



THE DEBATE ON FREE TUITION AT COMMUNITY COLLEGES

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Community colleges open the door to higher education and skills training for millions of people across the U.S. As government leaders focus on global and state competitiveness, they're rightly looking for innovative ways to increase access to a community college education.

Still, broader access is only one component to improving higher educational opportunity—and the upward mobility that comes with it. With roughly half of students who enroll in community college dropping out before completion, it's clear we must also focus on new ways to address student retention, engagement and graduation if students are to realize their full potential.

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Cengage Learning is focused on keeping the student at the center of all we do. In partnership with *Inside Higher Education*, we are pleased to bring more attention to community colleges and the work they do to support the American workforce through this special issue.

Sincerely,



Michael E. Hansen
Chief Executive Officer
Cengage Learning



INTRODUCTION

Few ideas for higher education policy in recent years have taken off as quickly as free tuition for students at community colleges. First the plan of a Republican governor was adopted in Tennessee. Then President Obama, a Democrat, proposed to take the concept national.

The president's plan faces long odds in Congress. But even if it goes nowhere in the near term, the proposal has focused new attention on pressing higher education issues: How to make college affordable, how to make colleges seem affordable to those who don't enroll but could benefit, how to focus state and federal

investments in higher education, how to encourage the success of community college students.

The articles in the pages that follow explore the development of the Tennessee plan and the governor behind it, and examine an Oregon plan for free tuition in public higher education – an idea that has not taken hold. Other articles offer

analysis of the Obama plan. And columns explore the excitement in some quarters and skepticism in others about the free community college idea.

Inside Higher Ed will continue to cover these issues, and welcomes your ideas.

--The Editors

Editor@insidehighered.com



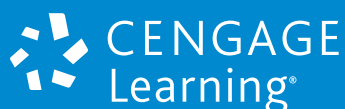
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STATE AND LOCAL PLANS

AGGRESSIVE PRAGMATISM

By Paul Fain

Tennessee's Republican governor, Bill Haslam, is big on accountability in higher education -- and he backs it up with state funding. He also staked his legacy to making community college tuition-free.

NASHVILLE -- Bill Haslam wasn't sold on the idea of two years of tuition-free community college when he first heard it.

That was back in 2008, when the Republican, now governor of Tennessee, was Knoxville's mayor. Mike Ragsdale, who was then mayor of the surrounding Knox County, made the pitch to Haslam.

Ragsdale was among a group of local leaders who were trying to create a private scholarship to cover the tuition costs for high school graduates who wanted to attend community and technical college.

"It would be fair to say that he was skeptical," says Ragsdale, who remembers Haslam telling him "it wasn't the right time, probably just to try not to hurt my feelings."

Ragsdale wasn't deterred. He and others formed a nonprofit

group that year to begin offering the scholarships.

Haslam didn't take long to change his mind about the project.

"They kind of pulled me along for the ride," he says during an interview in spring 2014. "Some local business folks started pushing that, and then I saw how much it worked."

In its first six years the organization, which is now called tnAchieves, has supported nearly 12,000 students. The scholarships cover any gaps in tuition for two years -- meaning costs not covered by federal aid or other sources. (Annual tuition is \$4,000 per year at Tennessee's community colleges.) Recipients are paired with a mentor, and must complete community service projects.

The group now operates in 84 counties across the state. It has helped some Tennessee

community colleges increase the number of lower-income students who enroll and, thanks to the mentors and other academic supports, earn a credential. For example, Pellissippi State Community College, which is located in Knox County, has increased its degree production by 90 percent since 2008. And while the scholarship program hasn't driven all of that increase, it's certainly helped.

The demand for tnAchieves has been as impressive as its results. It received 14,000 applications for 2014-15.

Haslam featured tnAchieves during his inauguration as governor, in 2011, by holding a benefit concert for the program. Then, beginning in 2013, he brought in Randy Boyd as an unpaid adviser on college completion. The governor knew Boyd well from his time as mayor.

