

117TH CONGRESS
1ST SESSION

H. R. 1521

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

MARCH 2, 2021

Ms. SHERRILL (for herself, Mr. KATKO, Mr. SIRES, and Mr. FITZPATRICK) 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) address the adverse impacts on postsec-
14 ondary educational access and attainment for high-
15 need students brought about as a result of the
16 COVID–19 pandemic;

17 “(3) identify and support the most effective
18 interventions to increase postsecondary degree at-
19 tainment and career success of high-need students,
20 particularly those adversely impacted by the
21 COVID–19 pandemic; and

22 “(4) improve the efficiency of postsecondary
23 education, including by reducing the percentage of
24 students enrolling in postsecondary remediation and
25 increasing the effectiveness of postsecondary remedi-
26 ation.

1 “(b) DEFINITIONS.—In this section:

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

4 “(A) A State educational agency.

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

7 “(C) The Bureau of Indian Education.

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

10 “(E) A partnership between a State edu-
11 cational agency or public or private nonprofit
12 institution of higher education and one or more
13 of the following:

14 “(i) A nonprofit organization.

15 “(ii) An intermediary organization.

16 “(iii) A business.

17 “(iv) A sponsor of a program receiv-
18 ing assistance under the National and
19 Community Service Act of 1990 (42
20 U.S.C. 12501 et seq.).

21 “(v) A local educational agency.

22 “(2) FIRST GENERATION COLLEGE STUDENT.—
23 The term ‘first generation college student’ means—

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

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

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

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

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

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

19 “(A) with strong skills and a track record
20 of success in—

21 “(i) identifying effective interventions
22 to address State, regional, or local prob-
23 lems;

24 “(ii) managing high-quality subgrant
25 processes; and

1 “(iii) providing technical assistance
2 and support to subgrantees to ensure qual-
3 ity and improve outcomes; and

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

9 “(c) PROGRAM AUTHORIZED.—

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

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

1 “(A) early-phase grants to fund the devel-
2 opment, implementation, and feasibility testing
3 of a practice, program, or intervention that
4 prior research suggests has promise, for the
5 purpose of determining whether the practice,
6 program, or innovation can successfully im-
7 prove, for high-need students—

8 “(i) access to, retention in, and com-
9 pletion of a postsecondary program of
10 study; or

11 “(ii) career success;

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

22 “(C) expansion grants to fund implementa-
23 tion and a rigorous replication evaluation of a
24 practice, program, or intervention that has been
25 found to produce sizable, important impacts

1 under a mid-phase grant described in subpara-
2 graph (B) or another effort meeting similar cri-
3 teria, for the purposes of—

4 “(i) determining whether such impacts
5 can be successfully reproduced and sus-
6 tained over time; and

7 “(ii) identifying the conditions in
8 which the practice, program, or initiative is
9 most effective.

10 “(d) APPLICATION.—

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

16 “(2) CONTENTS.—An application submitted
17 under paragraph (1) shall include—

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

21 “(B) a description of the outcome meas-
22 ures, including explicit outcome measures for
23 high-need students, that the eligible entity will
24 use, in addition to the outcome measures de-

1 scribed in subsection (f)(2)(A), to evaluate the
2 success of the grant.

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

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

8 “(2) serve a high proportion of students from
9 one or more school districts with a school district lo-
10 cale code of 31, 32, 33, 41, 42, or 43, as determined
11 by the Secretary using the school district locale
12 codes in effect on December 1, 2021.

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

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

18 “(2) the outcomes achieved by such grant,
19 which shall include—

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

1 “(i) students supported by the grant
2 entering, persisting, and completing post-
3 secondary education;

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

6 “(iii) such students enrolling and
7 completing such remedial coursework; and

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

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

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

19 “(g) REPORTS.—

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

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

3 “(A) include—

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

9 “(ii) the number of high-need stu-
10 dents served through the grants under this
11 section during the reporting period;

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

17 “(C) consider—

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

23 “(ii) how the evidence generated by
24 the projects, programs, and interventions
25 supported by grants under this section can

1 inform how to carry out other grants au-
2 thorized under this Act.

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

7 **SEC. 3. OPEN EDUCATIONAL RESOURCES.**

8 Section 741(a) of the Higher Education Act of 1965
9 (20 U.S.C. 1138(a)) is amended—

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

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

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

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

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

2 Part B of title I of the Higher Education Act of 1965
3 (20 U.S.C. 1011 et seq.) is amended by adding at the end
4 the following:

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

6 “(a) DEFINITIONS.—In this section:

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

9 “(A) a private entity (which may include a
10 private nonprofit entity); and

11 “(B) an institution of higher education, a
12 Federal, State, or local public entity, or a Trib-
13 al entity.

