.
3. Government-wide Requirements for Drug-Free Workplace at 31 CFR Part 20.
4. Award Term for Trafficking in Persons at 2 CFR Part 175.

### ***b. Environmental Requirements***

Treasury approval of financial assistance is subject to compliance with applicable federal and State environmental requirements. As discussed under Section D.2.b, Application for Project Award, the applicant must identify the State and federal environmental laws, regulations, and policies that may apply to the project and the

environmental documents that may be required under State and federal laws. As to the National Environmental Policy Act of 1969, as amended (NEPA),<sup>73</sup> specifically, project applications will be evaluated in accordance with Treasury's NEPA procedures and categorical exclusions. Grantees whose projects do not fall within Treasury's categorical exclusions will be required to assist Treasury in conducting an Environmental Analysis and an Environmental Impact Statement for the project, as applicable.

*c. Non-discrimination laws and regulations*

All grantees, partners, and sub-recipients, if applicable, must comply with applicable non-discrimination statutes and regulations. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000-2000d7), which prohibits discrimination on the basis of race, color of national origin, and Treasury's implementing regulations, 31 CFR part 22; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), which prohibits discrimination on the basis of disability, and Treasury's implementing regulations, 31 CFR part 28; (d) the Individuals with Disabilities Act, as amended (20 U.S.C. 1400 et seq.); (e) the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101-6107), which prohibits discrimination on the basis of age, and Treasury's implementing regulations, 31 CFR part 23; (f) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (g) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to

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<sup>73</sup> 42 U.S.C. 4321 et seq.

nondiscrimination on the basis of alcohol abuse or alcoholism; (h) Section 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290dd-3 and 290ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; and (i) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing.

*d. Other requirements*

Grantees must comply with existing laws and regulations governing the subject area of the project and the relevant federal agency administering the project. If the intervention design requires exceptions to any such existing laws and regulations, the applicant must obtain a waiver from the governing federal, State, or local agency.

*e. Transparency Act Requirements*

Applicants must ensure that they have the necessary processes and systems in place to comply with the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282, as amended by § 6202 of P.L. 110-252) (Transparency Act). All applicants, except for those excepted from the Transparency Act, must ensure that they have the necessary processes and systems in place to comply with the sub-award and executive total compensation reporting requirements of the Transparency Act, should they receive funding. Upon award, applicants will receive detailed information on the reporting requirements of the Transparency Act, as described in 2 CFR Part 170, Appendix A. No sub-award of an award made under this NOFA may be made to a sub-recipient that is subject to the terms of the Transparency Act unless that potential sub-recipient acquires and provides a DUNS number.

**3. *Special Program Requirements***

*a. Access to Records/Oversight*

By accepting a project award under this NOFA, the grantee agrees to make available to Treasury, the Comptroller General, agency Inspectors General, the administering agency, or any of their authorized representatives, all data and documents that might be needed, including contracts and agreements, regardless of whether outcomes are achieved and payment is received, in the grantee's possession or available to the grantee. Grantees must also agree to provide timely and reasonable access to program operating personnel, project partners, and participants. This evaluation may make use of program management information system data, local administrative data, financial data, and program progress reports. It is critical that grantees keep this information up to date and accurate for performance measurement, evaluation, and auditing purposes. Grantees may be required to: (1) provide access to pertinent documents; (2) host site visits; (3) facilitate interviews with grantee staff, partners and the independent evaluator; (4) attend grantee meetings; and (5) provide additional data. By accepting a project award under this NOFA, the grantee also agrees to participate in a national cross-site evaluation in the event that the federal government conducts one.

*b. Evaluation Agreement*

For each social impact project grant approved by Treasury, the head of the relevant federal agency, as recommended by the Interagency Council and determined by Treasury, will enter into an agreement with the grant recipient to pay for all or part of the independent evaluation for the project up to 15 percent of the award amount.<sup>74</sup> Under SIPBRA, the head of the relevant federal agency may not enter into an agreement with

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<sup>74</sup> See 42 U.S.C. 1397n-4(a).

a State or local government unless the head determines that the evaluator is independent of the other parties to the agreement and has demonstrated substantial experience in conducting rigorous evaluations of program effectiveness including, where available and appropriate, well-implemented randomized controlled trials on the intervention or similar interventions.<sup>75</sup>

*c. Federal Register Publication of Notice of Award*

SIPPRA provides that not later than 30 days after entering into an agreement for an award, Treasury must publish a notice in the *Federal Register* that includes the following information about the award:

- (1) The outcome goals of the project.
- (2) The target population that will be served by the project.
- (3) A description of each intervention in the project.
- (4) The expected social benefits to participants who receive the intervention and others who may be impacted.
- (5) The detailed roles, responsibilities, and purposes of each federal, State, or local government entity, intermediary, service provider, independent evaluator, investor, if any, or other stakeholder.
- (6) The payment terms, the methodology used to calculate outcome payments, the payment schedule, and performance thresholds.
- (7) The project budget.
- (8) The project timeline.
- (9) The project eligibility criteria.