"MY PREDECESSOR, GOVERNOR PHIL BREDESEN, DID A WONDERFUL JOB OF RAISING EXPECTATIONS FOR OUR STATE AND CREATING MOMENTUM... AND I FELT LIKE MY JOB WAS TO TAKE THAT MOMENTUM AND THEN ACTUALLY PUT IT INTO PRACTICE."

Boyd, the founder and chairman of a Knoxville technology company, played a major role in creating and sustaining tnAchieves.

Government, according to Haslam, is "about choosing between good things and other good things."

Boyd says that philosophy was behind his friend's early skepticism about the private scholarship. But the governor later tasked Boyd with taking that idea and making it great.

"When he came on board," Ragsdale said, "he came on board in a big way."

Following a Democrat

People here say it's no surprise Haslam overcame skepticism to embrace an idea. They say the popular governor is pragmatic about pursuing strategies that work, even if he didn't come up with them or back them initially.

And Haslam's decision to run with the idea for a community college scholarship wasn't the first time he checked his ego and followed the lead of others in higher education policy.

For example, he has been a strong supporter of Tennessee's performance-based funding system, which predates his arrival as governor. The formula is among the nation's most aggressive. All state support for higher education, minus some operational funding streams, is tied to performance measures such as graduation rates, student progress milestones and remedial education success rates.

And while many Republican governors use performance measures mostly as an excuse to cut education budgets, Haslam ties new funding streams to his reforms.

"Republicans believe in outcomes and accountability. It

should fall right into our sweet spot," he says. "The challenge is always going to be, are you willing to put your dollars where your mouth is."

Philip Bredesen was the state's Democratic governor just prior to Haslam's term. He championed the 2010 Complete College Tennessee Act, which expanded the state's previous performance-funding model.

"My predecessor, Governor Phil Bredesen, did a wonderful job of raising expectations for our state and creating momentum," Haslam said in spring 2014 to a room full of education reporters. "And I felt like my job was to take that momentum and then actually put it into practice."

Haslam has tried to take Bredesen's college completion push to the next level with his Drive to 55 initiative. Created in 2013, the package of policies is organized around the goal of increasing the

number of Tennesseans who hold a college degree or certificate to 55 percent by 2025 (about one-third do now).

For example, the Drive to 55 includes a scholarship aimed at the nearly one million Tennesseans who hold some college credits but no credential. Under the so-called Tennessee Reconnect, those adult students can earn a certificate tuition-free at one of the state's 27 colleges of applied technology.

Bredesen also proposed a modest free community college plan. But it never took hold.

Haslam went further with a proposal that would become the crown jewel of his Drive to 55.

The idea took more than a year to develop. Boyd took the lead, drawing on his experience with tnAchieves, which he calls a six-year pilot program.

In February 2014 Haslam announced the Tennessee Promise, a statewide plan for two years of tuition-free community college for all Tennessee high school graduates. It applies to the state's 13 community colleges and the technical colleges.

The proposal included a fifth free semester, because 70 percent of incoming community college students in the state require remediation. Like tnAchieves, it seeks to match up each qualifying student with one of thousands of volunteers who will serve as mentors. And recipients would be

required to complete eight hours of community service.

The concept, which drew national headlines, was for a so-called "last dollar" scholarship. That means students could only draw down the Tennessee Promise money after all other forms of financial aid -- such as Pell Grants -- had been tapped.

Even so, it wasn't going to be cheap. So Haslam tackled the funding question up front.

He estimated an initial annual price tag to the state of \$34 million. To cover that cost, and do so in a way that would be protected from future budget cuts, Haslam called for the creation of a self-sustaining \$300 million endowment. He wanted to take the money from a lottery fund. The state also later chipped in another \$47 million.

Haslam took a similar approach with a program that sends community colleges into high schools to help more students get ready for college-level math. He funded the project in 2013 with \$1.1 million from the Drive to 55's budget. The early results have been promising -- 67 percent of students who went through the program have been able to avoid remedial math, saving millions in tuition. Haslam wants funding to keep pace with its rapid expansion. So in 2014 the state increased support for the program to \$2.5 million.

