

118TH CONGRESS  
1ST SESSION

# S. 2877

To establish a matched savings program for low-income students.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 2023

Ms. SINEMA (for herself and Mr. ROMNEY) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To establish a matched savings program for low-income students.

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 “Earn to Learn Act”.

5 **SEC. 2. FINDINGS.**

6 Congress finds the following:

7 (1) Skyrocketing costs of higher education are  
8 outpacing available financial aid. Individuals in the  
9 United States owe more than \$1,700,000,000,000 in  
10 student loan debt, and more than 3,000 student loan

1 borrowers default on a student loan every day, many  
2 of whom did not complete their educational program  
3 before obtaining a degree.

4 (2) The cost of paying for public higher edu-  
5 cation and workforce training programs continues to  
6 rise while the purchasing power of Federal Pell  
7 Grant aid has significantly diminished.

8 (3) The confluence of these issues forces pro-  
9 spective students to make the tough choice between  
10 foregoing postsecondary education and borrowing  
11 enough money to pay for it, an amount that is often  
12 many times their annual salary and can remain a fi-  
13 nancial burden for decades after these students  
14 graduate.

15 (4) The higher rates of loan delinquencies and  
16 default among low- and moderate-income popu-  
17 lations often lead to increased financial hardship,  
18 fewer assets, and lower net worth.

19 (5) In 2013, the Brookings Institute found that  
20 the increasing debt burden represents a drag on re-  
21 cent graduates and also serves as a deterrent to  
22 would-be students who may question the trade-off  
23 between the debt burden and the payoff of a college  
24 degree.

1           (6) During the 2015–2016 academic year, the  
2 Department of Education found that nearly 3 in 4  
3 students experienced unmet need, and that unmet  
4 need among postsecondary students had risen by 23  
5 percent since the 2011–2012 academic year.

6           (7) The Federal Reserve System has deter-  
7 mined student loan payments are displacing retire-  
8 ment savings, home ownership, small business devel-  
9 opment, and other forms of building wealth.

10          (8) The Report on the Economic Well-Being of  
11 United States Households in 2018 by the Federal  
12 Reserve found that 2 in 3 graduates with a bach-  
13 elor’s degree or higher feel that their educational in-  
14 vestment paid off financially, but only 3 in 10 stu-  
15 dents who started higher education programs but  
16 did not complete a degree share this view.

17          (9) The United States urgently needs a new, in-  
18 novative approach to financial aid to help low-income  
19 students achieve their educational goals, graduate  
20 with affordable amounts of student loan debt, and  
21 improve their financial capability.

22 **SEC. 3. PURPOSE.**

23 It is the purpose of this Act to—

24           (1) establish a proven and innovative matched  
25 savings program for low-income students that pro-

1 provides the financial resources and support those stu-  
2 dents need to attain their educational goals;

3 (2) provide a much-needed supplement to tradi-  
4 tional financial aid options through matched savings;

5 (3) give students the tools to succeed by giving  
6 students the opportunity to invest in their education  
7 and to improve their financial capability through fi-  
8 nancial empowerment training and success coaching;  
9 and

10 (4) help students—

11 (A) develop healthy financial habits and  
12 life skills;

13 (B) prepare to embark on a lifetime of  
14 healthy financial practices after graduation; and

15 (C) minimize or eliminate student loan  
16 debt.

17 **SEC. 4. DEFINITIONS.**

18 In this Act:

19 (1) 529 ACCOUNT.—The term “529 account”  
20 means a qualified tuition program as defined in sec-  
21 tion 529(b) of the Internal Revenue Code of 1986.

22 (2) ELIGIBLE EDUCATIONAL INSTITUTION.—  
23 The term “eligible educational institution” means—

1 (A) an institution of higher education, as  
2 defined in section 102 of the Higher Education  
3 Act of 1965 (20 U.S.C. 1002); or

4 (B) an area career and technical education  
5 school, as defined in section 3(3) of the Carl D.  
6 Perkins Career and Technical Education Act of  
7 2006 (20 U.S.C. 2302(3)).

8 (3) ELIGIBLE ENTITY.—The term “eligible enti-  
9 ty” means a State or a nonprofit organization.

10 (4) ELIGIBLE STUDENT.—The term “eligible  
11 student” means an individual who—

12 (A) is selected to participate in a postsec-  
13 ondary education match savings account pro-  
14 gram;

15 (B) has been admitted to an eligible edu-  
16 cational institution;

17 (C) is a student from a low-income family,  
18 as determined by the eligible entity;

19 (D) successfully completes a required pre-  
20 requisite personal finance training program;

21 (E) agrees to contribute savings to the  
22 postsecondary education match savings account  
23 administered by the eligible entity under this  
24 section; and

1 (F) meets any other eligibility criteria as  
2 defined by the eligible entity.