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<sup>75</sup> See 42 U.S.C. 1397n-4(b).

(10) The evaluation design.

(11) The metrics that will be used in the evaluation to determine whether the outcomes have been achieved as a result of each intervention and how these metrics will be measured.

(12) The estimate of the savings to the federal, State, and local government, on a program-by-program basis and in the aggregate, if the agreement is entered into and implemented and the outcomes are achieved as a result of each intervention.<sup>76</sup>

Additionally, SIPBRA requires that this information, along with progress reports and final reports relating to each project, be posted on a website established and maintained by the Interagency Council.<sup>77</sup>

*d. Changes to the statement of work.*

Upon grant of an award, the proposal will become the grant's statement of work. Treasury discourages any changes to the target population, outcome(s), intermediary, and independent evaluator. Under extenuating circumstances, Treasury and/or the relevant federal agency administering the grant at its sole discretion may approve revisions to the statement of work. Changes to the intervention strategy and source of up-front project funding may be made with prior written approval from Treasury or the administering federal agency. To start this process, a grantee must timely notify William Girardo, SIPBRA Coordinator, at (202) 622-0262 or SIPBRA@Treasury.gov of these changes as they occur and provide appropriate documentation to update the statement of work.

**4. Intellectual Property Rights**

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<sup>76</sup> See 42 U.S.C. 1397n-2(d).

<sup>77</sup> See 42 U.S.C. 1397n-10.

Intellectual property rights relating to the activities of the grantee and all partners in the project, including the evaluator, intermediary, and service provider(s) are subject to 2 CFR 200.315.

### ***5. Administrative Reporting***

Grantees must agree to meet the reporting requirements as listed below or as specified in the award agreement. Administrative reports must be submitted electronically to Treasury or to the relevant federal agency, as specified in the award agreement.

#### ***a. Performance Report***

##### **(1) Projects with no construction component**

An OMB-approved Annual Performance Report form must be submitted within 90 days of the end of each calendar year of the award period of performance. A final performance report is due 90 calendar days after the period of performance end date. Each report must summarize project activities, including the current stage of program implementation; progress towards achieving the outcome goals, including number of people served; significant milestones of the grantee, intermediary, investors, if any, and evaluator; and related results of the project. It should thoroughly document the partnership activities and decision-making structure used to implement the pay for results model. These reports will be made publicly available. Upon award, Treasury or the administering federal agency will provide detailed formal guidance about the data and other information that is required to be collected and reported on either a regular basis or special request basis.

(2) Projects with a construction component

The federal government will require additional evidence of onsite technical inspections and certified percentage of completion date information on construction elements of projects but will not require performance requirements other than the Annual Performance Report required for projects with no construction component. Projects that include the acquisition and/or improvement of real property are subject to the Uniform Guidance's Property Standards.<sup>78</sup>

*b. Evaluation Progress Reports*

Not later than two years after a project has been approved and biannually thereafter, the independent evaluator must submit a written report to the head of the relevant federal agency and the Interagency Council summarizing the progress that has been made in achieving each outcome specified in the award agreement.<sup>79</sup> Data in evaluation progress reports and final reports will be made available to all federal agencies represented on the Interagency Council, and data content requirements will be specified in the agreement between the grantee and the head of the relevant federal agency.

When a grantee's intervention has achieved one or more outcomes, pre-defined outcome target(s) have been met, and the grantee wishes to receive an outcome payment in accordance with the outcome payment structure originally proposed, the independent evaluator must submit to the head of the relevant federal agency and the Interagency Council a written report that includes the results of the evaluation conducted to determine whether an outcome payment should be made. The report must include information on the unique factors that contributed to achieving or failing to achieve the outcome in the

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<sup>78</sup> See 2 CFR 200.310–316.

<sup>79</sup> See 42 U.S.C. 1397n-4(d)(1)(A).

context of the intervention, including but not limited to any major change in policy or law that may have affected the project intervention and whether or not the project was implemented with fidelity, *e.g.*, randomization of treatment and control groups; the challenges faced in attempting to achieve the outcome; and information on the improved future delivery of this or similar interventions.<sup>80</sup> The report must also assess the degree to which the project was delivered as intended, including a discussion of how closely the project's theory and intended procedures aligned with actual project implementation. The report should include information related to the intervention model, including whether it has evolved and whether the intervention was delivered with fidelity to the plan; staffing; recruitment/identification and screening of participants; selection and enrollment; how the intervention was implemented; and findings.