Real money rarely follows bold higher education policy

pronouncements. For example, politicians in many states have imposed tuition cuts or freezes on public colleges. But they rarely increase state support to make up for the lost revenue, effectively forcing budget-slashing. And the resulting cuts often affect course sections and student advising, which can be important for students to graduate on time.

Policymakers in Oregon and Mississippi have also mulled plans for tuition-free community college, but have so far failed to find the funding. And a proposal by a Texas Democrat, which is modeled on Tennessee's program, probably faces long odds of getting the estimated \$2 billion it would need to create an endowment.

Yet Haslam was able to lock down years of funding for the Tennessee Promise during a tight budget year.

Meeting Resistance

Creating the endowment wasn't easy.

The lottery money had been earmarked (although it was not currently being used) for the state's HOPE scholarship fund. Students could use that money to attend four-year institutions in Tennessee. And Haslam also wanted to lower the award amount for students who attended the state's four-year institutions under the scholarship.

U.S. Rep. Steve Cohen is a Democrat who represents



Memphis. He led the creation of the HOPE fund during his time as a state senator. He is not a fan of Haslam's Tennessee Promise.

"I worked for 20 years to make the lottery happen," he says. "The hardest thing about education policy is getting the money. He just poached money."

Cohen also says the community college scholarship will encourage students who could succeed at the four-year level to instead attend community college.

For that reason, as well as the scholarship cut, public university leaders were also less than thrilled by the proposal. Tennessee's influential private colleges were critical of the plan as well, in part because the HOPE trim affected them, too.

Haslam's plan hinged in part on bringing more people into higher education. Yet while critics talked in public about the scholarship cuts, privately many leaders of non-elite four-year institutions talked about fears that they would lose students to community colleges.

Both chambers of the Legislature eventually held up the bill, mostly over concerns about the redirected lottery scholarship money.

Haslam didn't back down. But he did talk with critics of the plan.

Claude Pressnell is president of the Tennessee Independent Colleges and Universities Association. His group had concerns initially. But he said his members were impressed by the governor's willingness to negotiate.

One Thursday in spring 2014, Haslam began personally calling private college presidents around the state to ask how the proposal could be tweaked to their liking. They suggested a smaller reduction in the HOPE scholarship awards.

"We agreed to a compromise by Monday," Pressnell said. "He listened."

Haslam had proposed to cut the HOPE scholarship amount for freshmen and sophomores at private and public four-year universities by \$1,000, reducing the annual award to \$3,000. But he agreed to reduce that reduction by half, so students will be able receive \$3,500 annually for their first two years of college.

In April 2014 the Legislature overwhelming passed the final bill. The Tennessee Promise began accepting applications this month.

Students began attending two-year colleges in the state tuition-free this fall. Haslam has said he expects overall enrollment in Tennessee's public colleges to increase by 15 percent eventually.

That potential increase to the pipeline would help ease any pain to public universities in the state, because more students would be transferring from community colleges to four-year institutions.

Tom Rakes, president of the University of Tennessee at Martin, said his institution may shift some of its student recruiting strategies. But he said the university has strong transfer agreements in place with nearby community colleges.

"We may lose some students the first year or two," said Rakes, adding that "I think we can manage."

Boyd says the work on the Tennessee Promise has hardly begun. "All we've done is the first two percent."

Getting it right is crucial, says MaryLou Apple, president of Motlow State Community College. "There is just a lot riding on this," she says. "It is truly a chance to transform your community."

Haslam is unlikely to lose interest in the Tennessee Promise or the rest of the Drive to 55, as he appears to be headed for a second term after a likely victory in this fall's election.

"I think it's his legacy," says Boyd.

Symbolism and Jobs

Workforce development was a big part of Haslam's interest in helping more Tennesseans pay for community college.

The former corporate CEO still speaks the language of business, albeit the folksy Tennessee version instead of Wall Street slick. Haslam stresses that government's role is to help the private sector create and fill jobs. And he hears often from business leaders about the state's skills gap.

"We are not coming anywhere close to having the trained level of workforce that we need here," says Haslam, "either in quantity or quality of workers."

Richard Laine, who directs the education division of the National Governors Association, said Haslam has been particularly successful in making higher education a budget priority. He's done so by arguing that state support pays off for the economy as well as for students.

