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Berkeley Public Policy Journal | Spring/Summer 2024

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Spring/Summer 2024



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We write this from the Palestine solidarity encampment occupying the steps of Sproul Hall, the birthplace of the Free Speech movement in the 1960s. In a renowned academic institution where decades of radical organizing were criminalized before being celebrated, student organizers continue to revitalize the struggle for Palestinian liberation with unwavering conviction. Attempts to fragment this movement through arrests, disciplinary actions, and other forms of intimidation across college campuses are a distraction from our demands: end the silence, divest from war manufacturers and other companies complicit in genocide, and stop the repression.

This week, the three of us are graduating from Berkeley, and have in turn attended several graduations across our undergraduate and graduate programs in support of our friends and classmates. There are no universities left in Gaza, a destruction funded in part by our university tuition. None of our fellow students there will be able to graduate or celebrate. Our education destroys theirs. At all of these celebrations, the speakers have brought up the UC motto, *Fiat Lux*, meaning *Let There Be Light*.

So be it. Let there be light on the war crimes funded by the University of California. The University of California system has \$32 billion invested in weapons manufacturers, U.S. Treasuries, BlackRock (an asset manager that owns shares of complicit companies), and other companies that fund the genocide of Palestinian people. The encampments at the UCs and throughout the country are part of a decades-long solidarity movement with students across the globe. May we, as young leaders, be loud in quiet places and walk on uneven ground. It is the call of history, of which we are all a part of. *Long live the student resistance.*

This edition of the Berkeley Public Policy Journal brings us back to a fundamental question: *how do we build a world where young people can thrive?*

Young people are answering this question themselves. Even as we stare down the barrel of a Presidential re-match between two candidates who do not reflect us, youth are leading the way on climate, student loan debt, and racial justice. With this context in mind, we center the experiences of young people caught in our systems through all four of the articles in this edition. The journal begins with Master of Public Health (MPH) Joél Rubio's examination of the harmful effects of immigration enforcement on Latine/x adolescents. Second, Master of Public Affairs (MPA) Anjali Nambiar provides recommendations for eradicating child labor in India, the site of ten percent of the world's child laborers. Then, Master of Public Policy (MPP) Marisa Lin illuminates the barriers faced by former foster youth in San Francisco, and the programs that can help create stability. Finally, MPP student Max Wolf-Johnson evaluates policy responses to a student debt crisis that is impeding the dreams of Black and Brown borrowers.

We are grateful to our delightful team of editors, authors, and the entire community who contributed to this Spring/Summer edition of the Berkeley Public Policy Journal (BPPJ). Lastly, we are thrilled to introduce you to the new 2024 leadership team: Courtney Fong, Chelsea Hall, Max Wolf-Johnson, John Mcpherson, and Alex Lei. We are confident that BPPJ is in good hands for the year to come.

—Trishia Lim, Zoe Klingmann, and
Amrutha Ramaswamy



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Photo by Hsi-Min Chan, Photographer

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ABOLISH I.C.E.: THE CONSEQUENCES OF IMMIGRATION ENFORCEMENT AMONG LATINX/E ADOLESCENTS

—Joel Rubio

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This article makes the public health case for abolishing ICE. Author Joel Rubio describes the negative impacts of immigration enforcement on Latinx/e adolescents and outlines the limitations of current state and local policies. He recommends ending the current U.S. approach to immigration enforcement and replacing it with a system that prioritizes the needs and safety of young people.

INTRODUCTION

Fight ignorance, not immigrants. Prioritizing the safety of our immigrant communities is imperative, and it involves actively fighting against the racial injustices embedded in our policies. The importance of addressing of immigration enforcement is clear when considering their impact on young people.

Adolescents' exposure to risk factors—such as having a family member sentenced to a detention center or deportation—increases the likelihood of detrimental mental health outcomes.¹² The Latinx/e population has worse outcomes when it comes to health factors such as obesity and mental health compared to non-Hispanic whites.³ Of particular concern is the association between immigration status within the family and mental health: Latinx/e youth in mixed-status families (i.e., U.S.-born Latinx/e adolescents with undocumented caregivers) have a greater risk of anxiety and depression.⁴ From a Maternal, Child, and Adolescent Health (MCAH) standpoint, the gravity of health disparities among Latinx/e youth is underscored by the growing occurrence of family separation cases caused by immigration enforcement.⁵

Considering that adolescence is a pivotal period for development and growth, addressing these disparities during this crucial stage is critical to ensuring the well-being of Latinx/e youth.⁶ It necessitates not only comprehensive strategies that incorporate mental health support and address immigration-related stressors but also entails confronting racial injustices embedded in our political system, such as advocating for immigration reform.

On January 25, 2017, the Trump Administration issued the Enhancing Public Safety in the Interior of the United States Executive Order, creating new enforcement and removal priorities against the undocumented community.⁷ After this Executive Order, the U.S. Immigration and Customs Enforcement (ICE) reported a thirty percent increase in administrative

arrests (i.e., detentions) along with a thirty-seven percent increase in removals (i.e., deportations) compared to the previous year.⁷ With an increased number of people sentenced to detention centers and deportation, many families were torn apart, contributing to increased stress and adverse mental health outcomes among adolescents.⁸

By using the social determinants of health framework, researchers can isolate, analyze, and explain how immigration enforcement policies not only threaten the health of the adolescents at risk but jeopardize communal health.¹¹ In a 2020 longitudinal observational study of 547 Latinx/e adolescents in Atlanta, adolescents with family members deported or detained in the prior twelve months were at higher risk of developing mental health issues and risky behaviors. Even growing up in a household with an undocumented parent has demonstrated negative impacts on the mental and physical health of Latinx/e adolescents.¹²

The U.S.-Born Latinx/e adolescent population already has an increasing amount of anxiety due to the anti-immigrant policies and fear of family members being deported or detained.⁸ In 2021, about 1.83 million Latinx/e children were reported as uninsured, which further adds to the health disparity of receiving equal access to physical and mental health services.⁹ Latinx/e adolescents have also impacted by fear and stress of the possibility of family members being deported or detained, with reportedly high anxiety levels, sleep issues, and blood pressure after the Trump Administration took office in 2016.¹⁰ To advance the health and well-being of Latinx/e adolescents, professionals in the MCAH field should collaborate with legislatures to shift the focus of current immigration enforcement and removal priorities towards a more progressive approach that alleviates health disparities instead of exacerbating them.

The following sections focus on the current policies, background, and landscape of this

political public health issue. The first section follows the policy that created ICE and thus marks the origins of this issue, while the second section focuses on local and state level policies that aim to accomplish a similar goal: dismantling ICE’s immigration enforcement power.

CURRENT POLICY: HOMELAND SECURITY ACT OF 2002 AND THE 287(G) PROGRAM

As a response to the September 11th attacks, the Homeland Security Act of 2002 established the Department of Homeland Security (DHS), along with the U.S. Immigration and Customs Enforcement (ICE), to secure the United States from numerous threats.¹³ The mission of ICE is “Keeping America Safe” from specific threats that originate from the border or immigration to maintain public safety and national security.¹³ In 2021, ICE reported more than 74,000 detentions and 59,000 deportations, a number that the department boasts about.¹⁴ In a 2022 report released by the Department of Health and Human Services, there were 4,094 children classified as being separated from their families at the border by ICE and DHS between April 2018 through January 2022; only 2,307 of these children were reunited with their parents.¹⁵ The mission and values of the Homeland Security Act of 2002, along with DHS and ICE, are outdated and need to be reformed, dismantled, or abolished to ensure that the separation of families is no longer part of the aftermath of national security.

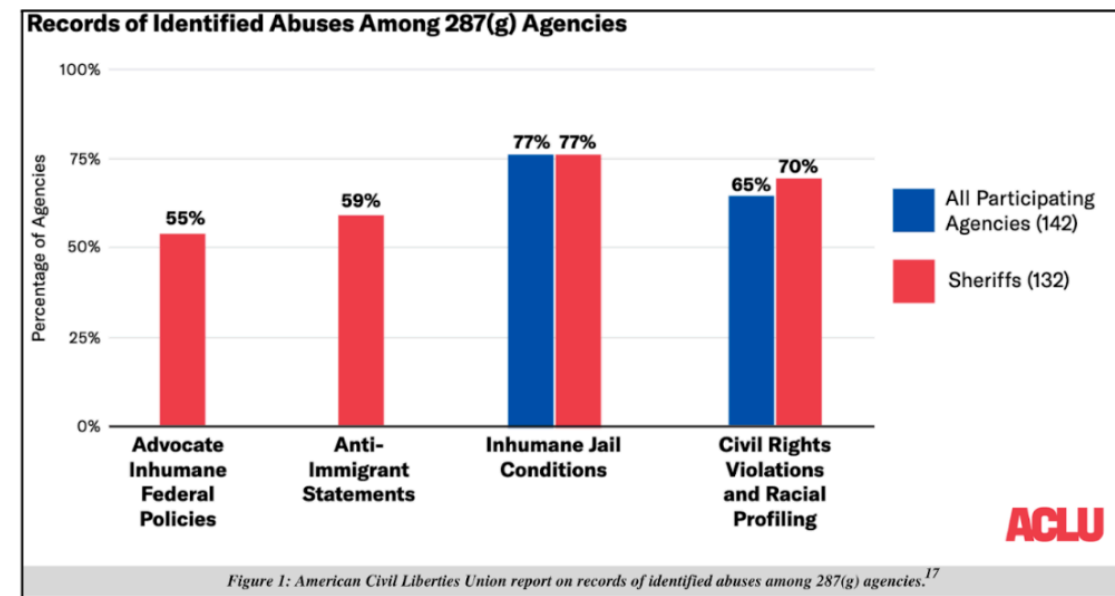
The 287(g) program has evolved with the assistance of DHS. The 287(g) program is an agreement between state and local law enforcement agencies with ICE that permit them to enforce federal immigration laws, such as the detention, transfer, and removal of undocumented community members.¹⁶ In 2022, ICE reported 140 state and local

partners (i.e., police departments, sheriffs) participating in the 287(g) program.¹⁶ These 287(g) agreements have led to discrimination, racial profiling, and direct attacks on immigrant communities.¹⁷ A 2021 report by the American Civil Liberties Union (ACLU) found at least 59 percent of participating sheriffs have a history of anti-immigrant and xenophobic rhetoric.¹⁷ As for the agencies participating in 287(g) agreements, sixty-five percent have records of civil rights violations, such as racial profiling and use of excessive force.¹⁷

