

115TH CONGRESS
2D SESSION

S. 3596

To amend the Higher Education Act of 1965 to create an innovation zone initiative, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 11, 2018

Mr. YOUNG (for himself, Ms. HASSAN, Mr. HATCH, and Mr. KAINE) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Higher Education Act of 1965 to create an innovation zone initiative, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Innovation Zone Act”.

5 **SEC. 2. INNOVATION ZONE INITIATIVE AUTHORITY.**

6 Section 487A of the Higher Education Act of 1965
7 (20 U.S.C. 1094a) is amended to read as follows:

8 **“SEC. 487A. INNOVATION ZONE INITIATIVE.**

9 “(a) INNOVATION ZONE INITIATIVE.—

1 “(1) IN GENERAL.—The Secretary is authorized
2 to establish an innovation zone initiative consisting
3 of voluntary experiments under which the Secretary
4 and institutions of higher education are permitted to
5 test the effectiveness of statutory and regulatory
6 flexibility that aims to increase student success,
7 which may be defined as 1 or more of the following:

8 “(A) Reduction in student loan debt.

9 “(B) Increase in student retention and
10 program completion at institutions of higher
11 education, especially for historically underrep-
12 resented students.

13 “(C) Decrease in student time to program
14 completion.

15 “(D) Closing of gaps in enrollment and
16 completion between historically underrepresent-
17 ed students and students who are not histori-
18 cally underrepresented students.

19 “(E) Increase in student employment out-
20 comes upon graduation.

21 “(F) Improved financial aid disbursement
22 and service to students.

23 “(G) Increase in student safety, wellness,
24 or food and housing security.

1 “(H) Other innovative practices that ben-
2 efit students.

3 “(2) REDUCTION OF REGULATORY BURDEN.—
4 Where appropriate, the Secretary may establish ex-
5 periments, that, in addition to meeting the require-
6 ments of paragraph (1), lead to a reduction of regu-
7 latory burden on institutions of higher education or
8 the Department, without harm to students.

9 “(3) WAIVERS.—

10 “(A) IN GENERAL.—Except as provided in
11 subparagraph (B), the Secretary is authorized
12 to waive, for any institution of higher education
13 participating in an innovation zone experiment
14 under paragraph (1), one or more requirements
15 of title I or IV.

16 “(B) LIMITATIONS.—The Secretary may
17 not grant a waiver with regard to the following:

18 “(i) The definition of an institution of
19 higher education under section 101 or 102.

20 “(ii) Antidiscrimination provisions
21 under section 111.

22 “(iii) Student speech rights provisions
23 under section 112.

24 “(iv) Campus safety provisions under
25 section 119 or 120.

1 “(v) Preferred lender arrangements
2 under section 152.

3 “(vi) Grant or student loan maxi-
4 mums under title IV.

5 “(vii) The needs analysis under part
6 F of title IV.

7 “(b) SOLICITATION OF EXPERIMENT SUGGES-
8 TIONS.—

9 “(1) SOLICITATION OF SUGGESTIONS.—Not less
10 frequently than every 2 years, the Secretary shall
11 provide an opportunity for the public, institutions of
12 higher education, and other stakeholders to submit
13 suggestions for potential experiments under this sec-
14 tion.

15 “(2) CONTENTS OF SUGGESTIONS.—Any person
16 that wishes to submit a suggestion under paragraph
17 (1) shall include—

18 “(A) the goals or objectives of the pro-
19 posed experiment, and how statutory or regu-
20 latory flexibility could allow the institution of
21 higher education to increase student success, as
22 required under subsection (a)(1);

23 “(B) a description of how the experiment
24 would be conducted, including participation pro-
25 tections or mechanisms in place to ensure that

students participating in the experiment will not be negatively impacted, such as by facing additional barriers to completion or losing credit as a result of the experiment;

“(C) the specific statutory or regulatory requirements for which a waiver would be requested;

“(D) an examination of the current need or interest, as of the date of the submission, for the experiment; and

“(E) a description of how the suggested experiment contributes to building the evidence base and how evaluation could be used to generate that evidence.

“(c) SELECTION OF EXPERIMENTS AND DESIGNATION OF PARTICIPATING INSTITUTIONS.—

“(1) SELECTION CONSIDERATIONS.—After considering any suggestions submitted under subsection (b), the Secretary may select experiments to be carried out under subsection (a). The Secretary shall base any such selection on the following:

“(A) Sufficient interest in the experiment among institutions of higher education, researchers, and practitioners.

