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(Original Signature of Member)

117TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

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

\_\_\_\_\_  
IN THE HOUSE OF REPRESENTATIVES

Mrs. LEE of Nevada introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

\_\_\_\_\_  
**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 \$1,500,000,000,000 in

1 student loan debt, and more than 3,000 student loan  
2 borrowers default on a student loan every day, many  
3 of whom left college before finishing 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 college, an amount that is  
12 often many times their annual salary and can re-  
13 main a financial burden for decades after these stu-  
14 dents 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 academic year 2015–2016 the  
2 Department of Education found that nearly 3 in 4  
3 students experience unmet need, and that unmet  
4 need among college students has risen by 23 percent  
5 since academic year 2011–2012.

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 Economic Well-Being of U.S. House-  
11 holds in 2018 report by the Federal Reserve found  
12 that two-thirds of graduates with a bachelor’s degree  
13 or higher feel that their educational investment paid  
14 off financially, but only 3 in 10 students who started  
15 higher education programs but did not complete a  
16 degree share this view.

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

22 **SEC. 3. PURPOSES.**

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) COST OF ATTENDANCE.—The term “cost of  
23 attendance” has the meaning given that term in sec-  
24 tion 472 of the Higher Education Act of 1965 (20  
25 U.S.C. 1087ll).

1           (3) CUSTODIAL ACCOUNT.—The term “custo-  
2           dial account” means a financial account established  
3           for the benefit of an eligible student, which shall be  
4           treated as a trust if the assets of the custodial ac-  
5           count are held by a bank (as defined in section  
6           408(n) of the Internal Revenue Code of 1986 (26  
7           U.S.C. 408(n))) or another person who dem-  
8           onstrates, to the satisfaction of the Secretary, that  
9           the manner in which such person will administer the  
10          custodial account will be consistent with the require-  
11          ments of this Act.

12          (4) EDUCATIONAL SAVINGS ACCOUNT.—The  
13          term “educational savings account” means an ac-  
14          count that is—

15                   (A) a custodial account; or

16                   (B) a 529 account.

17          (5) ELIGIBLE EDUCATIONAL INSTITUTION.—  
18          The term “eligible educational institution” means  
19          the following:

20                   (A) INSTITUTION OF HIGHER EDU-  
21                   CATION.—An institution of higher education, as  
22                   defined in section 101 or 102 of the Higher  
23                   Education Act of 1965 (20 U.S.C. 1001, 1002).

24                   (B) AREA CAREER AND TECHNICAL EDU-  
25                   CATION SCHOOL.—An area career and technical

1 education school, as defined in section 3(3) of  
2 the Carl D. Perkins Career and Technical Edu-  
3 cation Act of 2006 (20 U.S.C. 2302(3)).

4 (6) ELIGIBLE ENTITY.—The term “eligible enti-  
5 ty” means a State or a nonprofit organization.

6 (7) ELIGIBLE STUDENT.—

7 (A) IN GENERAL.—The term “eligible stu-  
8 dent” means an individual who—

9 (i) is selected to participate in a col-  
10 lege match savings program;

11 (ii) has been admitted to an institu-  
12 tion of higher education;

13 (iii) is a student from a low-income  
14 family, as determined by the eligible entity;

15 (iv) successfully completes a required  
16 prerequisite personal finance training pro-  
17 gram;

18 (v) agrees to contribute savings to the  
19 educational savings account administered  
20 by the eligible entity under this section;  
21 and

22 (vi) meets any other eligibility criteria  
23 as defined by the eligible entity.

24 (B) PRELIMINARY ELIGIBILITY.—Notwith-  
25 standing subparagraph (A), a student may be

1           selected to participate in the college match sav-  
2           ings program on a preliminary basis and given  
3           an educational savings account if the student is  
4           from a low-income family, as determined by the  
5           eligible entity, who plans to attend an institu-  
6           tion of higher education.

7           (8) FINANCIAL CAPABILITY TRAINING PLAT-  
8           FORM.—The term “Financial Capability Training  
9           Platform” means a program for use by a college  
10          match savings program carried out with a grant  
11          under this section that—

12                 (A) delivers financial capability training to  
13                 participating students that is designed to help  
14                 students improve their financial capability and  
15                 overall financial well-being;

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

18                 (C) creates a personal and dynamic learn-  
19                 ing experience for each individual participant,  
20                 including ongoing assessments as well as in-  
21                 terim milestones related to learning objectives  
22                 and longer-term goals; and

23                 (D) includes modules on student loans, fi-  
24                 nancial aid, budgeting and credit, consumer  
25                 debt, housing costs, retirement, the importance

1 of emergency savings, banking (including check-  
2 ing and savings accounts), credit use and inter-  
3 est rates, predatory lending practices, privacy,  
4 and security, which shall be conducted by or at  
5 the direction of the eligible entity.