One example of this excessively abusive force is in the case of Gerardo Martinez-Morales, a father of four who immigrated from Mexico in 1996. Gerardo was pulled over for a broken taillight by the local sheriff department in Galveston County, Texas.¹⁸ Gerardo was then sentenced to jail and immediately reported to ICE officials for further prosecution, all without disclosing any information about his immigration status, only to be deported back to Mexico.¹⁸ By allowing ICE to continue the 287(g) program, the pattern of these current policies created by the Homeland Security Act of 2002 will only continue to harm and create distrust in the immigrant community, including Latinx/e adolescents separated from their families. In order to begin the healing process and make amends within the immigrant community, future resolutions need to focus on keeping families together, ending family separation, and alleviating the fear caused by and perpetuated by ICE.

POLICY ALTERNATIVE 1: THE REUNITING IMMIGRANT FAMILIES ACT

On September 30, 2012, the California Legislature enacted Senate Bill 1064, known as “The Reuniting Immigrant Families Act.”²¹ The law’s objective is to remove the barriers associated with the reunification of families,



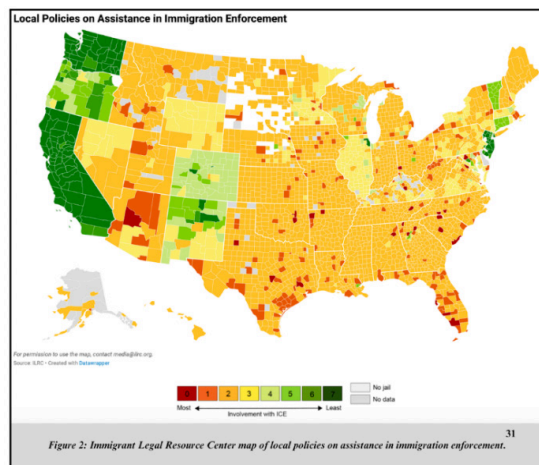
such as communication between family members and receiving adequate child welfare services.²² A strength of this alternative policy is that it aims to undo the harm ICE has caused by helping those who have been directly impacted by the separation of families through detention and deportation. Similarly, to better serve the Latinx/e immigrant populations, SB 1064 formed the Child Welfare Latino Practice Advisory Committee to gather data and produce resources for Latinx/e communities and agencies that can assist Latinx/e youth who have experienced familial separation.²³

The Reuniting Immigrant Families Act is among the first state laws of its kind, and there are certain limitations. To begin with, replicating the bill in other states or on a federal level can be challenging due to each state’s diverse population and legislature. For example, in 2013, Arizona first introduced Senate Bill 1303 but has since failed to pass similar legislation due to the lack of senate sponsorship or support.¹⁹ Moreover, another major issue with this alternative policy is that it aims to help immigrant families after family separation. By then, the adverse consequences of family separation have already begun.²⁴ Collaboration between states to share success-

ful strategies and garner bipartisan support on a federal level could effectively pave the way for more widespread adoption of such policies.

POLICY ALTERNATIVE 2: SANCTUARY CITIES AND STATES

Another policy alternative is the concept of sanctuary cities and sanctuary states. Sanctuary cities, while not legally defined, typically refer to geographical regions that refuse to take law enforcement requests from ICE. These law enforcement requests could include detaining undocumented immigrants for ICE or reporting the immigration status of civilians local law enforcement encounters.²⁵ Since the 1980s, sanctuary cities have provided refuge for immigrants coming to the United States, such as when San Francisco became a sanctuary city in 1985 to protect refugees and asylum seekers from El Salvador and Guatemala.²⁶ Politicians opposing sanctuary cities have argued that they endanger public safety and have gone as far as to ban sanctuary cities, as seen in Florida, Texas, and Iowa.²⁷ However, in one study, researchers analyzed crime data from Immigration and Customs Enforcement (ICE) and the Federal Bureau



of Investigation (FBI) between 2010 and 2016 among sanctuary cities to determine if sanctuary cities caused harm to public safety.²⁸ Researchers found that sanctuary cities do not increase crime and instead reduce the number of deportations.²⁸ The main benefit of having sanctuary cities is to refuse cooperation with ICE and limit local law enforcement to inquiring information about someone's immigration status.²⁹

Yet, city officials only have limited power and governance over a city. A major limitation of sanctuary cities is that city policies can be overturned by county or state policies. In the case of Santa Ana, a city in Orange County, CA, the county has a 287(g) agreement that specifically detains immigrants for ICE at the Santa Ana City Jail while awaiting removal proceedings.²⁵ Despite Santa Ana being a sanctuary city, the city must follow the Orange County policies and procedures, limiting the effect of this sanctuary jurisdiction.²⁵

Although Sanctuary State Laws, including the California Values Act (SB 54), have been enacted in California and other states, insufficient enforcement, transparency, and accountability in law enforcement practices have compromised the effectiveness of the legislation. Three years after the enactment of the California Values Act, the San Diego Immigrant Rights Consortium published a report detailing significant shortcomings in

the implementation of the California Values Act.³⁰ The report highlighted instances where local authorities in San Diego County continued to share information gathered from automated license plate readers with federal immigration agencies, facilitating ICE transfers from local jails.³⁰

With only eleven states and 182 cities and counties that currently have some form of sanctuary protections, the main issue with sanctuary cities and sanctuary states is the diverse policies that vary from location to location across the U.S. that limit the involvement with ICE.³¹ These differences create a lack of uniformity and consistency in the approach toward immigration enforcement. To address these challenges, collaboration between jurisdictions to create standardized policies could establish more consistent legal frameworks at the state and federal levels to provide better protection and uniformity for sanctuary cities and states.

IMPACTS OF ABOLISHING ICE

Policies legislated only in specific cities, counties, or even states are not enough to stop the separation of families caused by ICE. While the Reuniting Immigrant Families Act and sanctuary city policies have demonstrated progress in addressing family separation, these policies can be overturned or undermined by other legislatures. To address the gap, members of Congress should stop funding or pass legislation to abolish ICE.

At the moment, there is limited data on how this policy recommendation would benefit the Latinx/e adolescent population that this article aims to target. However, there is significant evidence about the consequences of family separation caused by ICE and the fear associated with ICE's immigration enforcement policies.

ICE has a history of creating family separations through immigration enforcement.³² For example, when the Trump Administration issued the "Zero Tolerance" policy in 2018, a policy that allowed for a stricter legal procedure at the border, immigration officers purposefully separated adults from their children to prosecute and deport them.³² Based on a 2020 report from the House Judiciary Committee, more than 2,500 migrant children were separated from their parents at the border, and there are still hundreds of children who have yet to be reunited.³³ A qualitative study of the impact of separating families in Latinx/e communities in California identified four major impacts on Latinx/e youth who experienced a family deportation: modified family structures, family tensions, financial instability, and a decrease in social networks.²⁴

The call to abolish ICE and reform the immigration enforcement system is a crucial step toward addressing the adverse health outcomes resulting from family separation. However, there are potential challenges to the success of this recommendation. Resistance from the opposition can raise skepticism or concerns about national security, hindering the adoption of this transformative approach. Given the complexities of immigration policies and political dynamics, education and open dialogue among advocates, public health professionals, policymakers, and the public can foster a better understanding of the need for a more humane immigration system. Highlighting attainable alternative models, such as the electronic monitoring system (i.e., bracelets and curfews) proposed by the House Appropriations Committee in 2005, can serve as concrete examples of viable alternatives that prioritize keeping families together during removal proceedings.³⁴ However, to ensure the advancement of the undocumented community and begin amending the harm caused by ICE, ICE would need to be abolished.

Not only is ICE responsible for the separation of families, but it is responsible for the fear and stress caused among the undocumented immigrant community.³⁵ Research data points to how the existence of ICE causes distress, especially among mixed-status families who have experienced poorer developmental outcomes compared with families that are all citizens.³⁵ The anti-immigrant policies enforced by ICE have demonstrated a pattern of impacting the health and well-being of the Latinx/e community, such as elevated chronic stress.³⁶ Furthermore, in a mixed-methods study conducted in Adelanto, CA, researchers observed forty-five Latinas to determine whether or not living next to a detention center run by ICE would impact their overall health and well-being.³⁷ Researchers reported increases in anxiety levels among those residing near the ICE detention center and distrust in law enforcement.³⁷

Building bipartisan support and engaging in constructive conversations with politicians who may initially oppose the abolishing of ICE can lead to a more nuanced and informed discussion. By addressing concerns and proposing substantial solutions, the recommendation to abolish ICE can gain traction, fostering a legislative environment conducive to meaningful change. It is imperative for members of Congress to recognize the harm caused by ICE and proactively work towards creating resolutions that ensure the well-being and rights of the undocumented immigrant community.

