STATE OF NEW YORK

4127

2025-2026 Regular Sessions

IN SENATE

February 3, 2025

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the state finance law, in relation to creating the "New York state social impact bond initiative"

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Short title. This act shall be known and may be cited as the "New York state social impact bond initiative".

§ 2. The state finance law is amended by adding a new article 5-G to read as follows:

ARTICLE 5-G

NEW YORK STATE SOCIAL IMPACT BOND INITIATIVE

Section 69-p. Legislative intent.
69-q. Definitions.
69-r. The New York state social impact bond task force.
69-s. The duties and responsibilities of the task force.
69-t. Social impact bond issuance.

§ 69-p. Legislative intent. It is the intent of the legislature to establish a statewide pilot program modeled after the New York city social impact bond project to lower recidivism and improve the lives of sixteen to eighteen year olds in New York's correctional facilities. The first statewide program of its kind in the United States, this program will create financing arrangements that aim to increase funding available for preventative services through public-private partnerships.

§ 69-q. Definitions. "Social impact bond" shall mean a financial arrangement between one or more government agencies and an external organization that can be either a nonprofit or a for-profit entity.

§ 69-r. The New York state social impact bond task force. 1. There shall be hereby established a permanent task force on the New York state social impact task force.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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2. The task force shall have the goals of: (a) increasing the impact of state funds granted or contracted to nonprofits and for-profits; (b) improving efficiency in the grant and contracting systems and processes between state government and nonprofits and for-profits for the purpose of creating a partnership to lower recidivism and improve the lives of sixteen to eighteen year olds in New York's correctional facilities.

3. The task force shall consist of at least thirteen members: (a) one of whom shall be appointed by the governor, who shall serve as the chair; (b) one of whom shall be appointed by the assembly speaker; (c) one of whom shall be appointed by the assembly minority leader; (d) one of whom shall be appointed by the senate majority leader; (e) one of whom shall be appointed by the senate minority leader; (f) one of whom shall be appointed by the department of education; (g) one of whom shall be appointed by the department of criminal justices services; (h) one of whom shall be appointed by the comptroller; (i) one of whom shall be appointed by the department of health; (j) one of whom shall be appointed by the department of labor; (k) one of whom shall be appointed by the office of mental health; (l) one of whom shall be appointed by the office of children and family services; and (m) one of whom shall be appointed by the department of financial services. Additional members may be appointed from state agencies as deemed necessary by the governor.

4. Appointment of all members of the task force shall be completed no later than ninety days following the effective date of this article.

5. The task force shall hold its first meeting no more than one hundred fifty days following the effective date of this article.

6. The task force shall meet at least five times each calendar year.

7. The task force may employ additional staff or contract with consultants, including independent research organizations.

§ 69-s. The duties and responsibilities of the task force. 1. The members of the task force shall develop a public-private partnership and implement a comprehensive, statewide social impact bond initiative with the purpose of: increasing the funding available for preventive services to lower recidivism and delinquency to improve the lives of sixteen to eighteen year olds, in or released from any type of correctional facility.

2. The public-private partnership as set forth in this section shall include state agencies and bodies representing juvenile justice, corrections, reentry, recidivism, social services, education, economic development, and other relevant entities. The public entities within the partnership shall collaborate with community based organizations and relevant private sector entities such as foundations, corporations, associations, and institutes to achieve such purposes.

3. The members of the task force shall ensure that the initiative as set forth in this section shall include but not be limited to:

(a) creating a geographic statewide inventory of juvenile services and other relevant corrections and justice services for the targeted population. The inventory shall:

(i) define target programs and population;

(ii) identify government agencies that service the targeted population;

(iii) identify the potential nonprofit and for-profit organizations that service or may wish to service the targeted population;

(iv) identify already existing targeted programs;

(v) provide a baseline assessment of juveniles in the state in terms of percentage of households with juveniles; and provide updates to such data annually; and

(vi) acquire data on the cost of intervention and the ability to quantify cost savings;

(b) building and facilitating a partnership that includes but is not limited to representatives of business, kindergarten through twelfth grade education, health care, mental health services, social services, libraries, higher education, community-based organizations, juvenile justice and local governments;

(c) developing a plan for achieving its goals with specific recommendations;

(d) identifying such additional public-private partnership projects that achieve the goals as set forth in this article.

4. The task force shall file annual reports to the governor's office, the speaker of the assembly, and the leader of the senate no later than June first.

5. The reports shall include, but not be limited to:

(a) the activities of the task force;

(b) the impact of the partnership on reducing juvenile delinquency and recidivism;

(c) the impact of the partnership on the economy of the state; and

(d) any recommendations for legislation, policy changes, or ad hoc commissions on further improving the social impact bond initiative.

§ 69-t. Social impact bond issuance. 1. The comptroller may issue bonds in accordance with the provisions set forth in this article.

2. The comptroller shall select an independent assessor in order to determine if the outcome has been achieved as agreed.

3. The comptroller shall establish clear contractual terms when drafting a social impact bond agreement that binds all parties to predetermined outcomes, measurement methodologies, timeframes, and payment terms as set forth by the task force and independent assessor.

4. Each social impact bond agreement shall at minimum cover the following:

(a) the responsibilities of both parties, including detailed expectations establishing a working relationship between the government and external organization;

(b) the timeframe for the agreement and the population to be served;

(c) the outcomes and how they will be measured;

(d) the outcome payments, how they will be calculated and how and when they will be disbursed;

(e) circumstances under which either party can terminate the agreement and mechanisms for an orderly dissolution of the social impact bond;

(f) methods for resolving disputes between the parties; and

(g) the external organization shall have the responsibility for structuring contracts with investors and service providers.

§ 3. This act shall take effect one year after it shall have become a law.