

**\* This information is an archive of FAQs regarding the February 2018 Notice of Funding**

**Availability and may not be applicable to the current funding round. For updated information,**

**please see the [FAQs for the current funding round](#). \***

# SIPPRA Frequently Asked Questions

from February 2018 Notice of Funding Availability

## GENERAL INFORMATION

### **What is SIPPRA?**

The Social Impact Partnership to Pay for Results Act (SIPPRA) was signed into law on February 9, 2018 and is intended to improve the effectiveness of certain social services. The federal government will pay for a project only if predetermined project outcomes have been met and validated by an independent evaluator, a system called a “pay for results partnership.” Congress appropriated \$100 million for the SIPPRA program to implement “Social Impact Partnership Demonstration Projects” and feasibility studies to prepare for those projects. The SIPPRA program is largely administered by the Department of the Treasury (Treasury).

### **How can I keep up to date on new SIPPRA information?**

Treasury’s website, [Treasury.gov/SIPPRA](https://www.treasury.gov/SIPPRA), has a link enabling [sign-ups to a SIPPRA email distribution](#). These FAQs will be updated periodically with additional information.

### **My question is not on this FAQ list. Who can I ask?**

Questions can be sent to [SIPPRA@treasury.gov](mailto:SIPPRA@treasury.gov). We will provide additional information as it becomes available, via updates to these FAQs, the SIPPRA website, and the SIPPRA email distribution list.

## **What is the application deadline for project applications?**

Applications under this Notice of Funding Availability (NOFA) can 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 encourages potential applicants to submit a notice of intent to apply by April 8, 2019.

## **Will there be subsequent Notices of Funding Availability during the 10-year program?**

If funds remain available following awards made under this Notice of Funding Availability (NOFA), Treasury anticipates publishing a subsequent NOFA in the future.

## **Can Treasury answer questions about Grants.gov?**

No. Information related to Grants.gov can be found at [www.Grants.gov](http://www.Grants.gov).

## **When will project awards be made?**

Treasury anticipates announcing awards for projects no later than November 2019, 6 months after the May 22, 2019 application deadline.

## **ELIGIBILITY**

### **Who is eligible to apply for and receive a SIPPRa grant?**

Only State and local governments are eligible to apply for SIPPRa funding. "State" is defined in SIPPRa to include 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.

### **Which local governments are eligible to apply?**

“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. See 2 CFR § 200.64.

### **Can an eligible applicant submit more than one application under this program?**

Any eligible applicant may submit more than one application, but may submit only one application for any given target population to be served. Each application must be submitted to Grants.gov separately.

### **Can multiple divisions within an eligible state or local department submit separate proposals for a demonstration project, or are divisional proposals required to be combined into one state-wide or departmental application?**

Multiple divisions within a state or local department may submit an application.

### **May multiple divisions within a state or local department submit a joint application?**

Yes, multiple divisions within a state or local department may submit a joint application, although one division must be designated as the lead applicant.

### **Which types of projects qualify for SIPPRa funding?**

SIPPRa provides funding for pay for results projects. Under SIPPRa, Treasury will award grants for pay-for-results projects designed to produce one of 21 outcomes listed in 42 U.S.C. § 1397n-1(b). See Appendix A. SIPPRa also provides more limited funding to support pay-for-results feasibility studies. (See FAQs on Outcome Project Awards and Feasibility Studies Awards below.)

### **May I submit a SIPPRA application to fund an existing project?**

No. Proposed interventions in SIPPRA applications cannot serve individuals currently being served by an existing project, whether Pay for Success or traditionally funded.

### **Can federal funds be used to fund a SIPPRA project? (NEW)**

No. State or local governments must finance the intervention(s) with non-federal public sector funds or find investor(s), either not-for-profit or for-profit entities, to provide funding for the intervention(s). While state and local governments receive federal funding that may be used for a variety of activities (e.g., to provide work-related or workforce development activities to means-tested benefit recipients; or to engage in a broad range of research and development activities), these federal funds may not be used to finance the intervention. The state or local government and/or the investor(s) accept the risk that they will not be repaid in the event that the target outcome(s) are not achieved.

### **Must all agreements (e.g., project team contracts, funding sources) be finalized at the time of application?**

Project funding should be arranged at the time of application. Treasury expects that applicants will provide as part of their application, a signed contract(s) between the applicant and all parties that comprise the project team, or a draft contract accompanied by letters of commitment from all partners. The letters of commitment may state the commitment is conditional on a SIPPRA award. Final arrangements will be made prior to award of the grant.