1 “(B) Research suggesting promise of ful-
 2 filling outcomes described in subsection (a)(1).

3 “(C) A clear link between how the desired
 4 statutory and regulatory flexibility could allow
 5 the institution of higher education to increase
 6 student success, as required under subsection
 7 (a)(1).

8 “(D) The ability for the Secretary to iden-
 9 tify answerable questions for the experiment
 10 and design an experiment that can measure
 11 those answers, and contribute to the evidence
 12 base of innovative practices.

13 “(E) Other general interest, as supported
 14 by evidence.

15 “(2) DETERMINATION OF EVALUATION
 16 PLANS.—After selecting an experiment under this
 17 section, but before any participating institutions for
 18 such experiment are chosen, the Secretary, in con-
 19 sultation with the Director of the Institute of Edu-
 20 cation Sciences, shall complete the following:

21 “(A) Identify answerable questions for the
 22 experiment and design an experiment that can
 23 measure those answers.

24 “(B) Identify the methodology of data col-
 25 lection for the experiment, including, to the ex-

1 tent feasible, a methodology that allows for
2 disaggregation of data for historically underrep-
3 resented students.

4 “(C) Identify rigorous evaluation methods
5 for determining the impact of the experiment,
6 including whether the experiment has differen-
7 tial impacts for historically underrepresented
8 students. These methods may include rapid
9 cycle evaluation and behavioral insights and are
10 informed by—

11 “(i) responses to requests from the
12 Department for information; and

13 “(ii) feedback from external research-
14 ers and other stakeholders.

15 “(D) Establish a timeframe for conducting
16 the experiment that shall not exceed 4 years
17 from the award year in which Federal financial
18 aid is first disbursed to students participating
19 in the experiment, at which time the Secretary
20 may opt to extend the experiment for an addi-
21 tional 2 years.

22 “(E) Estimate the cost of conducting the
23 experiment.

1 “(F) Estimate the necessary sample size of
2 the treatment group of students needed to have
3 statistical significance.

4 “(3) DISSEMINATION OF INFORMATION.—The
5 Secretary shall notify institutions of higher edu-
6 cation, through the website of the Department or
7 other means, of the experiments selected by the Sec-
8 retary under this section and the steps necessary to
9 participate in an experiment. Such notice shall in-
10 clude the information described in subparagraphs
11 (A) through (F) of paragraph (2) for the experi-
12 ment.

13 “(4) COMMENCEMENT OF EXPERIMENT.—The
14 Secretary may carry out an experiment, in accord-
15 ance with the requirements of this section, only if
16 the Secretary has entered into agreements with not
17 less than 5, and not more than 100, institutions of
18 higher education, under which the institutions
19 agree—

20 “(A) to participate in the experiment de-
21 scribed in the applicable evaluation plan under
22 paragraph (2);

23 “(B) to comply with the data collection re-
24 quirements under subsection (d)(1) and any

1 other reporting requirements determined by the
2 Secretary; and

3 “(C)(i) to the methodology for data collec-
4 tion established by the Secretary under para-
5 graph (2)(B) for the experiment; or

6 “(ii) upon the request of the institution
7 and if the Secretary determines appropriate, to
8 an alternative methodology for data collection.

9 “(5) TECHNICAL ASSISTANCE.—The Secretary
10 may provide technical assistance to institutions of
11 higher education that are not participating in an ex-
12 periment but have an interest in potentially partici-
13 pating in an experiment.

14 “(6) FAST-TRACK PROCESS TO COMPLY WITH
15 INFORMATION COLLECTION REQUIREMENTS.—Not-
16 withstanding section 3507 of title 44, United States
17 Code, the Secretary shall be deemed to have the au-
18 thority to approve, for purposes of such section
19 3507, any proposed collection of information related
20 to an experiment conducted under this section, in
21 the same manner and to the same extent as such au-
22 thority is provided to a senior official by the Direc-
23 tor of the Office of Management and Budget under
24 section 3507(i) of such title.

25 “(d) OUTCOMES REPORTING.—

1 “(1) DATA SUBMISSION.—Each institution of
 2 higher education participating in an experiment
 3 under this section shall timely submit to the Sec-
 4 retary, on a periodic basis to be determined by the
 5 Secretary, data on outcomes relating to the experi-
 6 ment.