While abolishing ICE may seem impossible to those opposed to the idea, it is the crucial step needed to stop adverse health outcomes resulting from family separation. Despite the efforts of the proposed alternative policies, these policies only lessen the impact on the health and well-being of the Latinx/e adolescent community. The presence of ICE is enough to strike fear and stress among the undocumented immigrant community. By abolishing ICE, the government can create

a new immigration system that focuses on treating immigrants as humans instead of criminalizing them. Therefore, it is time for members of Congress to rally together to begin putting into motion a new legislative method that dismantles ICE before hundreds, if not thousands, of immigrants have to suffer adverse health outcomes from ICE's control over the immigration system.

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ERADICATING CHILD LABOR IN INDIA: PROPOSALS FOR TRANSFORMATIVE POLICY REVISIONS

— Anjali Nambiar

Edited by
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Photo by
Odd Fellow
on Unsplash

In this article, author Anjali Nambiar discusses the need for swift and comprehensive interventions to protect the rights and future opportunities of child laborers in India—the country that accounts for the highest number of child laborers globally. She discusses the root causes of the ongoing prevalence of child labor and identifies the limitations of current policy in the face of economic drivers. She recommends policy solutions that include funding education, strengthening enforcement, and fostering a culture of compliance and accountability.

BACKGROUND

India harbors a disturbingly high proportion, exceeding ten percent, of the world's total child laborers, part of a deeply concerning global challenge. The Campaign Against Child Labor and UNICEF estimate that more than ten million children in India are exposed to child labor, engaging in activities that are outlined by IPEC to pose mental, physical, social, or moral risks and detrimentally affect their education.¹ Various industries in India, particularly in the

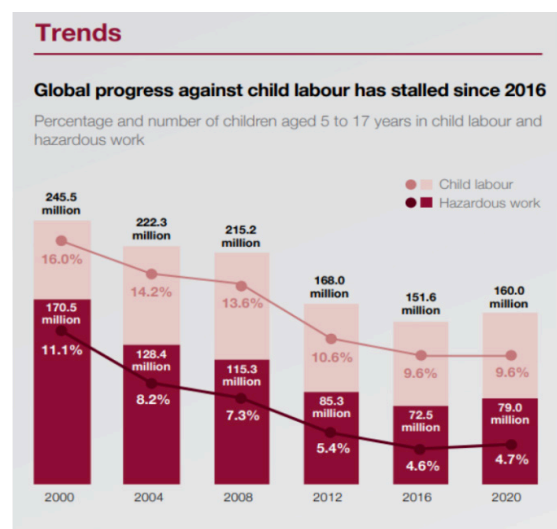
garment, construction, agriculture and fireworks industries, employ child labor.² Renowned organizations such as Kellogg's, Unilever and Nestlé have been implicated in child labor practices through the palm oil supplying company Wilmar.³

The Indian government has implemented various measures to address child labor. At the policy level the government formed its inaugural committee to investigate child labor concerns in 1979. Subsequently, in 1986, the government enacted the Child Labor Prohibition & Regulation Act, which was further amended in 2016. This legislation prohibits the employment of children younger than fourteen in all forms of work and includes provisions prohibiting adolescents (aged fourteen to eighteen) from engaging in hazardous occupations and processes. Additionally, numerous non-governmental organizations (NGOs), such as Amnesty International and Save the Children, are actively involved in combating child labor in India.

These measures have resulted in a reduction of approximately

2.6 million child laborers between 2001 and 2011, representing a 16 percent decrease.⁴ Despite the progress, change has been gradual, emphasizing the urgent need for a unified and targeted effort to eradicate child labor, bolstered by substantial government and NGO support.

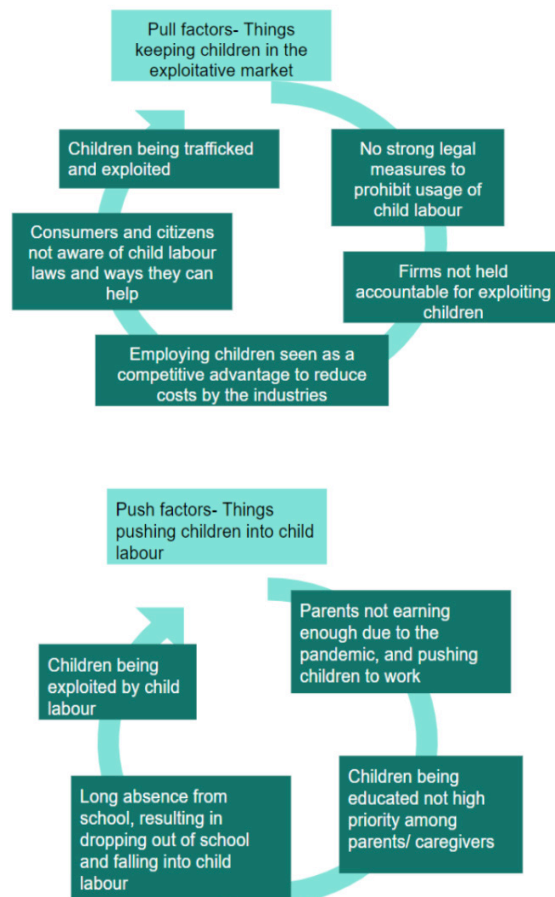
More concerning, the COVID-19 pandemic could result in the reversal of these efforts if swift action is not taken. Through the lockdown in India, numerous vulnerable families suffered from the adverse effects of school closures and economic hardships, leading to widespread internal migration and an increased reliance on child labor for income.⁵



Source: Child Labour and Global Estimates 2020-ILO

ROOT CAUSES OF CHILD LABOR

Child labor is perpetuated by both demand side and supply side reasons. There is a supply side push of children into the labor market due to poverty. There is also demand from the industries to pull them into the labor market and keep them exploited for reasons such as ease of employment and low wages.⁶ To effectively design policies to reduce child labor, understanding these factors is imperative. These are elaborated in the diagram below.



The social, economic, and political dynamics contributing to the persistence of child labor in India are multifaceted. Several factors have been identified, including poverty, social norms, lack of access to education, and weak enforcement of child labor laws.

Poverty is a significant factor influencing the prevalence of child labor.⁷ Children from impoverished families often work to contribute to their family’s income, perpetuating a cycle of poverty and lack of education. A study in one of the southern cities of India to measure the risk factors leading to child labor found that they included debt, having a disabled family member, large family sizes, and maternal education.⁸ For instance, the children of mothers who had no formal school education had 1.73 times the risk of being sent to work compared to those of mothers

who had formal school education.

Social norms also play a role, as certain traditional attitudes and practices may condone child labor, particularly in rural areas. Additionally, the lack of access to quality education limits opportunities for children, making them more vulnerable to exploitation in the labor market.⁹

From a political perspective, weak enforcement of child labor laws and inadequate social protection measures contribute to the persistence of child labor in India. Despite the existence of legislation, enforcement remains a challenge, allowing for the continued exploitation of children in various industries.¹⁰

Policy interventions need to consider these factors to ensure that the policy is eliminating the root cause of child labor. A comprehensive policy should be able to pull children out of this market, keep them from reentering the market in the future and also prevent them from being subject to child labor at all.

POLICY GOALS

To effectively combat child labor in India, the following goals should guide the policy interventions:

- 1. Efficacy:** Over the past ten years, India has managed to mainstream 10 percent of children who were exploited. The suggested policy should aim to reduce the number of children employed by 40 percent within the next ten years, which is the approximate global average reduction over the past decade.¹¹ This reduction will serve as a clear indicator of the policy’s success in curbing child labor.
- 2. Political Feasibility:** The policy should be able to withstand changes in government. To ensure sustained progress, it is crucial that

the policy maintains support across political parties and remains immune to potential disruptions caused by transitions in government.

3. Citizen buy-in: It is crucial for the policy’s success, emphasizing active involvement and participation of Indian citizens. By engaging citizens in both policy formulation and implementation, we can foster long-term sustainability and elevate it as a significant agenda that political parties cannot overlook.

4. Administrative burden: The ideal policy recommendation should be able to reduce administrative burden on the implementing body, removing barriers to accessing public services and rights and ensuring marginalized groups are not disproportionately affected.

POLICY OPTIONS AND EVALUATION

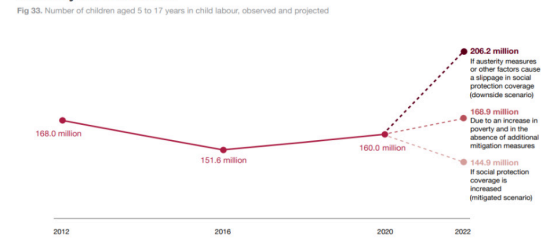
To address the issue of child labor in India, this article analyzes the following policy options.

Letting present trends continue: Continuing with the existing laws and policies without additional intervention will inevitably result in a further increase in the number of children subjected to labor. One report even finds that the current ban is only increasing the number of children subject to child labor.¹² Over the past decade, the number of children being moved out of child labor has been abysmally low—around ten percent, which is a quarter of the global rate of reduction. There has also been a gradual reduction in the budgetary allocation to the rescue efforts.¹³

In order to accelerate the progress towards the elimination of this social problem in the wake of the turbulent socioeconomic conditions, there needs to be concerted mitigation

measures to create and implement additional policies to bolster the efforts.

