

Social Impact Partnerships to Pay for Results Act (SIPPRA)

Opportunities for Oregon State/Local Governments to Advance Outcomes Contracting

In February 2018 the Social Impact Partnerships to Pay for Results Act (SIPPRA) was established by the federal government to provide up to \$100 million for state and local governments to use as outcome payments in outcomes-oriented projects.* SIPPRA is an important step in the transformation of the ongoing management of public dollars for outcomes and will accelerate local government's capacity to use data-driven decision-making across multiple agencies and programs.

Governments who have completed a feasibility study or can document that their initiatives are ready to receive SIPPRA funding should apply for **SIP Funding** (outcome payments to fund service delivery) or **Evaluation of Social Impact Partnership funding**. For governments seeking support documenting their readiness for SIPPRA, Third Sector can provide assistance (see page 2). For those interested in exploring how to establish an outcomes orientation with one or various service providers should apply for **Feasibility Study Funding** to receive direct technical assistance.

SIPPRA \$100 Million Funding Breakdown:

- **Social Impact Partnerships (SIP Funding) (\$70-80 million):** Provide outcome payments for State/local government to use in Social Impact Partnerships.
- **Feasibility Study Funding (Up to \$10 million):** Assist State/local governments in developing feasibility studies required to apply for SIPs. Federal dollars only cover 50% of total cost for feasibilities.
- **Evaluation of Social Impact Partnerships (Up to \$15 million):** Pay for independent evaluation to determine if outcomes have been achieved in order to receive SIP outcome payment.

Frequently Asked Questions for State Governments:

Should my State/County/Department pursue SIPPRA? SIPPRA gives governments an opportunity to advance outcomes contracting initiatives by using federal dollars as a pool of outcomes-oriented incentive funding.

Who is eligible to apply? State and/or local government agencies and departments.

What issue areas or programs are eligible? Broad range of areas are prioritized, including: workforce, education, health, child welfare, homelessness, and justice as well as other measurable outcomes defined by the State and local governments that results in positive social outcomes and federal financial benefits.

What selection criteria will be used? An important aspect of SIPPRA will be demonstrating the social and financial benefit to the federal government due to achieving project outcomes (program-by-program as well as in aggregate).

When will funding be available? Applications for funding could be released in February 2019. A Federal Commission is charged with assisting the Secretary of the Treasury in reviewing, recommending, and providing other assistance pertaining to proposals.

What should States do before applications are released? States should use the next couple of months to complete a feasibility study and/or detailed documents that validate their "readiness" for SIPPRA. Said different, applicants will need to validate a variety of project details, including committed government support, outcomes definitions and metrics, intervention design, payment terms, evaluation/data sharing plans, and economic benefit of the

initiative. Organizations like Third Sector can advise and guide your organization in completing such studies/documents.

About Third Sector

Third Sector is a 501(c)3 nonprofit consulting organization that advises governments, community organizations, and funders on how to unlock public sector innovation to solve pressing challenges such as economic mobility for all and the well-being of our children. Our proven approach is to collaborate with our clients to define impact, draw actionable insights from data, and implement outcomes-oriented contracting. In the past six years, we worked with +40 communities that embrace the challenge of becoming more effective, efficient and transparent with taxpayer dollars. Together we have transitioned over \$360mm in public funds to programs that measurably improve lives.

Services for Governments: Third Sector offers a variety of services to governments that advance implementation of outcomes contracting and are applicable to preparing for opportunities like SIPBRA.

- **Outcome Contracting Capacity Building:** Workshops to build capacity for implementing outcomes contracting and to identify actions to incorporate outcomes, incentive structures, and data into contracts.
Deliverable: Outcomes Orientation Recommendations Memo.
- **Feasibility Study:** Assess current outcomes contracting capabilities and align a broad coalition around a shared vision for outcomes contracting and/or specific Pay for Success projects.
Deliverable: Outcomes Contracting Assessment and Implementation Roadmap.
- **Build/Construction Advisory:** Upon completion of a Feasibility Study – build, negotiate, and launch outcomes contracts that operationalize an outcomes orientation.
Deliverable: Launched Outcomes Contract(s).
- **On-Going Implementation Advisory:** After launching outcomes contracts – optimize the launched contracts through performance management and continuous improvement.
Deliverable: Ongoing Advisory (ex. operations changes, contract amendment, stakeholder management).

Track Record of Federal Funding Awards: Third Sector has a track record of winning federal funding for outcomes contracting initiatives with various government partners.

- **Social Innovation Fund:** \$9.2mm across three different grants to advance outcomes contracting initiatives in: California, Colorado, Connecticut, Florida, Iowa, Massachusetts, Nevada, North Carolina, Oregon, Texas, Utah, Virginia, and Washington.
- **Dept. of Education:** \$1.1mm for Pay for Success pre-k feasibility studies in California, Ohio, and North Carolina.
- **Dept. of Housing & Urban Development:** \$2.6mm in grants to develop permanent supportive housing Pay for Success demonstration projects in Oregon and Maryland.
- **Dept. of Labor:** \$12mm in outcome payments for the Massachusetts Juvenile Justice Initiative.

Learn more about SIPBRA funding and other opportunity for Oregon communities:

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¹ The legislation refers to Pay for Success projects as “Social Impact Partnerships”. The full legislation is available here: <https://www.congress.gov/115/bills/hr1892/BILLS-115hr1892enr.xml#toc-H643778D2022F4F9A9CD33B7B43224BD7>