



Policy Brief: Passing the PASS Act

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Who We Are

Ana Baca (she/her) 2022-2023 Líderes Avanzando Fellow, UnidosUS

- Ana is a proud daughter of immigrants and first-generation sophomore student at Saint Mary's College, where she is pursuing a Bachelor of Arts in global studies and Spanish with a minor in public relations and advertising. At Saint Mary's, she serves as the secretary of the Student Diversity Board and La Fuerza, a Belles Connect Leader, and is a part of the Dialogue Project Student Leadership Program, where she promotes productive dialogue at her college campus. Ana is currently an UnidosUS *Líderes Avanzando* fellow.

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- Ramiro is a Mellon Mays Undergraduate Fellow at Swarthmore College, where he is pursuing a Bachelor of Arts in peace and conflict studies, educational studies, and medical anthropology. Ramiro is from the Rio Grande Valley in South Texas. In the last three years, Ramiro has published a reporting project on deported U.S. veterans with the Pulitzer Center and El Debate (MX), collaborated with Biden's Transition Team to increase Latinx representation in political appointments, and served as the first first-gen, low income Latinx vice president of the Swarthmore Student Government Organization. Ramiro is currently an UnidosUS *Líderes Avanzando* fellow.

Summary

The average Latinx college graduate has an average of \$40,000 of student debt. As college becomes increasingly unaffordable for Latinx students across the country, many college students often resort to taking out loans in order to pursue a higher education and accomplish socioeconomic mobility. Many other Latinx are forced to drop out of their program or decide not to enroll in college due to the cost. To address the barrier of college affordability, we ask Congress to pass the Partnerships for Affordability and Student Success (PASS) Act (S. 2054) to establish a state-federal partnership to increase scholarships for low-income, first-generation students, invest in higher education, and provide annual public state reports on each state meeting its higher education goals.

Need

Across the country, many Latinx students are told the same tale again and again: education is the great equalizer. A college degree is seen as one of the only viable avenues toward upward mobility, career stability, and better opportunities. For many students though, attaining a college degree is something they cannot afford. Although some Latinx students manage to overcome initial barriers to college enrollment, affordability often prevents them from successfully graduating. First-generation and/or low-income (FGLI) Latinx students finish their degrees at half the rate of their non-FGLI peers. Many of these students resort to loans in order to pay for college, accumulating an average of \$40,000 in debt after four years. In total, one-third of Latinx college students drop out of their program due to financial burden.

In Indiana, for example, student loan debt amounts to \$29.8 billion, with an average of \$32,874 per state resident. As of 2022, Texas's student loan debt is a whopping \$120 billion, second only to California. These statistics are concerning, but even then, they do not show the full magnitude. Outdated poverty guidelines mean that many folks who are financially unstable in real time are not technically considered poor, and are thus left out of many reports and are not eligible for public assistance.

Prior efforts to make college affordable, such as the Leveraging Educational Assistance Partnership (LEAP) Program, have focused on getting states to match federal funds allocated to low-income college students; however, LEAP was terminated after being deemed “no longer necessary.” The current reality though, shows that the opposite is true. The Partnership for Affordability and Student Success (PASS) Act picks up where the LEAP program left off, creating the potential for strong federal-state partnerships that have long been needed since the removal of the LEAP Program.

Background

In recent years, efforts to make higher education more affordable for low-income students have become more concentrated. The maximum Pell Grant award is set to increase by \$500 for the 2023 - 2024 fiscal year, after a \$400 increase the year prior. The U.S. Department of Education also has loan repayment plans based on income and family size, and in 2020, the CARES Act allocated \$14 billion toward a Higher Education Emergency Relief Fund. When not coordinated with state efforts, though, these federal initiatives fall short of comprehensively addressing the needs of low-income and first-generation Latinx students.

Because each state across the U.S. has different fiscal priorities, college access remains inequitable; where you are born is a huge determinant of the opportunities you have access to. With a majority of states in recent years reporting budgetary surpluses, including Texas's massive \$33 billion at the end of 2022, there is a unique opportunity to create the federal-state partnerships that will truly make college affordable for all— passing the PASS Act.

The Pass Act, introduced by Senator Jack Reed (D) and co-sponsored by Susan Collins (R), seeks to make higher education more accessible by establishing a federal-state partnership that provides grants for new investment in higher education through a state poverty and college enrollment formula. In return, states have to make a commitment to match every two federal dollars with one state dollar. Additionally, one of the last key provisions of this act includes annual, public state reports with information on student outcomes, college costs, workforce outcomes of graduates, and information on higher education-related consumer complaints.

Ask

To make higher education accessible for everyone, Congress should:

- **Re-Introduce and Pass S.2054:** the Partnership for Affordability and Student Success Act (PASS Act), which would establish state-federal partnerships that would increase need-based grants, scholarships, and support for first-generation, low-income students.

Impact

Making states equally accountable partners in the struggle for college affordability guarantees cohesive, collaborative solutions while promoting fiscal responsibility. With the recent trend of budgetary surpluses, states will be incentivized to increase state funding toward public universities, decreasing tuition rates and increasing scholarships, which would in turn increase college completion rates, reduce loan burden, and make college overall more affordable for first-generation, low income Latinx students.

Federal-state partnerships have already proven successful; establishing them will allow the flexibility of local approaches with the financial support of the federal government.

On top of making college much more accessible and affordable for low-income students, the PASS Act will also result in much more accurate and thorough higher education data, contributing toward other issues such as data equity, public accountability, and trust in our education systems. In making college both affordable and accessible for first-generation, low-income students, the completion rate and enrollment rate for college will increase. As more people pursue a degree, it will contribute to workforce success, economic mobility and improve the country's economy. An affordable and accessible college degree has positive direct and indirect effects that cannot be ignored.

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