Without mitigation measures, 8.9 million more children will likely be engaged in child labour by the end of 2022



Source: Child Labour: Global Estimates 2020, Trends and the Road Forward

1. Conditional cash transfers to schools:

One policy solution is cash transfers to families, conditional on school attendance and regular health checkups for nutrition levels. This can incentivize parents to keep their children in schools reducing the likelihood of child labor due to household vulnerability. Similar programs have been implemented in Columbia.¹⁴

Cash transfers conditional on sending the students to school instead of employing the students have demonstrated effectiveness in reducing child labor. For example, a study in Costa Rica¹⁵ showed a reduction of up to four hours of child labor per child per week through this approach. These programs have also proven to be cost-effective and efficient. The conditionality can help ensure the money is not spent on other household assets leading to increased child employment, such as buying sewing machines to then exploit children to work on those machines.

Cash transfer initiatives, such as Direct Beneficiary Transfers and COVID-19 relief funds, have garnered support across political parties in India. Implementing cash transfers to schools to combat child labor and increase

education access is likely to enjoy bipartisan acceptance and gain popular support.

Cash transfers also have the advantage of actively involving Indian citizens, directly benefiting families in need and promoting the value of education. By engaging citizens and highlighting the importance of keeping children in school, the policy can generate widespread support and become a prominent agenda in political discourse. That said, there is a possibility that some sections of the population would be unhappy with the use of taxpayers money as cash transfers and may oppose this policy.

One downside of conditional cash transfers is that they introduce certain administrative burdens on the state, including financial resources for sustaining the program, data requirements for targeting the beneficiaries, increased burden on poor households to satisfy these conditions and other operational issues. But these costs can be reduced by simplifying and streamlining the eligibility criteria¹⁶ and leveraging technology and digital platforms for application, monitoring, and payment processes and integration with existing cash transfer programs.

2. Public information campaigns:

A targeted awareness campaign, similar to the ones intended to cause behavioral change in issues like smoking or drinking while driving, could be an effective way to nudge behavior change towards sending the children to school, instead of pushing them into early employment.¹⁷

Information campaigns, such as those promoting early childhood education, have proven to be effective in bringing about behavioral change in social issues such as suicide prevention.¹⁸ Targeting guardians of affected children to ensure they see the value of additional years of schooling could make a difference in multiple ways. Research has shown that increasing educational attainment

is associated with rising life expectancy, lower mortality, higher earnings, reduced disparities in health, and improved cognitive abilities. In low-income countries, an extra year of education is projected to increase a person's future income by ten percent.¹⁹

By emphasizing the long-term benefits of education, including higher earnings and improved health, such campaigns can appeal to a wide range of political perspectives, from social welfare to economic growth. Furthermore, public information campaigns are a non-coercive policy tool that is often perceived as less intrusive than regulatory measures, making them more politically viable and less likely to face opposition. Moreover, the use of modern communication channels, including social media, allows political actors to reach and engage with diverse constituencies more effectively. This aligns with the contemporary trend of leveraging digital platforms for political communication and engagement.

Implementing a public information campaign as a policy to promote education and discourage child labor can be considered a strategy with a low administrative burden. Such campaigns typically rely on mass media and communication channels to disseminate information, which can be more efficient and less resource-intensive than direct interventions requiring extensive bureaucratic processes. Public information campaigns have the potential to deliver messages at a low cost per head, making them a cost-effective policy instrument. While there are risks and costs associated with any policy, the use of mass media campaigns to change health behavior has shown that with adequate planning and execution, these campaigns can be successful in achieving their objectives with relatively low administrative demands.²⁰

3. Increasing penalties on organizations employing children

The current policy to curb child employment features very low fines and few convictions of individuals found to be guilty of this crime, especially at the central government level.²¹ The government could strengthen audit processes and penalize organizations that are found to employ child labor an amount equivalent to a significant share of their profits.

The United States implemented a child labor tax to reduce child labor in the year 1916. Though it was reversed, it does hold promise as a tool to reduce child labor if employed as a penalty mechanism by the government. That said, this policy alternative may not garner enough support from all the political parties as there may be certain pressure groups that may want this to be reversed. In addition, citizens may not be involved in this policy as much, but they will be able to exert pressure on the government to penalize the firms and ensure rights of the children are not curtailed.

Imposing higher penalties on organizations that employ child labor can introduce administrative burdens such as the need for regular inspections, strengthened audit processes, and the enforcement of penalties.²² However, these measures can also increase government revenue through the collection of fines from non-compliant organizations. The revenue generated from these fines could potentially be reinvested into programs aimed at eliminating child labor, such as education and social welfare initiatives, thereby contributing to the long-term economic and social development of the country.²³

RECOMMENDATIONS AND CONCLUSION

To effectively combat child labor and enhance the welfare of children in India, we advocate for the implementation of a multifaceted approach that integrates targeted public information campaigns and conditional cash transfer programs. Public information campaigns have proven to be influential in altering societal behaviors, as demonstrated by successful initiatives addressing issues such as smoking, drunk driving, HIV transmission, and child marriage. By leveraging similar strategies, we can instigate a cultural shift towards prioritizing education over child labor. These campaigns should disseminate information on the importance of education, the dangers of child labor, and the long-term benefits of investing in children's futures.

Conditional cash transfer programs have been effective in incentivizing desirable behaviors, particularly in low-income communities. By providing financial assistance to families contingent upon their children's school attendance, we create a direct economic incentive for education while mitigating the financial pressures that often drive children into the labor force prematurely. This approach addresses the root causes of child labor by addressing the underlying socio-economic challenges faced by vulnerable households.

While legal interventions such as child labor bans are essential tools in combating exploitation, they are not always sufficient in ensuring child welfare.²⁴ Imperfect enforcement and the marginalization of vulnerable households necessitate complementary strategies that address the systemic barriers perpetuating child labor. By integrating conditional cash transfers with public information campaigns, we adopt a comprehensive approach that acknowledges the limitations of bans alone and addresses the nuanced

realities of child labor in India.

In conclusion, a comprehensive policy framework that combines public information campaigns with conditional cash transfers offers a pragmatic and compassionate solution to the pervasive issue of child labor in India. By addressing the multifaceted drivers of exploitation and fostering a supportive environment for education, we uphold the rights and dignity of every child while nurturing a brighter future for generations to come.

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EXTENDED FOSTER CARE IN SAN FRANCISCO: ENHANCING SUPPORT FOR FORMER PROBATION FOSTER YOUTH

— Marisa Lin

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This article presents recommendations to improve outcomes for foster youth in the San Francisco Juvenile Probation Department (JPD)'s extended foster care (AB 12) program. The program serves foster youth ages 18 to 21 with former involvement with San Francisco's juvenile justice system, a particularly vulnerable population that often experiences a high degree of trauma and lack of consistent familial support.

SUMMARY

In this article, Marisa Lin evaluates the San Francisco Juvenile Probation Department (JPD)'s extended foster care (AB 12) program.¹ Based on interviews with AB 12 participants and staff, she finds that youth in the program face challenges with building connections, affording housing, and making the transition out of support programs. She makes recommendations for how JPD can better cultivate youths' relationships with supportive adults, make more financial resources available to access housing in the Bay Area, and increase support for youth aging out of foster care.

BACKGROUND

California's Assembly Bill 12 offers voluntary, extended foster care for youth aged eighteen through twenty-one.² The San Francisco Juvenile Probation Department (JPD)'s AB 12 program serves the subset of foster youth who have had contact with the juvenile justice system. Other foster youth in the child welfare system in San Francisco are served by the County's Human Services Agency (HSA).

By extending foster care, AB 12 programs give foster youth more time to focus on housing, education, employment, and health, along with forming supportive connections with other adults. Youth receive caseworker support and monthly payments from the County or a transitional housing agency. Studies from other jurisdictions have shown that youth who remained in foster care after 18 were more likely to pursue postsecondary education, have higher earnings, and delay pregnancy.³ Exhibit 1 shows the eligibility and participation criteria for the AB 12 program.

Exhibit 1: AB 12 Eligibility and Participation Criteria

Initial Eligibility Requirements	Ongoing Participation Requirements
<ul style="list-style-type: none">• Must have an out-of-home placement order by age 18• Must be off juvenile probation*• Must be able to meet one of the ongoing participation requirements (right)	<ul style="list-style-type: none">• Must live in an approved placement• Must meet monthly with social worker• Must meet one of the following:<ol style="list-style-type: none">1) Secondary education2) Post-secondary education3) Employment of at least 80 hours per month4) Program designed to "promote or remove barriers" to gaining employment5) A documented medical condition that prevents the youth from doing any of the above

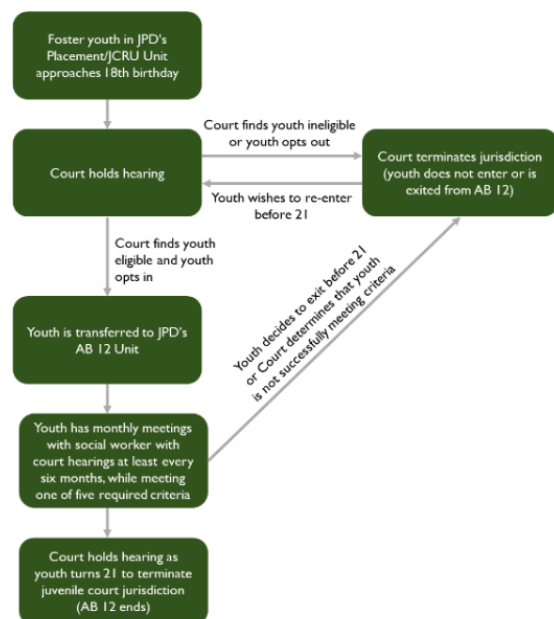
Source: All County Letters 11-61 and interviews with JPD staff.