3 (5) FINANCIAL CAPABILITY TRAINING PLAT-  
4 FORM.—The term “Financial Capability Training  
5 Platform” means a program for use by a postsec-  
6 ondary education match savings account program  
7 carried out with a grant under section 5 that—

8 (A) delivers financial capability training to  
9 participating students that is designed to help  
10 students improve their financial capability and  
11 overall financial well-being;

12 (B) includes an initial assessment to iden-  
13 tify individual learning goals and objectives;

14 (C) creates a personal and dynamic learn-  
15 ing experience for each individual participant,  
16 including ongoing assessments and interim  
17 milestones related to learning objectives and  
18 longer-term goals; and

19 (D) includes modules on student loans, fi-  
20 nancial aid, budgeting and credit, consumer  
21 debt, housing costs, retirement, the importance  
22 of emergency savings, banking (including check-  
23 ing and savings accounts), credit use and inter-  
24 est rates, predatory lending practices, privacy,

1           and security, which shall be conducted by or at  
2           the direction of the eligible entity.

3           (6) POSTSECONDARY EDUCATION MATCH SAV-  
4           INGS ACCOUNT.—The term “postsecondary edu-  
5           cation match savings account” means an account  
6           that is—

7                   (A) a custodial account; or

8                   (B) a 529 account.

9           (7) PROGRAM GUIDE.—The term “Program  
10          Guide” means a guide that includes program policies  
11          and procedures, a savings plan agreement template,  
12          a withdrawal form template, recommended timelines,  
13          other key forms, and the structure for implementing  
14          and reporting program results for a postsecondary  
15          education match savings account program carried  
16          out with a grant under this section.

17          (8) REPORTING DASHBOARD.—The term “Re-  
18          porting Dashboard” means a robust online data por-  
19          tal for postsecondary education match savings ac-  
20          count programs carried out with a grant under this  
21          section that—

22                   (A) allows eligible entities to monitor stu-  
23                   dent progress, track achievement, and measure  
24                   relevant behavioral change;

1 (B) standardizes and facilitates student  
2 evaluation across participating eligible edu-  
3 cational institutions; and

4 (C) is in compliance with the requirements  
5 of section 444 of the General Education Provi-  
6 sions Act (commonly known as the “Family  
7 Educational Rights and Privacy Act of 1974”)  
8 (20 U.S.C. 1232g).

9 (9) SECRETARY.—The term “Secretary” means  
10 the Secretary of Education.

11 (10) STUDENT WITH PRELIMINARY ELIGI-  
12 BILITY.—The term “student with preliminary eligi-  
13 bility” means an individual who—

14 (A) is from a low-income family, as deter-  
15 mined by an eligible entity;

16 (B) plans to attend an eligible educational  
17 institution; and

18 (C) meets the requirements described in  
19 subparagraphs (E) and (F) of paragraph (4).

20 (11) SUCCESS COACHING MODEL.—The term  
21 “Success Coaching Model” includes—

22 (A) financial capability training to address  
23 budgeting, managing student debt, savings,  
24 debit management, credit cards, retirement  
25 readiness, and credit reports;



1 (B) postsecondary education readiness  
2 training that provides mentoring to help stu-  
3 dents be better prepared for the challenges of  
4 postsecondary education; and

5 (C) workforce readiness training to learn  
6 interviewing, resume skills, and career explo-  
7 ration.

8 **SEC. 5. POSTSECONDARY EDUCATION MATCH SAVINGS AC-**  
9 **COUNT DEMONSTRATION GRANT PROGRAM.**

10 (a) GRANT ESTABLISHED.—

11 (1) IN GENERAL.—Not later than 9 months  
12 after the date of enactment of this Act, the Sec-  
13 retary shall establish a postsecondary education  
14 match savings account demonstration grant program  
15 described in this section, through which the Sec-  
16 retary shall award grants, on a competitive basis, to  
17 eligible entities to enable those eligible entities to  
18 carry out the activities described in subsection (e).

19 (2) TOOLS FOR GRANTEES.—The Secretary  
20 shall develop the Reporting Dashboard, Financial  
21 Capability Training Platform, Program Guide, and  
22 Success Coaching Model and make those tools avail-  
23 able to grantees.

1           (3) PELL ELIGIBILITY NOT AFFECTED.—The  
2 Secretary shall ensure that, notwithstanding any  
3 other provision of law—

4           (A) participation in the grant program  
5 shall not affect a student’s eligibility for a Fed-  
6 eral Pell Grant under section 401 of the Higher  
7 Education Act of 1965 (20 U.S.C. 1070a); and

8           (B) funds deposited in a postsecondary  
9 education match savings account by a partici-  
10 pating student, as well as any matching funds  
11 under this section, shall not be considered when  
12 a determination is made about that student’s  
13 eligibility for Federal student aid under title IV  
14 of the Higher Education Act of 1965 (20  
15 U.S.C. 1070 et seq.), including for a Federal  
16 Pell Grant.