7 “(2) REPORT.—

8 “(A) IN GENERAL.—The Secretary shall—

9 “(i) review the experience of and rig-
 10 orously evaluate, according to a method-
 11 ology approved by the Institute of Edu-
 12 cation Sciences, the activities of all institu-
 13 tions participating in each experiment car-
 14 ried out under this section; and

15 “(ii) beginning 2 years after the date
 16 of enactment of the Innovation Zone Act,
 17 and every 2 years thereafter—

18 “(I) prepare and submit a report
 19 regarding the innovation zone initia-
 20 tive under this section to the author-
 21 izing committees; and

22 “(II) post the report on the pub-
 23 lic website of the Department.

24 “(B) CONTENTS OF REPORT.—The report
 25 required under subparagraph (A)(ii)(I) shall in-

1 clude, for each experiment supported as of the
2 date of the report—

3 “(i) a summary of the status of the
4 experiment;

5 “(ii) a summary and analysis of the
6 findings, to date, of the experiment, includ-
7 ing the evaluation described in subsection
8 (c)(2)(C);

9 “(iii) the methodology of data collec-
10 tion;

11 “(iv) an analysis of the value of con-
12 tinuation of the experiment;

13 “(v) an explanation of any current or
14 foreseen barriers to conducting the experi-
15 ment; and

16 “(vi) an evaluation of the quality of
17 data and intended results.

18 “(C) COMPLETED EXPERIMENT REPORT.—

19 By not later than 30 days after the completion
20 of the timeframe established under subsection
21 (c)(2)(D) or (e)(2)(B)(ii) for an experiment, the
22 Secretary shall—

23 “(i) prepare a report that includes—

24 “(I) the findings of the experi-
25 ment, including, to the extent feasible,

1 disaggregation of data for historically
 2 underrepresented students; and

3 “(II) in the case of an experi-
 4 ment for which the Secretary deter-
 5 mines there is sufficient value in con-
 6 tinuing the experiment past the estab-
 7 lished timeframe, adequate docu-
 8 mentation to justify such continu-
 9 ation; and

10 “(ii) publish the report on the public
 11 website of the Department and submit the
 12 report to the authorizing committees.

13 “(D) COLLECTION OF ADDITIONAL
 14 DATA.—The Secretary may collect additional
 15 data after the conclusion of an experiment
 16 under this section to assess the long-term out-
 17 comes of participants.

18 “(e) TRANSITION; REVIEW.—

19 “(1) CONTINUATION OF EXISTING EXPERI-
 20 MENTS.—The Secretary may continue any experi-
 21 ment commenced under this section before the date
 22 of enactment of the Innovation Zone Act (referred to
 23 in this subsection as an ‘existing experiment’). Any
 24 such existing experiment shall be subject to the re-
 25 quirements of this section, as amended by the Inno-

1 vation Zone Act, except for the requirements of sub-
2 section (c).

3 “(2) REVIEW OF EXISTING EXPERIMENTS.—By
4 not later than 90 days after the date of enactment
5 of the Innovation Zone Act, the Secretary shall—

6 “(A) conduct an extensive review and as-
7 sessment of existing experiments still in effect;
8 and

9 “(B) prepare and submit to the author-
10 izing committees, and publish on the public
11 website of the Department, a report of the sta-
12 tus of the existing experiments, which shall in-
13 clude, for each such experiment—

14 “(i) the total cost to date and the pro-
15 jected cost of continuation;

16 “(ii) an established timeframe for
17 completion;

18 “(iii) the current methodology of data
19 collection;

20 “(iv) an analysis of findings, as of the
21 date of the report;

22 “(v) an analysis of the value in con-
23 tinuation of the existing experiment; and

24 “(vi) an analysis of whether the as-
25 sessment of the experiment could be re-

1 structured to answer other policy ques-
 2 tions.

3 “(f) DEFINITION OF HISTORICALLY UNDERREP-
 4 RESENTED STUDENT.—In this section, the term ‘histori-
 5 cally underrepresented student’—

6 “(1) means a student, or prospective student, at
 7 an institution of higher education who is at risk of
 8 educational failure or otherwise in need of special
 9 assistance and support; and

10 “(2) may include an adult learner, working stu-
 11 dent, part-time student, student from a low-income
 12 background, student of color, Native youth, single
 13 parent (including a single pregnant woman), student
 14 who is a homeless child or youth (as defined in sec-
 15 tion 725 of the McKinney-Vento Homeless Assist-
 16 ance Act (42 U.S.C. 11434a)), youth who is in, or
 17 has aged out of, the foster care system, first genera-
 18 tion college student (as defined in section 402A(h)),
 19 and student with a disability.”.

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