"He's not doing education reform just for the sake of it," Laine says. "He's doing it for the workforce and the state economy."

Haslam, however, doesn't sound like a stereotypical Republican

when he talks about the Drive to 55. He says the program's root aims are trying to correct growing income inequality and the "cycle of poverty."

Likewise, Haslam says the Tennessee Promise sends a powerful message to high school students that college is for them, even if they are low-income and the first in their family to consider going to college. And one of the best ways to get people's attention, he says, is to make something free.

"A lot of battles turn into left versus right," he says. "It doesn't always work that way in education."

Sparking a National Debate

The Tennessee Promise has been an attention-grabber. It dumped fuel on a national debate about government picking up more of the tab for a public college education. For example, an editorial *Scientific American* published called for other states to follow Tennessee's lead in making community college tuition free. The magazine said the state seized the "national spotlight as an educational innovator."

In August Haslam began touting the scholarships in visits to Tennessee high schools. But he already had received plenty of interest in the program during his travels around the state.

"That's the one thing that I've done since we've been in office that resonates with people of

all walks of life," he says. "We'll actually change, I hope, the aspirational level of a lot of high school students."

Many higher education experts applauded the program, particularly for the signal it sends about the value of college education. Some, however, worried about whether the money might have been better spent on a more targeted scholarship. They said that by not focusing on the neediest students, the Tennessee Promise will benefit some students who could pay for community college without taking on debt.

Others pointed out that the scholarship won't cover the substantial transportation and other costs of living that can be a barrier for lower-income students. And some pointed to research that has found that students are less likely to earn a four-year degree in the long run if they first enroll at a community college.

Defenders of the Tennessee Promise, however, say it is about expanding badly needed college access in the community college sector and closing the state's yawning workforce training gap. Haslam says the job market isn't going to get easier for the two-thirds of Tennesseans who lack a college credential.

"The world's already moving there, to requiring more training," he says. "We're going to have to fight as hard as we can just to keep up."



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In addition, Haslam says community colleges have been relatively underfunded.

He uses the example of visiting a welding class at a two-year college that had a 100 percent job placement rate. Yet the class was small because of the college's budget limitations.

"We haven't done a good job historically as states in terms of how we allocate capital in higher education," he says. "If immediately we're getting jobs for every Tennessean that completes a welding class, we might need to expand the capital that goes to welding classes."

However, in a rare statement for a politician, Haslam also cautions about focusing too much on job training.

"Higher education does have a function beyond just having more people walk across the stage with a sheepskin," he says. "The thing I worry about is how do we make certain we don't lose all the other benefits of higher education in our push toward what could be seen as a very utilitarian measure?"

Results First

While that concern may be valid, Tennessee has built flexibility into its college completion push. The state is tracking how the hodgepodge of programs are working, and is willing to revise them to try to get better results.

Furthermore, Haslam's approach of finding ideas that have actually

worked and are often generated by academics -- like the remedial math program -- means Tennessee is less ham-handed with its policy fixes than some other states have been.

This June 2014 Haslam brought in Mike Krause to lead the Drive to 55 and Tennessee Promise. Krause was formerly the assistant executive director for academic affairs at the Tennessee Higher Education Commission.

Krause says the key is to strike a balance between big ideas and small-scale execution. He compares the Drive to 55 to a large-scale military operation, which he knows a bit about. Krause served eight years in the U.S. Army, including three combat tours in Iraq, where he earned the Bronze Star Medal.

He says the program "at its core, is a logistics effort." But one with a unifying central goal. "Everybody is pointed in the same direction. It's easier when you have that North Star."

Rapid expansion can also be part of the job. Take the remediation project, which is dubbed Seamless Alignment and Integrated Learning Support (SAILS). It began in 2012, with four community colleges going into local high schools to run math labs for students so they will be better prepared for college-level math.

The initial effort included 600 high school students. Pass rates were high -- 83 percent in one

college's group. And fully one-quarter of participants completed a credit-bearing, college-level math course while they were still in high school.