14 “(2) PAY FOR SUCCESS INITIATIVE.—

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

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

21 “(ii) in which—

22 “(I) a commitment is made to
23 pay the eligible entity for improved
24 outcomes, including measureable im-
25 provement in the lives of service re-
26 cipients or meaningful output meas-

1 ures strongly correlated to outcomes,
2 that result in increased public value or
3 social benefit to students and the pub-
4 lic sector, such as increased effective-
5 ness in improving outcomes, direct
6 cost savings or cost avoidance, or in-
7 creased public revenue; and

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

16 “(iii) that requires—

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

1 “(II) a rigorous, third-party eval-
2 uation that uses experimental or
3 quasi-experimental design or other re-
4 search methodologies that allow for
5 the strongest possible causal infer-
6 ences to determine whether the initia-
7 tive has met its expected outcomes; or
8 a third-party, scientifically valid as-
9 sessment or analysis of administrative
10 data that verifies measurable improve-
11 ments in the lives of service recipients
12 or is correlated with improved long-
13 term positive outcomes, with safe-
14 guards using available data to ensure
15 that any apparent improvements are
16 not the result of statistical differences
17 in the service recipients compared
18 with the target population at large;

19 “(III) an annual, publicly avail-
20 able report on the progress of the ini-
21 tiative; and

22 “(IV) that payments be made to
23 the recipient of the grant, contract, or
24 agreement only when agreed-upon
25 outcomes are achieved, except as pro-

1 vided under paragraph (2) or (3) of
2 subsection (b).

3 “(B) EXCLUSION.—The term ‘pay for suc-
4 cess initiative’ does not include any initiative
5 that—

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

14 “(ii) reduces services that an indi-
15 vidual is entitled to receive under Federal,
16 State, or local law.

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

18 “(1) IN GENERAL.—Notwithstanding any other
19 provision of this Act and except as provided under
20 subsection (c)—

21 “(A) any recipient of a grant under this
22 Act may request to use grant funds to carry out
23 a pay for success initiative that accomplishes
24 the objectives of the grant and meets all re-
25 quirements of the grant (except to the extent a

1 requirement is specifically modified by the pay
2 for success initiative), if such use is proposed in
3 the application or plan submitted for such
4 grant; and

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

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

17 “(A) to conduct the review or feasibility
18 study required under subsection (a)(2)(A)(iii)(I)
19 or the rigorous third-party evaluation required
20 under subsection (a)(2)(A)(iii)(II); or

21 “(B) to provide funds to the entity car-
22 rying out the pay for success initiative for the
23 costs of the initial costs associated with starting
24 the initiative.

1 “(3) USE OF REMAINING FUNDS.—Notwith-
2 standing any other provision of law, if the Secretary
3 or a grant recipient is carrying out a pay for success
4 initiative under paragraph (1) and the pay for suc-
5 cess initiative has met or exceeded its proposed out-
6 comes, the Secretary or grant recipient may use any
7 funds remaining at the conclusion of the pay for
8 success initiative to enter into an additional agree-
9 ment, through a competitive process, with an eligible
10 entity to expand capacity under the pay for success
11 initiative or to carry out additional pilot demonstra-
12 tions of pay for success initiatives.

13 “(c) STUDENT PROTECTIONS.—

14 “(1) NO NEGATIVE IMPACT ON STUDENT AID.—
15 A pay for success initiative shall not be supported
16 with funds under this Act if the pay for success ini-
17 tiative would adversely affect the funding of, or stu-
18 dent access to, individual student aid awards made
19 under section 401 or any other program supported
20 under this Act.

21 “(2) NONINCLUSION IN DETERMINATION OF
22 NEED.—A grant or aid provided directly to a stu-
23 dent under a pay for success initiative supported
24 with funds under this Act shall not be considered in
25 determining that student’s need for grant, loan, or

1 work assistance under title IV of this Act, except
 2 that in no case shall the total amount of student fi-
 3 nancial assistance awarded to a student through a
 4 pay for success initiative and under title IV exceed
 5 that student's cost of attendance, as defined in sec-
 6 tion 472.

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

12 **SEC. 5. EVALUATION.**

13 Part B of title I of the Higher Education Act of 1965
 14 (20 U.S.C. 1011 et seq.), as amended by section 4, is fur-
 15 ther amended by adding at the end the following:

16 **“SEC. 125. EVALUATION AUTHORITY.**

17 “(a) EVALUATION RESERVATION.—

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

1 pendently evaluate the effectiveness and efficiency of
2 the outcomes of all programs authorized under this
3 Act.

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

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

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

17 “(2) contains the results of the activities car-
18 ried out under subsection (a) for the most recent 2-
19 year period; and

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

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

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

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

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

○