The progress report must include an assessment by the independent evaluator of the value to the federal government as discussed and defined in Section 4.f.ii, Outcomes: Outcome Valuation. In calculating the value to the federal government of the completed outcome(s), the independent evaluator may only take into consideration changes in federal outlays and revenues that have occurred as of the completion of the outcome and not extrapolate to later points in time or assume that other outcomes will be achieved. That is, the value calculation must only take into account the value achieved as the result of the completed outcome(s).

The Interagency Council will submit these reports to Treasury and to each committee of jurisdiction in the House of Representatives and Senate within 30 days of receipt.<sup>81</sup>

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<sup>80</sup> See 42 U.S.C. 1397n-4(d)(1)(B).

<sup>81</sup> See 42 U.S.C. 1397n-4(d)(2).

*c. Final Evaluation Report*

Within six months of project completion, the independent evaluator must submit a final report to the head of the relevant federal agency and the Interagency Council.<sup>82</sup> The report should assess the effects of the intervention and include a discussion of the findings and implications, as well as a definitive statement about whether the predetermined outcomes have been met and whether the State or local government has fulfilled each obligation of the agreement. This must include information on the unique factors that contributed to the achievement or failure to achieve outcomes, including but not limited to any major change in policy or law that may have affected the project intervention, a description of the research methods, *e.g.*, randomization of treatment and control groups, if applicable, data, sample size and characteristics, measures, and other factors, as well as findings, including impacts – for exploratory and confirmatory, short and long-term, subgroup analyses, and other findings.

The report must also assess whether, and the degree to which the project was delivered as intended. This must include a discussion of how closely the project's theory and intended procedures aligned with actual project implementation. This portion of the report must include information related to the intervention model, including whether it has evolved and whether the intervention was delivered with fidelity; staffing; recruitment/identification and screening of participants; selection and enrollment; and how the intervention was implemented. The report must also discuss information regarding the improved future delivery of this or similar interventions.

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<sup>82</sup> See 42 U.S.C. 1397n-4(e).

The independent evaluator's final report for a project must include an assessment of the value to the federal government as discussed and defined in Section 4.f.ii, Outcomes: Outcome Valuation. In calculating the value to the federal government of the completed outcome(s), the independent evaluator may only take into consideration changes in federal outlays and revenues.

The Interagency Council will submit this final report to Treasury and to each committee of jurisdiction in the House of Representatives and Senate within 30 days of receipt.<sup>83</sup> This report will be made publicly available.

#### **6. Record Retention**

Applicants must follow federal guidelines on record retention, which require grantees to maintain all records pertaining to grant activities for a period of not less than three years from the time of final grant close-out.<sup>84</sup>

#### **G. Agency Contacts**

For further information about this NOFA, please contact William Girardo, SIPPPRA Coordinator, at (202) 622-0262 or SIPPPRA@Treasury.gov. Applicants should e-mail all technical questions to SIPPPRA@treasury.gov and must specifically reference NOFA/CFDA 21.017, and include a contact name, fax and phone number. This NOFA is also available on Treasury's SIPPPRA Web site at <https://www.treasury.gov/SIPPPRA> and at <http://www.Grants.gov>.

#### **H. Other Information**

Treasury has determined that this NOFA imposes new information collection requirements subject to the Paperwork Reduction Act of 1995. The information

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<sup>83</sup> See 42 U.S.C. 1397n-4(e)(2).

<sup>84</sup> See generally 2 CFR 200.333.

collection for the Notice of Intent to Apply, Project Narrative, Administrative Reporting, and Records Retention provisions contained in this NOFA has been approved under OMB control number 1505-0260. Other information requirements gathered via the SF-424 family of forms have already been approved under the following OMB control numbers: Information for Federal Assistance covered under 4040-0004, Budget Information for Non-Construction Programs covered under 4040-0006, Budget Information for Construction Programs covered under 4040-0008, Disclosure of Lobbying Activities covered under 4040-0013, Assurance for Non-Construction Programs covered under 4040-0007, Assurance for Construction Programs covered under 4040-0009 and Key Contacts, Project Abstract and Project/Performance Site Location covered under 4040-0010.

## **Appendix I. Definitions**

### **1. Applicants**

*Eligible applicant.* A State or local government is an eligible applicant for an award under this NOFA. See definitions of “State” and “local government” below.

*Federally recognized Indian tribe* means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. Chapter 33), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians (25 U.S.C. 450b(e)). See the annually published Bureau of Indian Affairs list of Indian Entities Recognized and Eligible to Receive Services.<sup>85</sup> Federally recognized Indian tribes are eligible applicants under this NOFA.