That's when Haslam stepped in with \$1.1 million in state funding. That allowed more colleges to join. They reached 8,400 students in 2013 across Tennessee, saving the dual-enrolled students \$6.5 million in tuition money. Krause says 13,700 students will participate.

"We are getting very close in Tennessee to effectively ending the need for remedial math," Krause says.

Haslam acknowledges that his array of higher education projects face an array of complex challenges. Getting to the 55 percent goal will be a stretch. But some people who work in higher education around the country wouldn't mind seeing him bring his policy approach to the national scene.

And pundits have discussed the governor as a potential Senate or even presidential candidate.

For his part, however, Haslam seems content focusing on Tennessee.

"Ultimately I think governors are about solving problems. It's one of the great things about this job versus being in Congress," he says. "There are a whole lot of things better about this job than being in Congress. But one of those is, ultimately, we should be judged on results." ■

BENEFITS OF FREE

By Paul Fain

Momentum and criticism build for tuition-free community college plans, but even some skeptics say scholarships in Tennessee and Chicago could bring in more low-income students.

The concept of tuition-free community college is picking up steam. Chicago in October 2014 followed Tennessee with the creation of a new community-college scholarship for high school graduates.

Meanwhile, student demand in Tennessee has been enormous. *The Tennessean*, a Nashville newspaper, reported that in just two months 35,000 high school seniors have applied to the program, which is called the Tennessee Promise. The state appears likely to double its original estimate of 20,000 applications.

"We are going to get a lot of new people," said Karen Bowyer, president of Dyersburg State Community College.

Despite the enthusiasm, the "free" community college plans have critics.

The scholarships do not cover most living expenses, they have said, such as for transportation or day care. Some of the money also will go to students who can afford to pay for tuition.

In addition, Chicago's Star Scholarship has drawn fire for its eligibility requirements, which critics said look like merit aid.

The scholarship was jointly announced by Rahm Emanuel, Chicago's mayor, and Cheryl Hyman, chancellor of City Colleges of Chicago. Students must have a high-school GPA of 3.0 and need no remediation in math or English to qualify.

Only an estimated 3,000 of the city's roughly 20,000 high school graduates would qualify. A spokeswoman for City Colleges said the annual estimated cost of the scholarship is \$2 million, which would easily be covered by the \$10 million the system saved through consolidations and cuts in its capital plan.

(All Tennessee high school graduates may apply for the Tennessee Promise. But they must enroll full-time and maintain a 2.0 GPA.)

Even so, free-tuition plans send a powerful positive message to lower-income students, said several experts, including those

who are skeptical about some details of the scholarships. That's because the full-court blitz of saying "college is for you" might bring in more students who otherwise would have passed on higher education.

Take the "last-dollar" scholarship complaint, which refers to the fact that the plans pay only for tuition and fees that federal and state grant aid fail to covers. The maximum Pell Grant of \$5,645 is more than the annual tuition charged by both Tennessee's two-year colleges and the City Colleges of Chicago. That means relatively little scholarship money might go to lower-income students.

Yet students need to pursue federal aid eligibility to get it. And they must first fill out the Free Application for Federal Student Aid (FAFSA), which has been bashed widely for being too complicated. Needier students typically also lack the family and peer support to navigate financial aid forms.

That's where scholarship programs like Tennessee's can come in.

“We think there are a lot of lower-income students who don’t know the financial aid resources that are available to them,” said Mike Krause, the Tennessee Promise’s executive director. By telling high-school students that their college tuition will be covered -- in clear and simple language -- Krause said, “you get them to the table.”

The program also includes a broad range of supports for its award recipients. Before students enroll next fall, they will be assigned to a mentor. So far 5,000 of the needed 6,000 mentors have been recruited. Company employees, retirees and college staff have signed up, among others.

Students also will be required to attend two on-campus orientation events this spring, which Krause said will be designed to help first-generation college students. They must also complete eight hours of community service.

The orientations will seek to reduce students’ anxiety, Krause said, by answering questions like, “What is a bursar?”