17       (b) APPLICATION.—An eligible entity that desires to  
18 participate in the grant program under this section shall  
19 submit an application to the Secretary at such time, in  
20 such manner, and containing such information as the Sec-  
21 retary may determine, including, at a minimum—

22           (1) a demonstration of—

23           (A) a commitment of non-Federal match-  
24 ing funds at a ratio of 1:1 (which non-Federal

1 funds may be provided by an entity other than  
2 the eligible entity);

3 (B) the ability to launch and implement  
4 the program; and

5 (C) a plan for compliance with evaluation  
6 and program monitoring; and

7 (2) an assurance that the applicant will utilize  
8 the Reporting Dashboard, Financial Capability  
9 Training Platform, and Success Coaching Model de-  
10 veloped by the Secretary under subsection (a)(2).

11 (c) SELECTION.—

12 (1) PRIORITY.—In selecting eligible entities to  
13 participate in the grant program under this section,  
14 the Secretary shall give priority to eligible entities  
15 that—

16 (A) target eligible students and students  
17 with preliminary eligibility at a statewide level  
18 with networks of participating eligible edu-  
19 cational institutions; and

20 (B) commit to supporting selected students  
21 through the student's graduation from an eligi-  
22 ble educational institution.

23 (2) DIVERSITY OF PROJECTS.—The Secretary  
24 shall ensure, to the maximum extent practicable,  
25 that the eligible entities awarded grants under this

1 section include eligible entities that represent a  
2 range of communities (both rural and urban) and di-  
3 verse populations.

4 (d) AMOUNT.—A grant awarded under this section  
5 shall be in an amount not to exceed the lesser of—

6 (1) the aggregate amount of funds committed  
7 as matching contributions from non-Federal public  
8 or private sector sources; or

9 (2) \$10,000,000.

10 (e) USES OF FUNDS.—

11 (1) IN GENERAL.—An eligible entity receiving a  
12 grant under this section shall use the grant funds  
13 to—

14 (A) select eligible students, or students  
15 with preliminary eligibility, in the State in  
16 which the eligible entity is located to participate  
17 in the grant program;

18 (B) provide selected students with financial  
19 literacy education using the Success Coaching  
20 Model;

21 (C) after ensuring that a selected eligible  
22 student or selected student with preliminary eli-  
23 gibility has completed an agreement regarding  
24 the terms and conditions of the postsecondary  
25 education match savings account, establish a

1 postsecondary education match savings account  
2 for each participating eligible student or stu-  
3 dent with preliminary eligibility and allow stu-  
4 dents and their families to deposit funds in that  
5 account to save for attendance at an eligible  
6 educational institution; and

7 (D) reserve matching funds for partici-  
8 pating students in accordance with paragraph  
9 (2).

10 (2) MATCHING FUNDS.—

11 (A) IN GENERAL.—Upon a participating  
12 student or student’s family depositing \$100 into  
13 a postsecondary education match savings ac-  
14 count for the appropriate academic year, the el-  
15 igible entity shall provide a match of \$8 into  
16 the student’s postsecondary education match  
17 savings account for each subsequent dollar de-  
18 posited by the student or student’s family.

19 (B) WITHDRAWAL FROM SCHOOL.—If a  
20 participating student withdraws from an eligible  
21 educational institution during the drop-add pe-  
22 riod at that eligible educational institution, the  
23 student shall be responsible for any amounts  
24 owed for that academic period and will not re-  
25 ceive matching funds for that academic period.

1 (C) DELAY OF ATTENDANCE; EXTENU-  
2 ATING CIRCUMSTANCES.—Subject to paragraph  
3 (3), each eligible entity shall describe in the  
4 agreement under paragraph (1)(C) the eligible  
5 entity's policy regarding the availability of  
6 matching funds in the event a student decides  
7 to delay attendance at an eligible educational  
8 institution or in the case of extenuating cir-  
9 cumstances, such as illness of a student.

10 (3) RETURN OF DEPOSITED FUNDS.—

11 (A) IN GENERAL.—Each eligible entity  
12 shall ensure that a participating eligible stu-  
13 dent, or a student with preliminary eligibility,  
14 who does not meet or maintain the require-  
15 ments of paragraph (4) or (10) of section 4, re-  
16 spectively, shall be entitled to withdraw funds  
17 that the student or the student's family contrib-  
18 uted to the postsecondary education match sav-  
19 ings account in accordance with the terms and  
20 conditions that are contained in the agreement  
21 for that postsecondary education match savings  
22 account, as described in paragraph (1)(C).

