

116TH CONGRESS
1ST SESSION

H. R. 4083

To amend the Higher Education Act of 1965 to support innovative, evidence-based approaches that improve the effectiveness and efficiency of postsecondary education for all students, to allow pay for success initiatives, to provide additional evaluation authority, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2019

Mr. MCADAMS (for himself, Mr. WRIGHT, and Mr. KATKO) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Higher Education Act of 1965 to support innovative, evidence-based approaches that improve the effectiveness and efficiency of postsecondary education for all students, to allow pay for success initiatives, to provide additional evaluation authority, 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 “Fund for Innovation
5 and Success in Higher Education Act” or the “FINISH
6 Act”.

1 **SEC. 2. INNOVATION GRANTS.**

2 Part B of title VII of the Higher Education Act of
3 1965 (20 U.S.C. 1138 et seq.) is amended—

4 (1) by redesignating section 745 as section 746;

5 and

6 (2) by inserting after section 744 the following:

7 **“SEC. 745. INNOVATION GRANTS.**

8 “(a) PURPOSES.—The purposes of this section are
9 to—

10 “(1) increase access to, retention in, and com-
11 pletion of postsecondary education opportunities for
12 high-need students;

13 “(2) identify and support the most effective
14 interventions to increase postsecondary degree at-
15 tainment and career success of high-need students;
16 and

17 “(3) improve the efficiency of postsecondary
18 education, including by reducing the percentage of
19 students enrolling in postsecondary remediation and
20 increasing the effectiveness of postsecondary remedi-
21 ation.

22 “(b) DEFINITIONS.—In this section:

23 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
24 tity’ means any of the following:

25 “(A) A State educational agency.

1 “(B) A public or private nonprofit institu-
2 tion of higher education.

3 “(C) The Bureau of Indian Education.

4 “(D) A consortium of any of the entities
5 described in subparagraphs (A) through (C).

6 “(E) A partnership between a State edu-
7 cational agency or public or private nonprofit
8 institution of higher education and one or more
9 of the following:

10 “(i) A nonprofit organization.

11 “(ii) An intermediary organization.

12 “(iii) A business.

13 “(iv) A sponsor of a program receiv-
14 ing assistance under the National and
15 Community Service Act of 1990 (42
16 U.S.C. 12501 et seq.).

17 “(v) A local educational agency.

18 “(2) FIRST GENERATION COLLEGE STUDENT.—

19 The term ‘first generation college student’ means—

20 “(A) an individual both of whose parents
21 did not complete a baccalaureate degree; or

22 “(B) in the case of any individual who reg-
23 ularly resided with and received support from
24 only one parent, an individual whose only such
25 parent did not complete a baccalaureate degree.

1 “(3) HIGH-NEED STUDENT.—The term ‘high-
2 need student’—

3 “(A) means a postsecondary student who
4 is at risk of educational failure or otherwise in
5 need of special assistance and support; and

6 “(B) may include an adult learner, work-
7 ing student, part-time student, student from a
8 low-income background, student of color,
9 former foster youth, first generation college stu-
10 dent, student with a disability, student who is
11 deaf or blind or visually impaired, or student
12 who is an English learner.

13 “(4) INTERMEDIARY ORGANIZATION.—The term
14 ‘intermediary organization’ means an entity—

15 “(A) with strong skills and a track record
16 of success in—

17 “(i) identifying effective interventions
18 to address State, regional, or local prob-
19 lems;

20 “(ii) managing high-quality subgrant
21 processes; and

22 “(iii) providing technical assistance
23 and support to subgrantees to ensure qual-
24 ity and improve outcomes; and

1 “(B) that utilizes an evidence-based deci-
2 sionmaking strategy when selecting high-per-
3 forming entities, on a competitive basis, to re-
4 ceive subgrants in order to validate and grow
5 effective interventions.

6 “(c) PROGRAM AUTHORIZED.—

7 “(1) IN GENERAL.—From amounts made avail-
8 able to carry out this section, the Secretary shall
9 award grants, on a competitive basis, to eligible enti-
10 ties to enable the eligible entities to create, develop,
11 implement, replicate, or scale evidence-based and
12 field-initiated innovations, including through pay for
13 success initiatives (as defined in section 124(a)), in
14 order to improve postsecondary access and comple-
15 tion or career success for high-need students.