*San Francisco requirement. Youth who do not successfully complete their probation are still eligible for AB 12. However, they may need to meet certain expectations before entering the program.

JPD’s AB 12 program is a voluntary program, meaning that the youth can opt in and out of the program at age eighteen or anytime before they turn twenty-one. The process is depicted in Exhibit 2.

Other primary roles in the AB 12 program include the judge and a youth’s attorney, typically from the San Francisco Public Defender’s Office.

Exhibit 2: AB 12 Program Flowchart



Social workers and other stakeholders support youth in JPD’s AB 12 program.

Social workers are typically a youth’s primary contact in JPD’s AB 12 program. They support youth in meeting their goals in education, employment, health, parenting, and independent living skills. In monthly in-person meetings, social workers check in on a youth’s progress, which is documented in court reports filed at least every six months.⁴

Social workers may assist youth with a variety of tasks such as opening a bank account, applying to jobs, applying to college, securing housing, and making appointments. In addition, social workers connect youth to outside resources, such as for mental health, education, job training, and independent living skills.

Exhibit 3: AB 12 Roles

Social Worker (JPD)	Judge (Superior Court)	Attorney (Public Defender)
<ul style="list-style-type: none"> •Monthly meetings with youth •Support and guidance to youth •Referrals to service providers •Collaboration with youth’s support team •Court reports every six months 	<ul style="list-style-type: none"> •Determines youth eligibility for the program •Receives court reports •Hosts court visits for each youth at least every six months •Identifies areas for additional support and connects youth to resources 	<ul style="list-style-type: none"> •Address and represent youth on any legal issues that may arise (i.e., adult cases, restraining orders, gender/name changes)

Source: Interviews with various County staff.

In addition to social workers, attorneys, the judge, and other stakeholders come together to support youth. Having multiple people in a youth’s circle of support allows for continuity of relationships and increases the likelihood that the youth will engage with the program. One service provider described how he used his rapport with one youth to loop the social worker into their conversations and better engage him. This collaborative culture is integral to JPD’s AB 12 program.

Most youth in JPD’s program are youth of color.

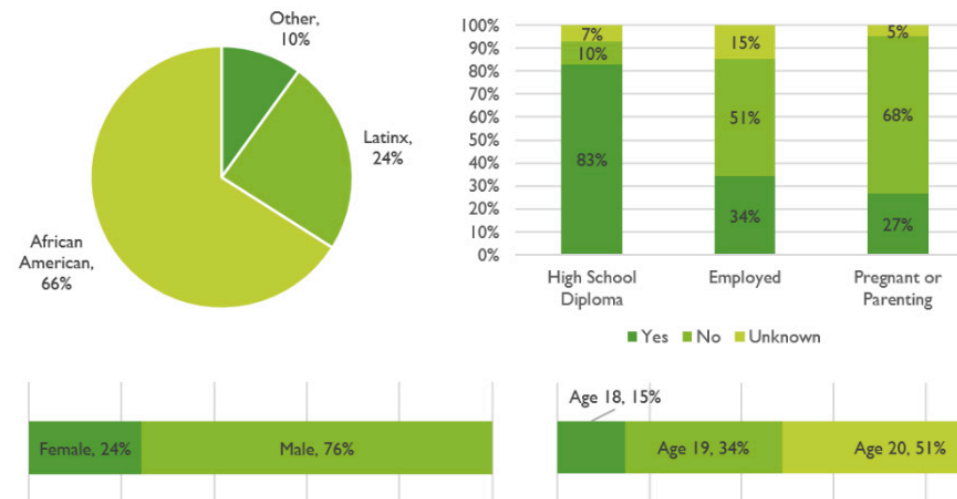
Exhibit 4: AB 12 Youth’s Circle of Support



Source: Analysis based on staff interviews.

In June 2023, there were 41 youths in JPD’s AB 12 program. Almost 95 percent of AB 12 youth were youth of color (Hispanic/Latinx and African American) and three in four were male. While 83 percent had a high school diploma, only a third were employed in June.⁵ In addition, about a quarter were pregnant or parenting. Roughly half of AB 12 youth were twenty years old, indicating that they will age out of the program by the end of 2023.

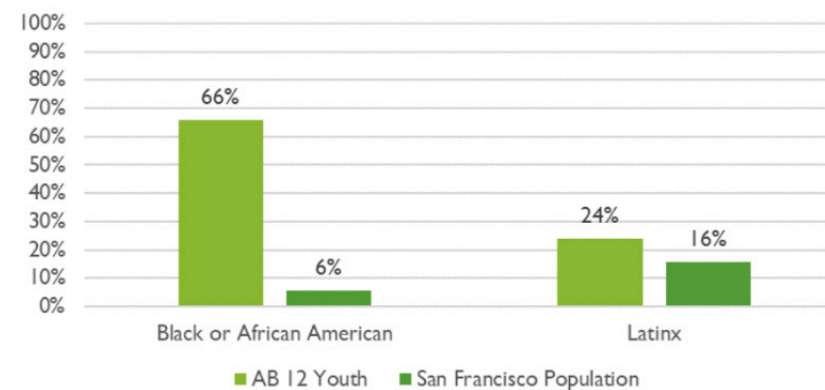
Exhibit 5: Characteristics of JPD’s AB 12 Youth (N=41)



Source: Internal JPD data as of June 30, 2023.

The racial demographics of youth in the AB 12 program is significantly different than the overall San Francisco population, as shown in Exhibit 6.

Exhibit 6: AB 12 Youth are Disproportionately Black and Latino



Source: AB 12 youth figures from JPD internal data as of June 30, 2023. San Francisco figures are 2022 estimates from the US Census (2023 was not yet available at the time of this writing).

AB 12 supports youth in the path towards adulthood.

Exhibit 7: AB 12 Youth Success Areas

Permanent Connections	Relationships with caring and supportive adults and peers
Housing	Safe and stable housing
Education and Employment	Enrollment in education, employed, or in a program that reduces barriers to employment
Healthcare	Access to services and resources to maintain positive physical and mental health
Independent Living Skills	Skills to navigate daily independent living and achieve education/career goals
Long-term Plan	A sustainable long-term plan with a demonstrated commitment to follow through

Source: This framework was informed by interviews with staff and SFCASA’s five advocacy areas, which can be found here: <https://www.sfcasa.org/s/SFCASAAadvocacyAreas02-2020.pdf>.

SFCASA is an organization that trains and supports Court Appointed Special Advocates to San Francisco-based foster youth.

The following findings are informed by analysis of internal department data, interviews with City/County staff at JPD and other departments, a Superior Court Judge, community-based organizations, and foster youth.

Finding 1: Relationships are key to transitioning foster youth to adulthood.

Youth may experience trauma from remaining with JPD.

Although the AB 12 program is not a probation program, the Juvenile Probation Department oversees the program for youth with former involvement in the juvenile justice system. This arrangement can exacerbate the trauma AB 12 youth have experienced in the system. One youth expressed that he was initially concerned that AB 12 would be—or feel like—an extension of probation. He stated that he had friends who quit the program because it felt too much like probation. While he personally benefited from the program, he chose not to attend his AB 12 court hearings because it reminded him of being incarcerated.

Staff noted that youth may be hesitant to visit JPD since that is where they attended court while on probation. And one service provider pointed out that youth in JPD’s AB 12 program must still have a law enforcement agency approve their housing placements, even though they are off probation.

Relational permanency is critical for success.

Enabling youth to form strong, supportive relationships within their communities can reduce the need for them to depend on the formal foster care system. Relational permanency is “a sense of belonging through enduring, lifelong connections to parents, extended family or other caring adults, including at least one adult who will provide

a permanent, parent-like connection for that youth.”⁶ Studies have shown that permanency has long-term beneficial impacts on youths’ social, psychological, and financial outcomes.⁷ Parents and extended family can offer important ongoing support that is difficult to replace with programs and outside individuals.

Relational permanency looks different for each individual. While some youth may have relationships with parents and other biological connections, others may prefer alternative structures of support. Those in the LGBTQ+ community, for instance, often rely on “chosen families”—individuals who are biologically unrelated but provide mutual love and support that is lacking from their biological families.⁸ Recognizing the value of these nontraditional communities for LGBTQ+ youth and helping them engage with chosen family networks can assist them in achieving permanency.

Establishing relational permanency is especially critical for AB 12 youth, since they may have faced previous barriers to developing permanent connections, including incarceration. They only have at most three years before they age out of care, and many live away from their home communities in San Francisco due to cost. Currently, social workers encourage youth to cultivate “lifelong” connections; if a youth doesn’t have permanent connections, social workers may connect youth with San Francisco CASA⁹ or other service providers. Because youth are legal adults, social workers do not contact the youth’s family members. Permanency should be a priority given that youth will soon be emancipating from care.

RECOMMENDATIONS

Develop formal processes to help youth cultivate close connections with family members and other supportive individuals. These efforts may include:

- Covering transportation costs for visits
- Identifying and connecting youth and their families to counseling services

Finding 2: AB 12 youth do not receive enough funding to afford housing and basic living costs.