### **What is the required application structure and format?**

There is no predetermined application structure, style or format; there are no page or word limits. However, we ask applicants to make the application as readable as possible.

## **PROJECT AWARDS**

### **How many SIPPRA project awards will Treasury make?**

The number of project awards will depend on the quality and viability of project applications and the amount of funds requested by individual applicants. Without pre-

judging the outcome, Treasury anticipates making between five and fifteen awards under the first Notice of Funding Availability (NOFA).

### **What criteria will be used to select projects for funding?**

Section E of the Notice of Funding Availability (NOFA) details the criteria Treasury, with the assistance and recommendations made by the Commission on Social Impact Partnerships and in consultation with the Federal Interagency Council on Social Impact Partnerships (the Council), will consider in selecting projects for funding.

### **Will RCTs be scored more favorably than quasi-experimental designs?**

To the extent feasible and appropriate, applicants should employ experimental design methodologies that use random assignment to create treatment and control groups (i.e., randomized control trials [RCTs]) 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 because of its infeasibility will not be penalized for implementing a quasi-experimental design. An applicant not using a RCT should explain why a RCT is not appropriate for the particular project.

### **If I submit an application in response to this NOFA, will I be precluded from submitting applications in response to potential subsequent NOFAs?**

- **If Treasury issues a second round of SIPPRa funding at some point in the future, are there any restrictions on an eligible applicant submitting a completely different proposal in Round 2?**
- No. If Treasury issues a notice of funding availability for a second round of SIPPRa funding related to project grants (as opposed to feasibility studies), any eligible applicant may submit a proposal in the second round of project grant funding.
- **If an applicant submits a proposal during this period, Round 1, and is not selected, in the event there is a Round 2 of SIPPRa funding, the applicant submits a similar proposal to address the gaps/feedback from the Round 1**

**proposal will the Round 1 result have any bearing on how the Round 2 proposal is scored?**

- No. Each application will be evaluated independently of all other applications, including previously submitted by the same applicant in response to a previous NOFA, based on the criteria established in the NOFA.

### **How are interventions “that directly benefit children” determined?**

During the application review process Treasury and subject matter experts will assess whether the project as a whole is for the benefit of children. There will not be a “partially for the benefit of children” category. In a project with multiple interventions and outcomes, it may be that not all of the interventions and outcomes will directly benefit children. In this event, Treasury will assess to see whether the primary purpose of the project directly benefits children.

### **Are there requirements for matching funds or cost sharing for projects?**

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

### **What is the timeline following the date of award?**

Following an award determination by the Secretary of the Treasury, a grant agreement will be executed between the applicant and Treasury. The execution date of the agreement is the date the SIPPR intervention may begin and the date from which the maximum 7-year intervention period 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 (for a total maximum 7.5-year period of performance) is measured. Grant agreement negotiation periods may vary between awards.

## **INTERVENTION OUTCOMES, VALUE AND SAVINGS ESTIMATES, PAYMENTS**

## **Will I be required to work with an evaluator?**

Yes. SIPPPRA requires that an independent evaluator determine whether project outcomes have been met before the federal government can make payments based on those validated outcomes. 42 U.S.C. § 1397n-2(c)(2).

## **When does the Independent Evaluator need to be selected?**

Section 2052(c)(22) of SIPPPRA (42 U.S.C. § 1397n-1) requires the applicant to 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 randomized controlled trials on the intervention or similar interventions. In order for the federal government to properly assess the independence of the evaluator, the applicant must name the independent evaluator in its application and provide a copy (or the executed version) of the contract the applicant intends to enter into (or has entered into) with the independent evaluator.

## **How is the Independent Evaluator paid?**

A recipient will be eligible to receive up to 15% of the project grant award to pay the Independent Evaluator. Since the Act limits the amount of SIPPPRA funding that may be used to pay for evaluations, the project recipient and its partners may need to bear some of the cost for the Independent Evaluator and should consider this requirement during the planning process. The federal government will determine the amount it will pay the Independent Evaluator during the application review period.

## **Will any funding be available to pay the evaluator prior to the final outcome?**

The costs of independent evaluators may be paid regardless of whether outcomes have been met. SIPPPRA does not prohibit a federal agency administering a SIPPPRA grant award from paying the grant recipient for the costs of the independent evaluator prior to the independent evaluator submitting its final report. The payment of the costs of the independent evaluator would be subject to the agreement between the relevant federal agency and the grant recipient related to the independent evaluation and the Cost Principles of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards set forth in Subpart E of 2 CFR Part 200.