16 “(2) GRANTS.—The grants awarded under this
17 section shall implement and evaluate programs,
18 interventions, and strategies that address the pur-
19 poses described under subsection (a) and, to the ex-
20 tent practicable based on the strength of the applica-
21 tions, include—

22 “(A) early-phase grants to fund the devel-
23 opment, implementation, and feasibility testing
24 of a practice, program, or intervention that
25 prior research suggests has promise, for the

1 purpose of determining whether the practice,
2 program, or innovation can successfully im-
3 prove, for high-need students—

4 “(i) access to, retention in, and com-
5 pletion of a postsecondary program of
6 study; or

7 “(ii) career success;

8 “(B) mid-phase grants to fund implemen-
9 tation and a rigorous evaluation of a practice,
10 program, or intervention that has been success-
11 fully implemented under an early phase grant
12 described in subparagraph (A) or another effort
13 meeting similar criteria, for the purpose of
14 measuring (using existing administrative data
15 where possible) the impact and cost-effective-
16 ness of the practice, program, or intervention;
17 or

18 “(C) expansion grants to fund implementa-
19 tion and a rigorous replication evaluation of a
20 practice, program, or intervention that has been
21 found to produce sizable, important impacts
22 under a mid-phase grant described in subpara-
23 graph (B) or another effort meeting similar cri-
24 teria, for the purposes of—

1 “(i) determining whether such impacts
2 can be successfully reproduced and sus-
3 tained over time; and

4 “(ii) identifying the conditions in
5 which the practice, program, or initiative is
6 most effective.

7 “(d) APPLICATION.—

8 “(1) IN GENERAL.—An eligible entity desiring a
9 grant under this section shall submit to the Sec-
10 retary an application at such time, in such manner,
11 and containing such information as the Secretary
12 may require.

13 “(2) CONTENTS.—An application submitted
14 under paragraph (1) shall include—

15 “(A) a description of the high-need stu-
16 dents that the eligible entity is proposing to
17 serve through the grant; and

18 “(B) a description of the outcome meas-
19 ures, including explicit outcome measures for
20 high-need students, that the eligible entity will
21 use, in addition to the outcome measures de-
22 scribed in subsection (f)(2)(A), to evaluate the
23 success of the grant.

1 “(e) PRIORITY.—In awarding grants under this sec-
2 tion, the Secretary shall give priority to eligible entities
3 that—

4 “(1) propose to serve the largest number of
5 high-need students; or

6 “(2) serve a high proportion of students from
7 one or more school districts with a school district lo-
8 cale code of 31, 32, 33, 41, 42, or 43, as determined
9 by the Secretary using the school district locale
10 codes in effect on December 1, 2019.

11 “(f) EVALUATIONS.—Each recipient of a grant under
12 this section shall conduct, and submit to the Secretary,
13 a rigorous, independent evaluation of—

14 “(1) the effectiveness of the practice, program,
15 or intervention carried out under such grant;

16 “(2) the outcomes achieved by such grant,
17 which shall include—

18 “(A) the numbers and percentages, in the
19 aggregate and disaggregated by each subgroup
20 of students (as defined in section 1111(c)(2) of
21 the Elementary and Secondary Education Act
22 of 1965 (20 U.S.C. 6311(c)(2))), of—

23 “(i) students supported by the grant
24 entering, persisting, and completing post-
25 secondary education;

1 “(ii) such students enrolling in reme-
2 dial coursework at the institution;

3 “(iii) such students enrolling and
4 completing such remedial coursework; and

5 “(iv) such students enrolling in and
6 completing such remedial coursework and
7 successfully completing first-year credit-
8 bearing coursework within 16 months of
9 enrollment in an institution of higher edu-
10 cation; and

11 “(B) the recipient’s performance on any
12 other outcome measures described in the appli-
13 cation in accordance with subsection (d)(2)(B);
14 and

15 “(3) the activities carried out under such grant.

16 “(g) REPORTS.—

17 “(1) IN GENERAL.—Not later than 2 years
18 after the date of enactment of the Fund for Innova-
19 tion and Success in Higher Education Act, and
20 every 2 years thereafter, the Secretary shall prepare
21 and submit to the authorizing committees a report
22 on the grants carried out under this section.

23 “(2) CONTENTS.—Each report issued under
24 this subsection shall—

25 “(A) include—

1 “(i) information from the outcomes
2 reported in the evaluations submitted
3 under subsection (f) for the reporting pe-
4 riod about the success of the grants sup-
5 ported under this section; and

6 “(ii) the number of high-need stu-
7 dents served through the grants under this
8 section during the reporting period;

9 “(B) disaggregate all data on student out-
10 comes related to the grants by, at a minimum,
11 race and income, and, to the extent practicable,
12 any other relevant student characteristic, as de-
13 termined by the Secretary; and

14 “(C) consider—

15 “(i) how the tiered-evidence grant
16 structure described in subsection (c)(2) can
17 be applied to other grant programs author-
18 ized under this Act, in order to strengthen
19 those programs; and

20 “(ii) how the evidence generated by
21 the projects, programs, and interventions
22 supported by grants under this section can
23 inform how to carry out other grants au-
24 thorized under this Act.

1 “(3) PUBLIC AVAILABILITY.—The Secretary
2 shall make each report issued under this subsection
3 available to the public through the website of the
4 Department.”.

