



**STATEMENT OF MICHELE JOLIN,
FOUNDER AND MANAGING PARTNER, RESULTS FOR AMERICA**

**TO THE SUBCOMMITTEE ON HUMAN RESOURCES
COMMITTEE ON WAYS AND MEANS,
U.S. HOUSE OF REPRESENTATIVES**

**“SOCIAL IMPACT BONDS: CAN THEY HELP GOVERNMENT ACHIEVE BETTER
RESULTS FOR FAMILIES IN NEED?”**

September 9, 2014

Chairman Reichert and Ranking Member Doggett:

Thank you for the opportunity to provide a statement on behalf of Results for America in support of H.R. 4885, the Social Impact Bond Act. This bipartisan legislation would help make the federal government more effective and efficient by spurring government at all levels to take a Moneyball approach to social services. Social Impact Bonds are already leveraging private investment, hard data, and rigorous evaluation to improve public programs for young people, their families, and communities. This bill will help drive even more Federal taxpayer dollars toward practices, policies, and programs that work and are achieving results.

ABOUT RESULTS FOR AMERICA

Results for America, an initiative of America Achieves, is committed to improving outcomes for young people, their families, and communities by shifting public resources toward evidence-based, results-driven solutions. The Social Impact Bond financing model -- also known as Pay for Success or Pay for Performance -- is an important example of how government can drive taxpayer dollars in this results-oriented way.

SOCIAL IMPACT BONDS

Under the Social Impact Bond (SIB) model, a local, state, or federal government determines a desired outcome from a publicly-funded program, private investors fund a service provider that has demonstrated they can achieve that outcome, and the government reimburses the investors if the outcome is met. SIBs allow governments to innovate and make smart, results-driven spending choices while limiting taxpayer risk.

Social Impact Bonds are gaining momentum all across the United States. New York City, New York State, Massachusetts, and Utah are currently operating Social Impact Bond models. The Harvard John F. Kennedy School of Government's Social Impact Bond Technical Assistance Lab (SIB Lab) is also working with Republican and Democratic mayors and governors from the following cities and states to determine how they can use SIBs to improve outcomes for their residents: Chicago, Colorado, Connecticut, Denver, Illinois, Massachusetts, Michigan, New York, Ohio, and South Carolina.

FEDERAL SUPPORT FOR SOCIAL IMPACT BONDS

The Obama Administration began implementing Pay for Success efforts in FY 2012 using existing authorities. In September 2012, the U.S. Department of Justice awarded a Pay for Success implementation grant to Cuyahoga County, Ohio and a planning grant to Lowell, Massachusetts under the Second Chance Act as well as a contract to develop a blueprint for governments to use Pay for Success to reduce recidivism. In September 2013, the U.S. Department of Labor awarded almost \$24 million to the States of Massachusetts and New York to increase employment and reduce recidivism among formerly incarcerated individuals through the Workforce Innovation Fund. In the FY 2014 omnibus appropriations act, Congress also authorized the U.S. Department of Justice to use up to \$7.5 million of Second Chance Act funds to support Pay for Success, including \$5 million to implement projects using the permanent supportive housing model, and the Corporation for National and Community Service to use up to \$14 million for Pay for Success awards under the Social Innovation Fund. The Administration's FY 2015 budget request also includes up to \$82 million to support Pay for Success initiatives across eight programs in the U.S. Departments of Education, Justice, and Labor and the Corporation for National and Community Service. As in FY 2014, the request also includes a \$300 million Pay for Success Incentive Fund at the U.S. Department of the Treasury to help empower governments at all levels to implement Pay for Success efforts.

THE SOCIAL IMPACT BOND ACT (H.R. 4885)

Results for America strongly supports H.R. 4885, the Social Impact Bond Act. On July 16, 2014, we hosted a Capitol Hill briefing on how Social Impact Bonds and H.R. 4885 can help government at all levels invest taxpayer dollars more effectively and efficiently. We were honored that U.S. Representatives Young and Delaney attended this event to discuss H.R. 4885 and that the following non-profit leaders were also able to discuss how they are currently using Social Impact Bonds to invest in what works: Tom Jenkins, President and CEO, Nurse Family

Partnership; George Overholser, CEO & Co-Founder, Third Sector Capital Partners; and Sam Schaeffer, CEO & Executive Director, Center for Employment Opportunities.

Results for America also strongly supports S. 2691, the Pay for Performance Act, introduced by U.S. Senators Michael Bennet and Orrin Hatch on July 30, 2014, as a companion bill to H.R. 4885.

CONCLUSION

The urgency and complexity of our nation's challenges require us to disrupt the status quo, move beyond traditional approaches, and explore and experiment with promising new methods including Social Impact Bonds. America continues to face enormous social and economic shifts, budget constraints at all levels of government, significant demographic changes, and an increasingly globally competitive workforce. Therefore, we must continue to focus on ways to greatly improve outcomes for young people, their families, and communities. Social Impact Bonds are a step in the right direction to help achieve those outcomes.