Stable housing is critical for the health and success of foster youth.

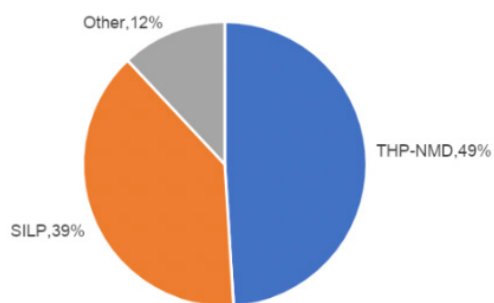
The purpose of housing in extended foster care is safety, preparation for independence, and stability. According to program guidance, AB 12 youth should live in “placements that are least restrictive and encourage as much independence as possible, based on the youth’s development needs and readiness for independence.”¹⁰ JPD staff described how housing stability allows youth to better focus on their education, employment, and independent living goals:

“Without the basic stability of housing, people can’t survive in any other aspect of their life. Giving either a transitional housing program or a stipend to pay for housing provides stability [for youth] to work on mental health issues, safety issues, education issues, employment issues—all those things.” – JPD staff

AB 12 youth live in two placement types: Supervised Independent Living Placements (SILPs) and transitional housing programs (THPs). A SILP is a placement that the youth is responsible for arranging, such as an apartment, single room occupancy, dorm, or an arrangement with a family member. THP housing, on the other hand, is managed through an agency that provides case

management and other services onsite. As of July 2023, half of JPD’s AB 12 youth resided in transitional housing placements and forty percent in SILPs.¹¹

Exhibit 8: Half of AB 12 Youth Live in Transitional Housing Placements (N=41)



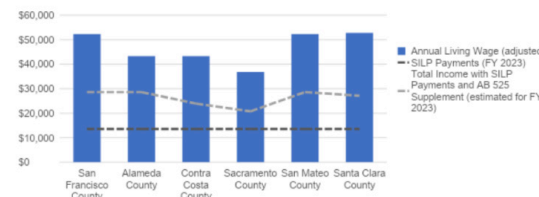
Source: Internal JPD data as of July 21, 2023. THP-NMD stands for Transitional Housing for Non-Minor Dependents. The “Other” category includes incarcerated youth and unapproved SILPs.

Living costs are a major factor driving youth to live outside of San Francisco.

AB 12 does not require youth to live in the same county as the court whose jurisdiction they are under. As of June 2023, about eighty percent of JPD’s AB 12 youth lived outside of San Francisco. The most common counties where JPD’s foster youth live are Alameda, Contra Costa, and San Mateo.

Housing costs are a significant factor in causing youth to relocate outside of the city. Rents can exceed the monthly AB 12 payments they receive, which are meant to cover both housing and other living costs. In interviews, some youth described leaving San Francisco to escape gang-related violence.

Exhibit 9: SILP Payments are Lower than Living Wages in California Counties



Source: Annual living wage based on 2022-23 estimates from MIT Living Wage Calculator. These include food, housing, transportation, and other costs. Medical costs were subtracted from MIT’s original estimates since youth are eligible to receive medical services free of cost through the County. AB 525 supplements are estimated based on the methodology proposed by the bill.

AB 525 proposes funding to increase housing affordability for youth.

In February 2023, the Legislature proposed AB 525, a bill to provide a housing supplement for youth living in SILPs based on their county of residence. The State would calculate this supplement based on the difference between half of the fair market rent of a two-bedroom apartment in the county of residence and 30 percent of the rate currently paid out to youth in SILPs, adjusted annually with HUD fair market rent data. With this method, AB 12 youth living in Bay Area counties and Sacramento would have each received at least \$20,000 as a supplement for FY 2023.

Although AB 525 did not pass during the 2023 legislative session, supporting similar initiatives can ensure that youth have the resources to afford housing that is supportive to their development. Adequate funds for housing allow youth to have greater agency over where they live, who they live with, and the opportunities they can access.

Recommendations:

- Support advocacy efforts for housing supplements for youth living in SILPs, such as legislation similar to AB 525.

- Until AB 525 or similar legislation is passed, provide financial supplements to youth living in SILPs according to their county of residence, no less than the amounts based on the approach proposed by AB 525 and using the MIT Living Wage Estimates as a reference.

- Identify how much income youth in transitional housing programs (THPs) are receiving each month and supplement it using the MIT Living Wage Estimates as a reference.

Finding 3: More resources are needed to support youth beyond 21.

AB 12 support abruptly ends at age twenty-one.

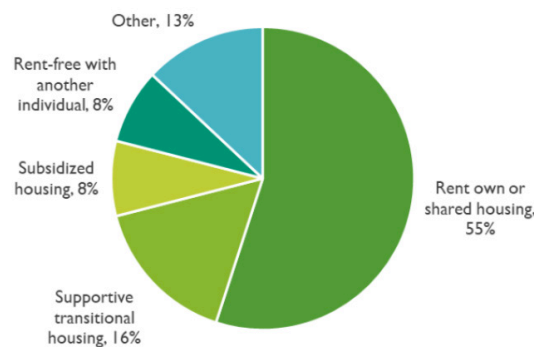
Youth age out of AB 12 on their twenty-first birthday. This means that they are no longer eligible to receive AB 12 monthly payments and lose the formal support of their social worker, judge, and attorney. Staff and service providers expressed concern that the loss of support and lack of transitional services put youth at risk of adverse outcomes.

Interviewees consistently identified housing as the main challenge for youth aging out. To avoid homelessness, youth must secure a transitional housing program-plus (THP+) placement, which is designated for youth over 18, or other living arrangement. However, THP+ beds for youth over twenty-one are scarce; in November 2022, projections estimated that San Francisco needed sixty-nine beds over its current capacity to meet the

estimated number of youth aging out in 2023. Moreover, San Francisco only has THP+ placements available within the county, meaning that youth living in other counties must apply through other county agencies, leading to potentially long wait times. To address this gap, JPD should make additional THP+ beds available within San Francisco and other counties.

Exacerbating housing challenges is the reality that many youth emancipating from care may not have the financial ability to live on their own. Of the thirty-eight youth who exited JPD’s AB 12 program in 2022, only twenty-eight were employed, while nearly forty percent were receiving temporary financial assistance and twenty-four percent were receiving CalFresh benefits.¹²

Exhibit 10: Housing Status of JPD’s AB 12 Youth Exiting in 2022 (N = 38)

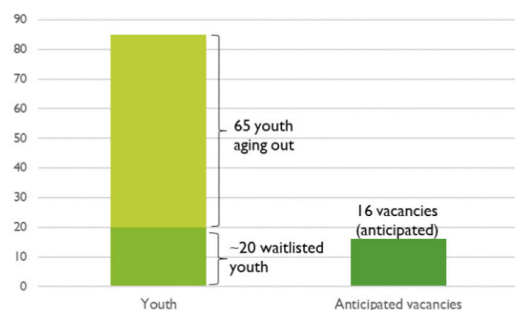


Source: Exit survey data collected by JPD staff and reported to HSA. “Other” includes youth with other types of arrangements, unknown arrangements, or no arrangements.

During this stressful time, youth aging out often need additional support in their transition. According to staff, some former AB 12 youth remain in contact with their social worker and attorney. While abruptly cutting off ties with youth who have aged out may

not be humane, these relationships impose additional demands on staff. To address this, JPD should create a community-based aftercare program that can be a resource for former foster youth.

Exhibit 11: Projections of THP+ Vacancies and AB 12 Youth (as of November 2022)



Source: HSA internal projections for 2023 as of November 2022. Of the 65 youth anticipated to age out of AB 12 in 2023, 39 are from HSA and 26 from JPD. Waitlisted youth are former AB 12 youth who are still waiting for a THP+ bed. Note that this graph reflects a snapshot in time and numbers are subject to change.

New initiatives have provided financial support to youth aging out.

In addition to housing, there have been initiatives to continue financial support for youth after they age out of extended foster care, described in Exhibit 12.

Exhibit 12: Efforts to Support Youth Aging Out of AB 12

Effort	Description
Emergency Housing Assistance Payments	San Francisco began issuing payments to youth who emancipated from extended foster care at the end of 2021. Youth in the first cohort received \$1,060 per month for 18 months.
Guaranteed Income (GI) Pilot	In November 2022, San Francisco’s Human Services Agency was one of seven applicants across California selected to participate in the first State-funded guaranteed income pilot program. The San Francisco GI pilot launched in October 2023 and is issuing \$1,200 per month to AB 12 youth who emancipated from care anytime in 2022 or 2023.
Senate Bill 9	In December 2022, Senator Dave Cortese introduced Senate Bill 9 (SB 9) to facilitate a 3-year pilot program in at least three counties to extend foster care up to age 22.

Source: Interviews with staff and City/County communications.

Efforts like SB 9, EHAP, and the GI pilot are important, as interviewees recognized that three years is not long enough for youth to be adequately prepared for adulthood. “Age twenty-one is just very young for that major transition [out] of AB 12 to happen,” one service provider remarked, recommending that youth should have “more time and more support.”

JPD should identify ways to continue financial support for AB 12 youth aging out of care while supporting advocacy efforts to pass SB 9. These efforts will help extend the runway for AB 12 youth transitioning into adulthood and increase their chances of success.