*Local government* means any unit of government within a state, including a: (a) county; (b) borough; (c) municipality; (d) city; (e) town; (f) township; (g) parish; (h) local public authority, including any public housing agency under the United States Housing Act of 1937; (i) special district; (j) school district; (k) intrastate district; (l) Council of governments, whether or not incorporated as a nonprofit corporation under state law; and (m) any other agency or instrumentality of a multi-, regional, or intra-state or local government.<sup>86</sup>

*State* means any State of the United States, the District of Columbia, each commonwealth, territory, or possession of the United States, and each federally

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<sup>85</sup> See 2 CFR 200.54.

<sup>86</sup> See 2 CFR 200.64.

recognized Indian tribe (see definition above), and includes any agencies or instrumentalities thereof.<sup>87</sup>

## **2. Other key parties**

*The Commission on Social Impact Partnership (SIPPRA Commission)* is the nine-member advisory commission established by SIPPRA consisting of a non-federal Chair appointed by the President and eight non-federal members chosen by congressional leaders. The SIPPRA Commission will make recommendations to Treasury regarding funding of social impact partnership agreements and feasibility studies.<sup>88</sup>

*The Federal Interagency Council on Social Impact Partnerships (Interagency Council)* is the eleven member Interagency Council established by SIPPRA. The Interagency Council is chaired by the Director of the Office of Management and Budget and its other members consist of representatives from the Departments of Labor, Health and Human Services, Agriculture, Justice, Housing and Urban Development, Education, Veterans Affairs, and Treasury, the Social Security Administration, and the Corporation for National Community Service. The Interagency Council has ten enumerated responsibilities.<sup>89</sup>

*The independent evaluator* conducts an evaluation to determine whether the intervention achieved the outcome(s) sought and prepares evaluation progress reports and a final project report which the grantee submits to the federal government

*Investor(s)* are entities that, if the State or local government is not doing so, provide the funding for the social service interventions. Investors may be not-for-profit or for-profit

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<sup>87</sup> See 42 U.S.C. 1397n-12(6), 2 CFR 200.90.

<sup>88</sup> See 42 U.S.C. 1397n-6.

<sup>89</sup> See 42 U.S.C. 1397n-5.

entities or public sector funds. They accept the risk that they will not be repaid in the event that the target outcome(s) are not achieved.

*The intermediary* may be selected by the applicant to coordinate the pay for results arrangement. The role of the intermediary may include (1) being responsible for achieving the negotiated outcome(s) for the target population by contracting with service delivery providers; (2) raising funds from investors (if applicable) to cover the operating costs of implementing the services or programs; (3) changing or modifying service delivery methods and providers, with concurrence of the other partners, including the independent evaluator and, if applicable, investors; and (4) if outcome target(s) are met, receiving outcome payments from the State or local government and making payments to the investors, if applicable. It is not requisite that the partnership include an intermediary organization, and a service provider, described below, may also serve as an intermediary. *Service provider(s)* deliver the intervention designed to achieve the outcomes sought in a pay for results partnership agreement. An applicant, or, where applicable, an intermediary arranges with a service provider to provide services and/or administer the interventions. Note that a service provider may be a State or local government agency.

### **3. Key Concepts and Other Terms**

*Intervention period* means the period of performance minus the final six months of the period of performance that the statute stipulates is the time available for the submission of evaluation reports at the completion of all other project activities.<sup>90</sup> For awards under this NOFA, Treasury caps the intervention period at seven years, and the period of performance at seven and a half years.

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<sup>90</sup> See 42 U.S.C. 1397n-4(e)(1).

*An outcome* is an impact that can be measured by one or more indicators that are specific, unambiguous, and observable during the intervention period.

*Outcome measure* means an assessment of what a program seeks to effect using data calculated on both target and comparison groups. Outcomes are measured using relevant program data with defined units of measurement.

*Outcome target* means a change in an outcome measure or a percentage improvement of the outcome measure over the duration of a project. It must be defined relative to a comparison or control group.

*Quasi-experimental design* means an evaluation design in which outcomes for the treatment group, or a broader target population that includes both the treatment group and those outside the treatment group, are measured relative to a comparison group. Such a design attempts to approximate an experimental design and can support causal conclusions, without random assignment. Sophisticated analytic techniques are used to control for factors that might be associated with the outcome being analyzed.

*Randomized controlled trial (RCT)* means a sample selection technique in which individuals are randomly assigned to a treatment or control group. The use of random assignment ensures that participants have an equal chance of being selected for either the treatment or control group. It also helps to ensure that there are no significant differences between the groups. The two groups are compared to detect the difference made by the product and/or service. Such a design provides the most rigorous and widely accepted evidence of effectiveness.

*Savings* means a reduction in outlay costs. For example, a project yields savings to the federal government if it results in lower federal outlays. This could be the result of dollars not spent because the intervention eliminates a need for the outlay.

*Target population* means the population that the social impact partnership project is intended to serve.