

United States Senate

WASHINGTON, DC 20510

July 12, 2017

The Honorable James Manning
Acting Under Secretary
U.S. Department of Education
400 Maryland Ave, SW
Washington, DC 20202

Dear Acting Under Secretary James Manning:

As strong supporters of increasing higher education opportunities for low-income youth, we write to encourage the U.S. Department of Education (the Department) to create a college savings account pilot program that will track academic readiness and encourage college savings. A college degree is an increasingly critical part of accessing the American Dream, but a lack of knowledge about how to apply to and pay for college is a barrier for many low-income and first-generation college students. According to a 2015 report by Penn AHEAD and the Pell Institute, only 1 out of 10 children from lower-income families will graduate from college by the time they are 24 years old. Furthermore, the cost of attending college is increasing at a pace faster than need-based financial aid.

The Department's Fiscal Year 2018 budget request expresses an interest in "increasing access to a high-quality education for all students" and programs that help students move "through the academic pipeline toward college completion and that have shown evidence of effectiveness." We believe that college savings accounts are a promising opportunity to fulfill these aspirations. Research from the Corporation for Enterprise Development shows us that students with savings dedicated for college are three times more likely to enroll in college and four times more likely to graduate than their peers without college savings. Moreover, research shows us that high-quality, long-term mentoring can have positive effects on a wide range of youth outcomes, including emotional well-being, risk behaviors, and academic achievement.

Specifically, we encourage the Department to consider creating personal online accounts for low-income students that monitor higher education readiness, provide opportunities for high-impact mentoring, and include a college savings account. These accounts would follow students from school to school and through college. Parents would grant vested stakeholders (including counselors, teachers, coaches, mentors, family members, and others) access to the account to update student information, monitor progress, and provide college preparatory support. These accounts would start at an early age in order to maximize their impact on a student's expectations of college-going and actions towards college preparedness.

We have introduced the *American Dream Accounts Act* (S.1205), which would create savings accounts like those described above and could provide a good roadmap for the Department to use going forward. This legislation has strong bipartisan support, as evidenced by its passage in the Senate not once, but two times over the past two Congresses. As we work with Congress to pass this legislation, we encourage the Department to take a small, but significant step toward

providing low-income students with the resources and support they need to access and succeed in college by piloting similar college savings account programs.

We stand ready to work with you and your staff to develop a college savings account pilot program that would increase access to and success in higher education. We appreciate your consideration of this request.

Sincerely,



Christopher A. Coons
U.S. Senator



Marco Rubio
U.S. Senator