23 (B) EXPIRATION.—

24 (i) IN GENERAL.—The participation  
25 of an eligible student or student with pre-

1 liminary eligibility in the postsecondary  
2 education match savings account dem-  
3 onstration grant program shall terminate  
4 on the expiration date described in clause  
5 (ii). The eligible entity shall cease reserv-  
6 ing matching funds on behalf of that stu-  
7 dent as described in paragraph (1)(D).  
8 Any remaining funds that the student or  
9 the student's family deposited in a postsec-  
10 ondary education match savings account  
11 shall be made available for withdrawal in  
12 accordance with subparagraph (A).

13 (ii) EXPIRATION DATE.—The expira-  
14 tion date described in this clause is—

15 (I) the date that is 8 years after  
16 the date on which a participating eli-  
17 gible student first enrolled in an eligi-  
18 ble educational institution; or

19 (II) in the case of a student with  
20 preliminary eligibility, or a partici-  
21 pating eligible student who does not  
22 enroll in an eligible educational insti-  
23 tution, the date that is 4 years after  
24 the date on which the student first  
25 agrees to participate in the postsec-

1                   ondary education match savings ac-  
2                   count demonstration grant program.

3           (4) MANAGEMENT COSTS.—An eligible entity  
4           receiving a grant under this section may use not  
5           more than 5 percent of grant funds for management  
6           costs, which may include nonadministrative and ad-  
7           ministrative functions, including program manage-  
8           ment, reporting requirements, recruitment and en-  
9           rollment of individuals, and monitoring.

10          (f) DATA SHARING.—An eligible entity receiving a  
11          grant under this section shall enter into a data sharing  
12          agreement with eligible educational institutions in order  
13          to exchange data necessary to carry out the activities de-  
14          scribed in this section. Such data sharing shall be carried  
15          out in a manner that complies with the requirements of  
16          section 444 of the General Education Provisions Act (com-  
17          monly known as the “Family Educational Rights and Pri-  
18          vacy Act of 1974”) (20 U.S.C. 1232g).

19          (g) ANNUAL PROGRESS REPORTS.—Each eligible en-  
20          tity receiving a grant under this section shall prepare and  
21          submit to the Secretary an annual progress report con-  
22          taining the following information, in the aggregate and in  
23          a manner that protects personally identifiable information  
24          in accordance with Federal privacy laws:



1           (1) The number and characteristics of partici-  
2           pating students making a deposit into a postsec-  
3           ondary education match savings account supported  
4           under this section.

5           (2) Data on program goals and achievements  
6           including enrollment rates, first-year retention rates,  
7           program completion, average Federal student loan  
8           debt, and share of participating eligible students  
9           borrowing Federal student loans.

10          (3) The amount that the eligible entity has re-  
11          served in accordance with subsection (e)(1)(D).

12          (4) The aggregate amounts deposited in post-  
13          secondary education match savings accounts by par-  
14          ticipating students and their families.

15          (5) What service configurations of the eligible  
16          entity (such as configurations relating to peer sup-  
17          port, structured planning exercises, mentoring, and  
18          case management) increased the rate and consist-  
19          ency of participation in the demonstration project  
20          and how such configurations varied among different  
21          populations or communities.

22          (6) Such other information as the Secretary  
23          may require to evaluate the demonstration project.

24          (h) REPORT TO CONGRESS.—Not later than 1 year  
25          after the establishment of the demonstration project under

1 this section, the Secretary shall prepare and submit to  
2 Congress a report containing the following information:

3           (1) The effects of incentives and organizational  
4           or institutional support on postsecondary retention  
5           in the demonstration project.

6           (2) The savings rates of individuals in the dem-  
7           onstration project, in the aggregate and  
8           disaggregated by demographic characteristics includ-  
9           ing gender, age, family size, race or ethnic back-  
10          ground, and income.

11          (3) The effects of postsecondary education  
12          match savings accounts on savings rates and post-  
13          secondary education retention and completion, and  
14          how such effects vary among different populations or  
15          communities.

16          (4) The lessons to be learned from the dem-  
17          onstration projects conducted under this section and  
18          whether a permanent postsecondary education sav-  
19          ings grant program should be established.

20          (5) The characteristics of postsecondary edu-  
21          cation match savings accounts (such as threshold  
22          amounts and match rates) required to stimulate par-  
23          ticipation in the demonstration project, and how  
24          such characteristics vary among different popu-  
25          lations or communities.

1           (6) Such other factors as may be prescribed by  
2           the Secretary.

3           (i) **TECHNICAL ASSISTANCE.**—The Secretary may re-  
4           serve not more than 10 percent of the amounts appro-  
5           priated under section 6 to provide technical assistance to  
6           eligible entities receiving grants under this section.

7           **SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

8           There are authorized to be appropriated to carry out  
9           this Act \$100,000,000 for fiscal year 2024 and each of  
10          the succeeding 4 years.

○