5 **SEC. 3. OPEN EDUCATIONAL RESOURCES.**

6 Section 741(a) of the Higher Education Act of 1965
7 (20 U.S.C. 1138(a)) is amended—

8 (1) in paragraph (12), by striking “and” after
9 the semicolon;

10 (2) in paragraph (13), by striking the period
11 and inserting “; and”; and

12 (3) by adding at the end the following:

13 “(14) making all forms of postsecondary in-
14 structional content widely available, which may in-
15 clude the use of open educational resources (defined,
16 for purpose of this paragraph, as teaching, learning,
17 or research resources that reside in the public do-
18 main or have been released under a copyright license
19 that permits their free use, reuse, modification, and
20 sharing with others).”.

21 **SEC. 4. PAY FOR SUCCESS INITIATIVES.**

22 Part B of title I of the Higher Education Act of 1965
23 (20 U.S.C. 1011 et seq.) is amended by adding at the end
24 the following:

1 **“SEC. 124. PAY FOR SUCCESS INITIATIVES.**

2 “(a) DEFINITIONS.—In this section:

3 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
4 tity’ means a partnership between—

5 “(A) a private entity (which may include a
6 private nonprofit entity); and

7 “(B) an institution of higher education, a
8 Federal, State, or local public entity, or a Trib-
9 al entity.

10 “(2) PAY FOR SUCCESS INITIATIVE.—

11 “(A) IN GENERAL.—The term ‘pay for
12 success initiative’ means a performance-based
13 grant, contract, or other agreement—

14 “(i) between an eligible entity and the
15 Secretary or a grant recipient, as author-
16 ized under subsection (b)(1);

17 “(ii) in which—

18 “(I) a commitment is made to
19 pay the eligible entity for improved
20 outcomes, including measureable im-
21 provement in the lives of service re-
22 cipients or meaningful output meas-
23 ures strongly correlated to outcomes,
24 that result in increased public value or
25 social benefit to students and the pub-
26 lic sector, such as increased effective-

1 ness in improving outcomes, direct
2 cost savings or cost avoidance, or in-
3 creased public revenue; and

4 “(II) the entity providing the
5 funds under the grant, contract, or
6 agreement imposes minimal adminis-
7 trative requirements to allow for max-
8 imum flexibility to achieve improve-
9 ment in the lives of service recipients,
10 or increased public value and social
11 benefit; and

12 “(iii) that requires—

13 “(I) a review or study describing
14 how the proposed intervention is
15 based on evidence of effectiveness,
16 which may be a review or study not
17 exclusively developed for the specific
18 grant, contract, or other agreement
19 and may be based on information al-
20 ready available;

21 “(II) a rigorous, third-party eval-
22 uation that uses experimental or
23 quasi-experimental design or other re-
24 search methodologies that allow for
25 the strongest possible causal infer-

ences to determine whether the initiative has met its expected outcomes; or a third-party, scientifically valid assessment or analysis of administrative data that verifies measurable improvements in the lives of service recipients or is correlated with improved long-term positive outcomes, with safeguards using available data to ensure that any apparent improvements are not the result of statistical differences in the service recipients compared with the target population at large;

“(III) an annual, publicly available report on the progress of the initiative; and

“(IV) that payments be made to the recipient of the grant, contract, or agreement only when agreed-upon outcomes are achieved, except as provided under paragraph (2) or (3) of subsection (b).

“(B) EXCLUSION.—The term ‘pay for success initiative’ does not include any initiative that—

1 “(i) reduces the benefits to a student
2 or the obligations of an entity under this
3 Act, the Rehabilitation Act of 1973 (29
4 U.S.C. 701 et seq.), the Americans with
5 Disabilities Act of 1990 (42 U.S.C. 12101
6 et seq.), the Individuals with Disabilities
7 Education Act (20 U.S.C. 1400 et seq.), or
8 any other law; or

9 “(ii) reduces services that an indi-
10 vidual is entitled to receive under Federal,
11 State, or local law.

12 “(b) PAY FOR SUCCESS INITIATIVE AUTHORITY.—

13 “(1) IN GENERAL.—Notwithstanding any other
14 provision of this Act and except as provided under
15 subsection (c)—

16 “(A) any recipient of a grant under this
17 Act may request to use grant funds to carry out
18 a pay for success initiative that accomplishes
19 the objectives of the grant and meets all re-
20 quirements of the grant (except to the extent a
21 requirement is specifically modified by the pay
22 for success initiative), if such use is proposed in
23 the application or plan submitted for such
24 grant; and

1 “(B) the Secretary may approve not more
2 than 5 pilot demonstrations each fiscal year
3 from the grant applications or plans that con-
4 tain a request to carry out a pay for success
5 initiative.