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

14 (10) REPORTING DASHBOARD.—The term “Re-  
15 porting Dashboard” means a robust online data por-  
16 tal for college match savings programs carried out  
17 with a grant under this section that—

18 (A) allows eligible entities to monitor stu-  
19 dent progress, track achievement, and measure  
20 relevant behavioral change;

21 (B) standardizes and facilitates student  
22 evaluation across participating institutions; and

23 (C) is in compliance with the requirements  
24 of section 444 of the General Education Provi-



1           sions Act (commonly known as the ‘Family  
2           Educational Rights and Privacy Act of 1974’).

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

5                   (A) financial capability training to address  
6                   budgeting, managing student debt, savings,  
7                   debit management, credit cards, retirement  
8                   readiness, and credit reports;

9                   (B) college readiness training that provides  
10                  mentoring to help students be better prepared  
11                  for the challenges of postsecondary education;  
12                  and

13                  (C) workforce readiness training to learn  
14                  interviewing, resume skills, and career explo-  
15                  ration.

16           (12) SECRETARY.—The term “Secretary”  
17           means the Secretary of Education.

18 **SEC. 5. COLLEGE SAVINGS DEMONSTRATION GRANT PRO-**  
19 **GRAM.**

20           (a) GRANT ESTABLISHED.—

21                   (1) IN GENERAL.—Not later than 9 months  
22                   after the date of enactment of this Act, the Sec-  
23                   retary shall establish a college matched savings dem-  
24                   onstration grant program described in this section,  
25                   through which the Secretary shall award grants, on

1 a competitive basis, to eligible entities to enable  
2 those eligible entities to carry out the activities de-  
3 scribed in subsection (e).

4 (2) TOOLS FOR GRANTEES.—The Secretary  
5 shall develop the Reporting Dashboard, Financial  
6 Capability Training Platform, Program Guide, and  
7 Success Coaching Model and make those tools avail-  
8 able to grantees.

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

12 (A) participation in the grant program  
13 shall not affect a student’s eligibility for a Fed-  
14 eral Pell Grant; and

15 (B) funds deposited in an educational sav-  
16 ings account by a participating student, as well  
17 as any matching funds under this section, shall  
18 not be considered when a determination is made  
19 about that student’s eligibility for Federal stu-  
20 dent aid under title IV of the Higher Education  
21 Act of 1965 (20 U.S.C. 1070 et seq.), including  
22 for a Federal Pell Grant.

23 (b) APPLICATION.—An eligible entity that desires to  
24 participate in the grant program shall submit an applica-  
25 tion to the Secretary at such time, in such manner, and

1 containing such information as the Secretary may deter-  
2 mine, including, at a minimum—

3 (1) a demonstration of—

4 (A) a commitment of non-Federal match-  
5 ing funds at a ratio of 1:1 (which non-Federal  
6 funds may be provided by an entity other than  
7 the eligible entity);

8 (B) the ability to launch and implement  
9 the program; and

10 (C) a plan for compliance with evaluation  
11 and program monitoring; and

12 (2) an assurance that the applicant will utilize  
13 the Reporting Dashboard, Financial Capability  
14 Training Platform, and Success Coaching Model de-  
15 veloped by the Secretary under subsection (a)(2).

16 (c) SELECTION.—

17 (1) PRIORITY.—In selecting eligible entities to  
18 participate in the grant program, the Secretary shall  
19 give priority to eligible entities that—

20 (A) target individuals at a statewide level  
21 with networks of participating eligible edu-  
22 cational institutions; and

23 (B) commit to supporting selected eligible  
24 students through the student's graduation from  
25 an institution of higher education.

1           (2) DIVERSITY OF PROJECTS.—The Secretary  
2 shall ensure, to the maximum extent practical, that  
3 the grants awarded under this section include eligi-  
4 ble entities that represent a range of communities  
5 (both rural and urban) and diverse populations.

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

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

11           (2) \$10,000,000.

12           (e) USES OF FUNDS.—

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

16           (A) select eligible students, or students  
17 who may have preliminary eligibility, in the  
18 State in which the eligible entity is located to  
19 participate in the grant program;

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

23           (C) after ensuring that a selected eligible  
24 student or selected student with preliminary eli-  
25 gibility has completed an agreement regarding

1 the terms and conditions of the educational sav-  
2 ings account, establish an educational savings  
3 account for each participating eligible student  
4 or student who has preliminary eligibility and  
5 allow students and their families to deposit  
6 funds in that account to save for attendance at  
7 an eligible educational institution; and

8 (D) reserve matching funds for partici-  
9 pating students in accordance with paragraph  
10 (2).