That sort of one-on-one guidance for incoming students is common at selective colleges, but rare at cash-strapped community colleges. And the Tennessee Promise gets high school students in the enrollment pipeline a full year out, which is also unusual because many new community college students register just weeks or even days before courses start.

Krause said many high school guidance counselors around the state are on board and working with students on how to attend community college. All those factors should go a long way to helping students avoid snags with financial aid.

Bowyer said she’s already seeing it happen at her college. Prospective students and their parents have been on campus for events like the statewide “Scholarship Saturday” in September.

“They’ve never gone through the FAFSA,” she said of many families, but they are getting help with it now.

The Tennessee Promise builds on a similar private scholarship program, tnAchieves, which has been offered around much of the state for years. The program also includes a heavy dose of student supports, including mentors.

“They get the message,” said Bowyer of tnAchieves’ scholarship recipients. “There are a lot of people helping these young people.”

Free and Merit-Based?

Robert Kelchen is one of the skeptics. Kelchen, an assistant professor in Seton Hall University’s

Tennessee Promise, October 2014

Applications: **35,000+**

Original goal: **20,000**

Estimated enrollment with scholarship: **12,000**

TN high school graduates last year: **63,133**

Total enrollment in two-year colleges: **102,483**

department of education leadership, management and policy, recently wrote about several possible problems with free community college policies, pointing in particular at how they might fail to help lower-income students.

Yet Kelchen agreed that the programs’ symbolic value could be substantial. For example, he pointed to research finding that students who received help with their FAFSA, as well as information about financial aid options, were more likely to enroll in college and to receive more aid money.

As a result, Kelchen said, officials in Tennessee might be able to make good on their bet that more students will pursue federal aid because of the scholarship.

“I hope they’re right,” he said.

The eligibility requirements of Chicago’s scholarship are a tougher sell to higher education experts.

Evelyn N. Waiwaiiole, director of the Center for Community



High school students in Tennessee during a college application event

College Student Engagement at the University of Texas at Austin, compared those criteria to that of Georgia's HOPE scholarship, which has controversial merit elements.

Tuition-free community college scholarships "are created with good intentions," she said via email. "But we have to ask -- who really wins?"

Tom Bailey also is skeptical about free-tuition plans. Bailey, who directs the Community College Research Center at Columbia University's Teachers College, wonders if the programs will be accompanied by steep tuition hikes or by taking state support away from colleges. (That hasn't happened in Tennessee or Chicago, at least yet.)

Yet Bailey notes that the scholarships in Tennessee and Chicago are part of wider-ranging campaigns.

Since 2010 City Colleges of Chicago have been working on a "reinvention" that seeks to improve student success and institutional efficiency. At the project's core is an attempt to graduate more students. And it's working: the system has nearly doubled both the number of degrees awarded and its formerly abysmal graduation rate, which is up to 13 percent from 7 percent.

Bailey said the Chicago scholarship is in the "spirit of reform," and could help build momentum for the colleges' promising work on student success.

Big Numbers

Bill Haslam, Tennessee's Republican governor, has made the Tennessee Promise the cornerstone of his ambitious college completion push for the state.

To put the 35,000 applications for the scholarship in context,

Tennessee had 63,000 high school graduates in 2013. Its 13 community colleges and 27 colleges of applied technology enroll 99,000 students, a small portion of whom are first-time, full-time students like those who might attend under the scholarship program.

State officials are sticking to their original high-end estimate of 12,000 students who actually will attend community college as part of the Tennessee Promise.

Many students have applied as an insurance policy, in case they don't get into a four-year institution.

Entire senior classes have signed up at some Tennessee high schools. Many of those who don't end up taking advantage of the scholarship will enroll in Tennessee's four-year institutions. That's obviously not a bad thing, state officials said. And some among those eventual 12,000

students would have enrolled in community colleges anyhow.

Yet the expected influx from the Tennessee Promise will make a difference -- a big one.

"We're going to have enough students show up that the college-going rate in Tennessee changes," said Krause.

The state's two-year colleges should be able to handle the bump in students, said Krause and others. Enrollment at Tennessee community colleges has been falling after a multiyear post-

recession bump. It dropped by more than 4 percent in 2013.