Recommendations

- Expand the number of available THP+ beds in San Francisco and work with the Department of Homelessness and Supportive Housing to make THP+ beds available in counties where many of the Department’s AB 12 youth live.
- Create and fund a community-based after-care program for youth to facilitate connections to resources, programs, and caring adults as youth transition into adulthood.
- Support advocacy efforts for SB 9 and similar initiatives. Continue funding the Guaranteed Income program beyond the initial pilot until SB 9 or similar bill is passed.

CONCLUSION

The San Francisco Juvenile Probation Department’s (JPD) AB 12 program fills a crucial gap in supporting probation youth who have been placed in foster care as they transition to adulthood. As a “downstream”

program, extended foster care is limited in its ability to prevent the harm that youth experience in the child welfare and justice systems. At best, however, it is a responsive intervention that provides youth with one of their final opportunities to build a life free from these systems.

This report shows that accomplishing this outcome requires more than the effort of any single individual; rather, it involves a community of supportive adults who can offer permanency, wisdom, and resources. It also requires adequate financial support that covers more basic living costs—enough to enable youth to live healthy, vibrant lives while building an educational and economic foundation for their futures.

ENDNOTES

1 This article is a shortened version of a report the author presented to the San Francisco Juvenile Probation Commission on October 11, 2023. The full version of this report can be found on JPD's website: <https://sf.gov/reports/october-2023/juvenile-probation-department-reports>
sdfgh

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11 The most common THP providers were Unity Care, Holly's Place, and Pacific Clinics.

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THE STUDENT LOAN DEBT CRISIS AND THE PROMISE OF INCOME DRIVEN REPAYMENT REFORM

— *Max Wolf-Johnson*

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This article analyzes the Saving on a Valuable Education (SAVE) student loan plan unveiled by the Biden administration in 2023. Author Max Wolf-Johnson describes the context of recent student loan policy and analyzes how well the SAVE plan addresses gaps in the current system. The article concludes by exploring policy recommendations for further improving income-driven repayment plans.

In August 2023, the Biden administration unveiled a new income driven repayment plan for federal student loan borrowers. The Saving on a Valuable Education (SAVE) plan will play a central role in the administration's agenda to address student loan debt, especially after its attempt to offer broad-based forgiveness was struck down by the Supreme Court in July 2023. This article will examine which student loan related outcomes most require attention from and trace recent conditions and policy choices that have contributed to producing the current loan repayment landscape. I examine the extent to which the SAVE plan may positively address key outcomes and where its potential for impact may fall short. I conclude by exploring several policy recommendations.

BACKGROUND FRAMING STUDENT LOAN REPAYMENT REFORM

Student loan debt has become increasingly ubiquitous for college-going Americans, representing the second largest amount of household debt after mortgages.¹ Nearly half of all adults who go to college borrow to do so, with those aged twenty-five to thirty-four being the most likely to have taken out a student loan.² In total, federal borrowers owe \$1.6 trillion in outstanding student loan debt.³

Today's students are also far more dependent upon loans to facilitate access to postsecondary opportunities than prior generations. Between 1990–91 and 2019–20, per-student borrowing nearly tripled. This increased reliance on loans has also created new pressures on a repayment system that does not adequately serve borrowers facing a wide range of socio-economic experiences.

For those who fall behind on their monthly payments, the loan repayment system can feel particularly predatory. Borrowers who fail to make a monthly payment for 360 days enter

default, after which their entire outstanding debt becomes due. At that point, they may have their wages garnished, tax returns and federal benefits payments withheld, face collection fees, and experience steep reductions to their credit score.⁴ They can also lose access to additional federal financial aid, which, for borrowers who did not complete their degree, can foreclose opportunities to increase their earnings so that they are better equipped to pay off their loans. Prior to the COVID-19 pandemic, roughly one million borrowers defaulted on their loans per year.⁵

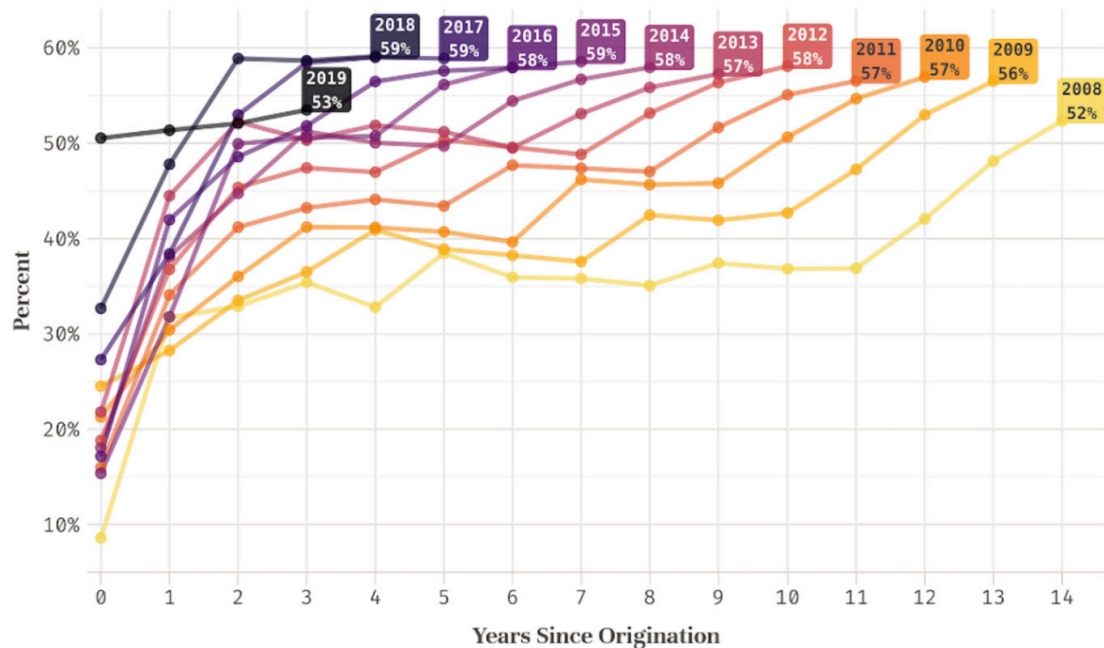
Efforts to reform loan repayment should strive to achieve two related goals: first, easing the short-term financial burdens associated with student loan repayment, and second, ensuring that borrowers have a reasonable path to fully escaping debt. Making progress on the first goal without meaningfully addressing the second risks compounding an underlying crisis of non-repayment.

Negative financial outcomes associated with student loans are distributed highly unevenly, with borrowers of color, those who are unable to complete their degree, and those who attended private, for-profit institutions among borrowers experiencing the greatest difficulty repaying, including falling into delinquency and default at the highest rates.⁶ In particular, Black borrowers owe on average almost twice as much as their white counterparts four years after graduating and default at roughly five times the rate of white graduates within ten years of graduating.⁷

Similarly, for-profit attendees are more than twice as likely as those who attended a public non-profit institution to be behind on their student loan payments, and among borrowers under forty, first-generation students are roughly three times as likely as their peers to have fallen behind on payments.⁸ By restructuring repayment to support lowest-income borrowers and provide greater

Tracking Non-repayment Trends of Student Loan Vintages Over Time

Each line represents student loans initiated in a particular year (vintage) and tracks the percent loans that currently hold a balance greater than the initial loan amount by years elapsed since the loan's year of origination.



protection against harms associated with delinquency and default, policymakers can help reduce such inequitable financial outcomes.

While policymakers should ease the short-term burdens placed on low-income borrowers, they must also ensure that this does not occur at the expense of enabling these borrowers to fully escape debt within a reasonable period. Lower monthly payment amounts can extend an individual's time to full repayment and increase the total amount they must repay over the life of the loan. This should be of concern to policymakers given that borrowers are taking increasingly longer to pay off their student loan debt.

In a study published in 2020 and updated in 2023, the Jain Family Institute (JFI) found that most borrowers with outstanding loans are not on track to repay within the standard ten-year amortization period and that, increasingly, borrowers from successive

cohorts are failing to make progress on reducing their balances relative to when their loans originated.⁹ In fact, JFI finds that half of all borrowers with outstanding debt in 2009 were still in repayment ten years later, and that of these borrowers half had a larger outstanding balance in 2019 than in 2009.¹⁰ This “crisis of non-repayment” indicates a deeper, structural failing of the federal student loan system.

In general, students have experienced greater difficulty repaying over time. In comparing first time postsecondary students who began in 1995–96 and 2003–04, on average, a smaller share of the latter cohort was able to escape debt without defaulting within twelve years. Among the lowest-income quartiles, borrowers who entered college in 2003–04 were on average five percent less likely to exit debt within twelve years without experiencing default.

Total time to repayment should also be of concern to policymakers because not all students benefit equally from their postsecondary education. After graduating, students face sharp disparities in labor market outcomes along racial and ethnic lines.^{11,12} An inflexible and overly predatory repayment system can entrench inequality and inhibit mobility, in particular for low-income borrowers of color who must borrow more and face a harder time repaying than their peers.¹³

Ensuring that all borrowers are not only presented with repayment terms that appropriately estimate their ability to pay, but that they can also fully escape debt within a reasonable time frame can help produce more equitable economic outcomes.