11 (2) MATCHING FUNDS.—

12 (A) IN GENERAL.—After a student or stu-  
13 dent's family meets a \$500 savings threshold,  
14 for every additional \$1 a student or student's  
15 family contributes to an educational savings ac-  
16 count, that amount shall be matched by an ad-  
17 ditional \$8 that the eligible entity will pay to  
18 the student's individual account at the student's  
19 eligible educational institution once that student  
20 meets the requirements of section 4(7)(A), in-  
21 cluding being accepted to an eligible educational  
22 institution.

23 (B) WITHDRAWAL FROM SCHOOL.—If a  
24 participating student withdraws from an eligible  
25 institution during the drop-add period at that

1 eligible institution, the student shall be respon-  
2 sible for any amounts owed for that academic  
3 period and will not receive matching funds for  
4 that academic period.

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

14 (3) RETURN OF DEPOSITED FUNDS.—

15 (A) IN GENERAL.—Each eligible entity  
16 shall ensure that a participating student, in-  
17 cluding a student with preliminary eligibility,  
18 who does not meet or maintain the require-  
19 ments of section 4(7)(A) shall be entitled to  
20 withdraw funds that the student or the stu-  
21 dent's family contributed to the educational  
22 savings account in accordance with the terms  
23 and conditions that are contained in the agree-  
24 ment for that educational savings account, as  
25 described in paragraph (1)(C).

1 (B) EXPIRATION.—On the date that is 6  
2 years after the date on which a participating el-  
3 igible student first enrolled in an eligible edu-  
4 cational institution, that student’s participation  
5 in the college matched savings demonstration  
6 grant program shall terminate. The eligible en-  
7 tity shall cease reserving matching funds on be-  
8 half of that student as described in paragraph  
9 (1)(D). Any remaining funds that the student  
10 or the student’s family deposited in an edu-  
11 cational savings account shall be made available  
12 for withdrawal in accordance with subpara-  
13 graph (A).

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

21 (f) DATA SHARING.—An eligible entity receiving a  
22 grant under this Act shall enter into a data sharing agree-  
23 ment with eligible institutions in order to exchange data  
24 necessary to carry out the activities described in this sec-  
25 tion. Such data sharing shall be carried out in a manner

1 that complies with the requirements of section 444 of the  
2 General Education Provisions Act (commonly known as  
3 the ‘Family Educational Rights and Privacy Act of 1974’).

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

10 (1) The number and characteristics of partici-  
11 pating eligible students making a deposit into an  
12 educational savings account.

13 (2) Data on program goals and achievements  
14 including enrollment rates, first-year retention rates,  
15 program completion, average Federal student loan  
16 debt, and share of students borrowing Federal stu-  
17 dent loans.

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

20 (4) The aggregate amounts deposited in edu-  
21 cational savings accounts by students and their fam-  
22 ilies, without including any personally identifiable in-  
23 formation.

24 (5) What service configurations of the eligible  
25 entity (such as configurations relating to peer sup-



1 port, structured planning exercises, mentoring, and  
2 case management) increased the rate and consist-  
3 ency of participation in the demonstration project  
4 and how such configurations varied among different  
5 populations or communities.

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

8 (h) REPORT TO CONGRESS.—Not later than 12  
9 months after the establishment of this demonstration  
10 project, the Secretary of Education shall prepare and sub-  
11 mit to Congress a report containing the following informa-  
12 tion:

13 (1) The effects of incentives and organizational  
14 or institutional support on college retention in the  
15 demonstration project.

16 (2) The savings rates of individuals in the dem-  
17 onstration project, in the aggregate and  
18 disaggregated by demographic characteristics includ-  
19 ing gender, age, family size, race or ethnic back-  
20 ground, and income.

21 (3) The effects of educational savings accounts  
22 on savings rates, college retention and completion,  
23 and how such effects vary among different popu-  
24 lations or communities.

1           (4) The lessons to be learned from the dem-  
2           onstration projects conducted under this Act and  
3           whether a permanent college savings grant program  
4           should be established.

5           (5) The characteristics of educational savings  
6           accounts (such as threshold amounts and match  
7           rates) required to stimulate participation in the  
8           demonstration project, and how such characteristics  
9           vary among different populations or communities.

10          (6) Such other factors as may be prescribed by  
11          the Secretary.

12          (i) **TECHNICAL ASSISTANCE.**—The Secretary of Edu-  
13          cation may reserve not more than 10 percent of the  
14          amounts appropriated under section to provide technical  
15          assistance to eligible entities receiving grants under this  
16          Act.

17          **SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

18          There are authorized to be appropriated to carry out  
19          this Act \$100,000,000 for fiscal year 2021 and each of  
20          the succeeding 4 years.