Dyersburg is ready, said Bowyer. Like other two-year institutions in Tennessee, the college has benefited from generous state funding for facilities in recent years. (Operational support did not go up during this tight budget year, however, despite Gov. Haslam's request for more money.) Dyersburg has 188 square feet of facility space per full-time-equivalent student, which is among the roomiest in the state.

Despite the flood of applications, the Tennessee Promise's leaders are pushing hard for more before the application deadline of Nov. 1.

Krause has logged thousands of miles while crisscrossing the state to visit high schools and promote the scholarship.

When reached for this article he was headed to Jackson State Community College for a sign-up event.

The plan is to "hit every corner of the state," he said, "and make sure every student has an opportunity." ■

PROMISE GOES GRASSROOTS

By Paul Fain

National "free tuition" group changes its name and pitch with plan to support state and city tuition scholarships while continuing to push on the federal level.

A group that wants the federal government to pay for in-state tuition for the nation's lower- and middle-income students has a new pitch, and a new name.

Redeeming America's Promise, which was unveiled in June 2014, has in November 2014 become the Campaign for Free College Tuition. The bipartisan nonprofit still wants the feds to fund scholarships to make tuition free at public colleges (see box for details). But its leaders said they aren't waiting around

for "Washington comity," and will begin to throw their weight behind emerging tuition-scholarship programs in Tennessee and other states and cities.

"College tuition should be, can be free, and is already free thanks to leadership in education-focused communities across America," Morley Winograd, the campaign's president, said in a written statement.

Winograd, a former top adviser to Al Gore, in particular singled out the Tennessee Promise.

The state created a \$300 million scholarship from lottery funds and direct state support to pay for two years of tuition at its community and technical colleges. The money will cover any tuition or fees that federal and state grant aid does not, but it does not pay for living expenses.

All new high school graduates in the state will be eligible for the scholarship. They must maintain a 2.0 grade-point average and do eight hours of community service.

The new campaign wants to

tap into broad public interest in the Tennessee program, which Governor Bill Haslam, a Republican, has made a signature issue. Fully 90 percent of high school graduates in Tennessee -- more than 56,000 students -- signed up in the fall of 2014. The state also recruited more than 9,000 mentors to work with scholarship recipients.

Tennessee is the only state with such a program on the books. But about 45 cities, beginning with Kalamazoo, Mich., in 2005, have funded similar scholarships. New Haven, Conn., which is one of them, is hosting a meeting of participants from various cities today. The informal group is called PromiseNet 2014.

If "free tuition" is having a moment, Winograd's group wants to help. Representatives from the campaign met with Haslam's staff. Winograd said they plan to take what they learned in Tennessee to "work with other governors and state officials to create similar plans."

Tapping Tax Credits

The tuition scholarships have plenty of critics. Some say the money would be better spent in targeted ways, arguing that it should be distributed to the neediest students rather than people who can afford tuition. Another complaint is that eligibility requirements will freeze out many



[Campaign's Morley Winograd on Capitol Hill this week](#)

of the students who need the most help.

Redeeming America's Promise has also come under fire. For example, Matt Reed, a blogger for Inside Higher Ed, called the federal plan a "travesty" and "discriminatory austerity."

Specifically, Reed took issue with the group's requirement that community colleges be required to charge no more than \$2,500 in annual tuition to participate in the proposed federal program. Public four-year colleges would face a tuition cap of \$8,500, which is less than many now charge.

"That would mean that colleges with more high-income and academically prepared students would get over three-and-a-half times the per-student funding that would go to the colleges that serve more low-income and academically underprepared students," he wrote in July.

The newly named Campaign for Free College Tuition isn't backing down, however. The federal plan remains the cornerstone of its work.

"CFCT remains committed to educating policymakers that the federal government already spends enough money to offer free tuition at every public college," the group said in a written statement.

The feds pay \$150 billion per year on grants, loans and tax credits, which roughly 13 million students receive. With roughly \$50 billion Winograd's group said it could pay for the national scholarships.