RECENT REFORM OF INCOME DRIVEN REPAYMENT AND LESSONS LEARNED

Between 2012 and 2015, the Department of Education stood up two new Income Driven Repayment (IDR) plans: Pay As You Earn (PAYE) and Revised Pay As You Earn (REPAYE). Both offered more generous terms to borrowers, including by capping monthly payments at ten percent of a borrower's discretionary income, and enabling borrowers to access forgiveness after twenty or twenty-five years of repayment.¹⁴

The creation of the PAYE and REPAYE plans helped address concerns regarding relatively high rates of delinquency and default and how these outcomes were distributed across populations. Yet roughly ten years later, it is evident that the current repayment scheme is still falling short by key measures. Average student loan debt has steadily increased over time along with cumulative default rates, and prior to the pandemic, nearly forty percent of borrowers were on pace to default on their student loans by 2023.¹⁵ Moreover, a Pew Research Center survey found that roughly

half of borrowers enrolled in an IDR plan reported that they still struggle to make their monthly loan payments. This suggests that the terms offered under prior plans insufficiently calculated borrowers' ability to pay based on their income.¹⁶

Current data on the provisions enabling borrowers to access full forgiveness are even more bleak; as of March 2021, only thirty-two borrowers had received cancellation through an IDR program while two million borrowers have been in repayment for more than twenty years and still owe federal undergraduate loans.¹⁷

Policymakers have learned important lessons from borrower experiences with PAYE and REPAYE. One of the greatest challenges inhibiting the efficacy of existing IDR plans has been administrative burden. Historically, borrowers have been required to manually recertify their income annually in order to remain enrolled in an IDR plan, which more than half of all borrowers struggle to do on time.¹⁸ In response to this challenge, Congress passed the Fostering Undergraduate Talent by Unlocking Resources for Education Act (FUTURE Act) in 2019, which allows the Department of Education's Federal Student Aid (FSA) office access to the necessary Internal Revenue Service data to automate the recertification process.¹⁹

Student loans have succeeded in enabling a broader share of the American public to pursue higher education.²⁰ However, policymakers must increasingly contend with the question, “at what cost?” Broadly, past federal student loan policy has succeeded in expanding access but failed to produce conditions under which borrowers can consistently repay on time, and at worst, consolidated harms among populations already experiencing higher rates of poverty and economic insecurity. Moreover, need-based aid has failed to keep pace with the rising cost of college, contributing to soaring loan debt. SAVE

represents another attempt at mitigating loan-related harms through IDR, which it seeks to achieve by simplifying borrower experiences and targeting relief.

EVALUATING THE SAVE PLAN

The SAVE plan utilizes a revised formula to calculate eligible borrowers' loan payments. Those who enroll in the new IDR option pay no more than five percent of their discretionary income on a monthly basis, or half of what borrowers were required to pay under the most generous previous plans.²¹ The SAVE plan also redefines "discretionary income" in favor of low-income borrowers by protecting a greater share of their adjusted gross income (225 percent of the federal poverty line as opposed to 150 percent under previous plans). Consequently, a single borrower earning up to \$32,800 would qualify to make \$0 monthly payments while remaining in good standing and accruing eligibility toward loan forgiveness. The Education Department estimates that over a million borrowers will qualify for \$0 payments.²²

The Biden administration has also created a new protection against negative amortization, which occurs when a borrower's accrued interest exceeds their monthly loan payment. In the past, such borrowers saw their balances grow while making payments on time and in full. Black borrowers in particular disproportionately experienced negative amortization prior to this reform.²³

Lastly, the administration has created a new limited path to loan forgiveness for those who borrowed \$12,000 or less and make ten years' worth of payments under SAVE. Some borrowers with greater initial loan sums are also eligible for the benefit, but for every \$1,000 borrowed above \$12,000, they must make an extra year of payments before qualifying.

The Biden administration projects that taken

together these reforms will confer broad benefits to low-income borrowers, including that those "with the lowest projected lifetime earnings" will reduce payment per dollar borrowed by 83 percent, and that on average, Black, Latinx, and Native borrowers will experience a fifty percent reduction in their total lifetime payments.²⁴

The SAVE plan and related reforms improve upon status quo policies in several important ways.

First, by significantly expanding the share of borrowers who will be required to make not only low dollar payments, but \$0 payments, SAVE will effectively ensure that for a new subset of lowest income borrowers, it will become impossible to enter delinquency and default.

Second, by automatically enrolling those borrowers in SAVE who become delinquent while repaying under a different repayment plan, this policy framework will ensure that the most generous terms are available to a much larger share of those with the greatest need and at the highest risk of defaulting. A long-standing challenge of IDR plans has been compelling borrowers who struggle to repay to enroll in one of the more generous offerings.²⁵

Third, enabling those who are actively in default to enroll in an IDR plan will enable borrowers to reenter good standing on their loans far quicker.

Fourth, the implementation of the FUTURE Act will help a greater percentage of those enrolled in SAVE stay enrolled, thereby improving the likelihood that more borrowers continue to experience the targeted benefits conferred under the new reforms.

Although the availability of SAVE will likely decrease defaults, a potential drawback of

the plan is that average time in repayment may increase as most borrowers make lower monthly payments over a longer window. This projection is supported by changes in repayment trends after the PAYE and REPAYE plans were enacted, which correlated with a reduction in the pace at which borrowers made progress on their outstanding loan debt.²⁶

The federal loan framework was designed with specific references to a ten-year amortization period. Increased reliance on IDR plans has, crucially, improved conditions for low-income borrowers, but has obfuscated clear guideposts for when borrowers should expect to exit default. Under SAVE and other IDR plans, borrowers can hold out for full forgiveness after two decades of repayment, but for many, having prospective loan payments extend so far into the future can exact a serious psychological cost.²⁷

Student loan debt has also been shown to delay or impact decisions regarding buying a home and contributing to retirement savings.²⁸ More generally, numerous studies have linked long-term experiences with debt to reductions in physical and mental wellbeing, including higher rates of suicidal thoughts and depression, which suggests that there may be a public-health cost of inadequately addressing the nonrepayment crisis.

While fewer borrowers are likely to default as a result of the availability of SAVE, it may become more challenging to accurately measure financial and psychological strain resulting from long-term indebtedness, even as short-term conditions become more bearable.

Notably, the SAVE plan does not offer a shorter window to full forgiveness to most borrowers than prior IDR plans, despite providing more generous terms in almost every other regard. The decision not to shorten the time borrowers must be enrolled in IDR to

access loan forgiveness represents a missed opportunity to significantly reduce average time in repayment and correct one of the least effective policy elements of the PAYE and REPAYE plans.

There are likely significant positive externalities associated with conferring debt relief.²⁹ In particular, student loan borrowers who benefit from debt forgiveness have been shown to rapidly reduce other outstanding sources of debt and be less likely to enter default on other loans.³⁰

Moreover, structurally, SAVE closely mirrors preceding IDR plans. The design of the formula used to calculate borrowers' monthly payments remains the same, with different benchmarks, such as the percent of FPL used to calculate discretionary income, producing more generous terms for borrowers. Setting "discretionary income" at 225 percent of federal poverty guidelines reflects a conscious policy choice based on a determination that it provides an appropriate level of relief to borrowers struggling to repay under current conditions.

However, for some borrowers, the chosen share of income that is protected may still insufficiently estimate their expenses. For those residing in high cost-of-living areas, housing costs alone may account for upwards of seventy percent of protected "non-discretionary" income. Such borrowers may continue to struggle with student loan repayment in the short-term.

POLICY RECOMMENDATIONS

Any conversation about student loans or loan relief is incomplete without acknowledging the trends that have produced historic levels of debt, namely rising costs and reductions in the purchasing power of need-based aid.

Consequently, in the long run, sustainable policy solutions must involve efforts to incentivize state investment in public systems of higher education and continued investments in the Pell grant program and similar forms of grant aid.

However, as long as loans remain essential for facilitating access to post-secondary opportunity, policymakers should consider several key reforms to improve borrowers' experiences. First, they should incorporate clearer benchmarks for how long borrowers, particularly those enrolled in an IDR plan, should expect to be repaying loans. This could be achieved by setting a more reasonable timeframe for accessing IDR forgiveness or expanding a version of the newly introduced benefit that enables those with smaller loan sums to have their debt forgiven after ten years of qualifying payments under SAVE. For example, this provision could be restructured such that all borrowers enrolled in IDR are eligible for full forgiveness after ten to fifteen years in repayment, with those who borrowed less qualifying earlier.

IDR forgiveness could also be structured to provide borrowers with periodic relief throughout their repayment timeline, rather than as all-or-nothing benefit at the end of it. During the Education Department's negotiated rulemaking process on Income Driven Repayment, negotiators for Legal Assistance organizations proposed annual cancellation of some level of debt based on a borrower's income.³¹ Such a policy would help mitigate some of the psychological harms associated with long term indebtedness, especially for borrowers making low or zero-dollar payments, who do not see their balances decrease.

Second, policymakers should consider limiting the negative financial outcomes associated with default and provide maximum flexibility for borrowers to re-enter good standing

on their loans when they do fall behind on payments. Even with more generous repayment terms, there are likely to be borrowers who experience difficulty repaying. It remains critical that loan default not further compound the financial hardship of low-income borrowers and further impair their ability to repay.

Lastly, policymakers should monitor borrower experiences under SAVE to assess whether the new plan appropriately sets payments at a level consistent with borrowers' ability to repay. For example, policymakers might consider further raising the threshold for calculating discretionary income under the plan to 250 percent of the federal poverty line if repayment trends under SAVE indicate that a significant share of low-income borrowers still struggle to make monthly payments on time.

Moving forward, policymakers must acknowledge that efforts to reform student loan repayment pertain to both how much borrowers are on the hook to repay and how long they should be in repayment.

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