## **Can we include both cost avoidance and cost reduction in our calculations in the application?**

If an applicant's proposed intervention would result in reduced cost for the federal government, the applicant must estimate how federal outlays expended on the target population will change as a direct result of the SIPRA 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 changed eligibility will affect the change in federal outlays. The difference between the estimate based on these considerations and the estimate of federal baseline assuming no intervention will impact the valuation of the applicant's outcome.

## **Are there specific metrics a grant recipient must meet in order to receive payments after a project is completed?**

Yes. The grant recipient must achieve the outcome target(s) proposed in the grant application within the intervention period to trigger a federal payment. An independent evaluator must verify the intervention achieved the outcome target(s), determine whether an outcome payment should be made, and, if so, determine the size of the payment. The payment will reflect no more than the value to the federal government and be less than or equal to the value of the proposed outcome calculated in accordance with Section A.5.b. of the Notice of Funding Availability (NOFA).

## **What are the payment options for an intervention?**

An applicant may propose a project consisting of only one outcome, with one proposed federal payment to be made at the end of the project. Depending on the degree to which the proposed outcome has been met, actual payment would be subject to the required Independent Evaluator validation and would be equal to or less than the proposed payment.

Alternatively, an applicant may propose multiple outcomes within a project, with proposed payments tied to the completion of each outcome. Each outcome and related payment will be evaluated independently. Depending on the degree to which each proposed outcome has been met, actual payment would be subject to the required Independent Evaluator validation and would be equal to or less than the proposed payment for that outcome.



## **How will the “value to the federal government” be determined?**

Value to the federal government will be estimated from the public sector savings (decrease in federal outlays) and federal tax receipts (potential increase in revenue) that are the result of the intervention.

Value should be calculated for each proposed outcome and for the aggregate intervention calculated in accordance with Section A.5.b. of the Notice of Funding Availability (NOFA).

For assistance with calculating the budget impact analysis, please see the Treasury SIPPPRA website.

## **How do I calculate a value for my proposed outcome if I do not have access to certain data (e.g., individual level IRS data from tax return filings) to calculate changes in the federal baseline?**

Treasury recognizes that applicants may not have access to all the underlying data necessary to estimate (1) baseline federal outlays and revenue and (2) federal outlays and revenues over the intervention period under current law (as of the February 21, 2019 publication date of the NOFA). In these cases, applicants should use appropriate available data to estimate these values. When estimating these values, applicants must document all the data sources, related literature, assumptions, and justifications, used to arrive at the estimates such that these estimates are easily replicable.

## **Is a separate budget impact analysis (BIA), required for each proposed outcome payment?**

Yes. Applicants proposing multiple project outcomes and multiple related outcome payments (see Payment Options FAQ) must provide a separate BIA, calculated in accordance with Section A.5.b. of the Notice of Funding Availability (NOFA), for each outcome payment, as well as an aggregated BIA.

## **May an applicant deliver services (i.e., an intervention) for less than seven years, but still evaluate and value the effects of the intervention over the seven-year maximum intervention period?**

Yes. The NOFA states “[t]he 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.” The NOFA also states that “[a]pplicants must specify the intervention period and explain the basis for specifying such period.” The intervention period, therefore, is the length of time required to (1) deliver the intervention services and (2) perform other activities necessary to bring the project to the point of close-out, including the period during which outcomes are being measured. Applicants may choose the period of performance (which includes the intervention period plus up to six months for final measurement, etc.) to be any length they desire as long as it is less than seven and a half years, and the applicant provides a basis for the proposed length of the period of performance.

## **FEASIBILITY STUDY AWARDS**

### **When will a Notice of Funding Availability (NOFA) for feasibility studies be published?**

Treasury expects to publish a NOFA for feasibility studies in the future.

### **What is the period of performance for a SIPPRa feasibility study?**

Feasibility studies must be completed no later than nine months following the date of receipt of funding.

### **Is there a matching funds requirement for feasibility studies?**

SIPPRa requires a grant recipient to provide at least 50% of the funding for a feasibility study.

### **How many feasibility study awards will be made?**

The number of feasibility awards under SIPPRa will depend on the quality and viability of project applications and the amount of funds requested by individual applicants.