6 “(2) USE OF FUNDS FOR REVIEWS OR FEASI-
7 BILITY STUDIES AND RIGOROUS THIRD-PARTY EVAL-
8 UATION.—If the Secretary, or a grant recipient, is
9 authorized to carry out a pay for success initiative
10 under paragraph (1), the Secretary or grant recipi-
11 ent may use funds available for the pay for success
12 initiative—

13 “(A) to conduct the review or feasibility
14 study required under subsection (a)(2)(A)(iii)(I)
15 or the rigorous third-party evaluation required
16 under subsection (a)(2)(A)(iii)(II); or

17 “(B) to provide funds to the entity car-
18 rying out the pay for success initiative for the
19 costs of the initial costs associated with starting
20 the initiative.

21 “(3) USE OF REMAINING FUNDS.—Notwith-
22 standing any other provision of law, if the Secretary
23 or a grant recipient is carrying out a pay for success
24 initiative under paragraph (1) and the pay for suc-
25 cess initiative has met or exceeded its proposed out-

1 comes, the Secretary or grant recipient may use any
2 funds remaining at the conclusion of the pay for
3 success initiative to enter into an additional agree-
4 ment, through a competitive process, with an eligible
5 entity to expand capacity under the pay for success
6 initiative or to carry out additional pilot demonstra-
7 tions of pay for success initiatives.

8 “(c) STUDENT PROTECTIONS.—

9 “(1) NO NEGATIVE IMPACT ON STUDENT AID.—

10 A pay for success initiative shall not be supported
11 with funds under this Act if the pay for success ini-
12 tiative would adversely affect the funding of, or stu-
13 dent access to, individual student aid awards made
14 under section 401 or any other program supported
15 under this Act.

16 “(2) NONINCLUSION IN DETERMINATION OF

17 NEED.—A grant or aid provided directly to a stu-
18 dent under a pay for success initiative supported
19 with funds under this Act shall not be considered in
20 determining that student’s need for grant, loan, or
21 work assistance under title IV of this Act, except
22 that in no case shall the total amount of student fi-
23 nancial assistance awarded to a student through a
24 pay for success initiative and under title IV exceed

1 that student’s cost of attendance, as defined in sec-
2 tion 472.

3 “(d) AVAILABILITY OF FUNDS.—Notwithstanding
4 any other provision of this Act, any funds made available
5 for a fiscal year to an entity for a pay for success initiative
6 authorized under this section shall remain available until
7 expended.”.

8 **SEC. 5. EVALUATION.**

9 Part B of title I of the Higher Education Act of 1965
10 (20 U.S.C. 1011 et seq.), as amended by section 4, is fur-
11 ther amended by adding at the end the following:

12 **“SEC. 125. EVALUATION AUTHORITY.**

13 “(a) EVALUATION RESERVATION.—

14 “(1) IN GENERAL.—Notwithstanding any other
15 provision of this Act, the Secretary, in consultation
16 with the Director of the Institute of Education
17 Sciences, may, for each fiscal year, reserve not more
18 than 1 percent of the amount appropriated for each
19 discretionary grant program authorized under this
20 Act (except for the Federal Pell Grant program
21 under section 401) in order to rigorously and inde-
22 pendently evaluate the effectiveness and efficiency of
23 the outcomes of all programs authorized under this
24 Act.

1 “(2) EFFECT ON OTHER REQUIREMENTS.—The
2 amount reserved under paragraph (1) shall be in ad-
3 dition to any other amounts reserved for evaluation
4 under this Act.

5 “(b) EVALUATION PLAN.—On a biennial basis, the
6 Director of the Institute of Education Sciences shall de-
7 velop, submit to the authorizing committees, and make
8 publicly available on the website of the Department, an
9 evaluation plan for the next 2 fiscal years that—

10 “(1) describes the specific activities that will be
11 carried out under subsection (a) for the 2-year pe-
12 riod applicable to the plan, and the timelines of such
13 activities;

14 “(2) contains the results of the activities car-
15 ried out under subsection (a) for the most recent 2-
16 year period; and

17 “(3) describes how programs authorized under
18 this Act will be regularly evaluated, including the
19 outcome measures to be used to evaluate each pro-
20 gram.

21 “(c) POOLING AUTHORITY.—Notwithstanding any
22 other provision of this Act, the Secretary, in consultation
23 with the Director of the Institute of Education Sciences—

1 “(1) may consolidate the funds reserved under
2 subsection (a) for purposes of carrying out the ac-
3 tivities described in subsection (b); and

4 “(2) shall not be required to evaluate each pro-
5 gram authorized under this Act each year.

6 “(d) RULE OF CONSTRUCTION.—Nothing in this sec-
7 tion shall be construed to conflict with or supercede any
8 other evaluation requirement for a specific program or ac-
9 tivity authorized under this Act.”.

○