One key area to tap would be federal tax credits. If students' tuition is covered by the proposed scholarship, their families would not need or be able to claim a tuition tax credit. The elimination of tax credits alone would save \$25 billion a year, the campaign said.

As in Tennessee, the group said

a federal scholarship could be used as a “last dollar” fund to cover the gaps in existing grant programs, particularly Pell.

It would also eliminate the need for some grant spending, and reducing half of the amount that goes toward Pell would save \$17 billion a year.

The campaign isn’t alone in trying to find what it sees as better ways

to spend federal money than on tuition tax credits and deductions.

Many higher education experts say tax credits are an unworthy federal expense amid tight times, particularly because they tend to benefit relatively wealthy families. The Left-leaning New America Foundation in 2013 recommended the elimination of tuition tax credits for college as part of its proposals

to reform federal financial aid. Politicians, however, tend to like the tax credits, which go to constituents in every district.

Winograd said his group is working hard to identify champions on both sides of the aisle. He was on Capitol Hill in November 2014 to pitch the scholarship plan to Democratic staff members before heading to Connecticut.” ■

NO SUCH THING AS ‘FREE TUITION’

By Kevin Kiley

Oregon will study plan to let students forgo tuition upfront in exchange for a proportion of their wages upon graduation. Critics say it is a bad idea that will never get off the ground.

When an advertisement says “No money down,” an asterisk and some fine print typically follow. And it’s probably wise to look for that.

That seems to be the case with an Oregon proposal that has generated headlines such as “Plan would make tuition free at Oregon colleges,” “Oregon is doing free higher education the right way,” and “Oregon looking to eliminate tuition and loans for higher education students.”

Despite the headlines, the state didn’t suddenly abandon all plans to charge tuition. In July 2013, the Oregon legislature took

the first steps toward possibly implementing a plan that would allow public college and university students to forgo upfront tuition payments in exchange for paying a portion of their wages back to their alma mater for about 25 years following graduation. While it may mean no money down, it could still add up to large tuition bills.

But the program is a long way from actually being instituted. The bill approved by the legislature would only direct the state’s Higher Education Coordinating Commission – a relatively new agency created amid broader governance changes in recent

years -- to create a pilot program for legislative consideration in 2015. The commission would work between now and the 2015 legislative session to figure out how to overcome significant logistical barriers to implementation and the pros and cons of implementing such a system.

Despite the limited nature of the proposal, proponents see the legislature’s move as a significant step toward rethinking how to fund higher education in an era of limited state support, competing state spending priorities and reluctance to increase taxes. If, after several years of study, Oregon decides to

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adopt a plan along the lines of what is proposed, it would represent a fundamental shift in how public institutions fund themselves.

“These are types of creative ideas that we want the state to study,” said Diane Saunders, director of communications for the Oregon University System, which testified in support of the study bill. “There is a recognition that the state funding model is a broken model. No one believes we’ll be going back to the golden age of financial aid where the state provides infusions of billions of dollars.”

But critics of the proposal say the logistical barriers to implementation will likely prove too great for the program even to get off the ground. At the moment there is no plan for how to pay for the proposal’s implementation – the state would have to forgo several years of tuition before it would collect on any returns – and no plan for how to collect funds from graduates. And even if the higher education commission can establish a way to mitigate those issues, critics say there are still aspects of the plan that make it unappealing.

“[This model of] funding of higher education exacerbates the ongoing trend of envisioning higher education as a private transaction that accrues benefits to the individual rather than a public good that brings economic and civic benefits to communities,” the

American Federation of Teachers wrote in a paper regarding a similar proposal in Washington state.

Critics say that rather than addressing the root causes of the increasing price of public higher education and therefore increased student loan burdens – including decreased state support, increased labor costs, limited productivity improvements and growing auxiliary costs, among other things – proposals like the “Pay it Forward” plan simply try to shift the burden of paying for college and disguise the true costs of a college education.

The rapid adoption of the plan, which wasn’t even an idea on paper in 2011, is an indication of the frustration people feel with the status quo. “With higher education finance, like K-12 finance, all you know is that something has to change,” said Sara Goldrick-Rab, a professor of higher education policy at the University of Wisconsin at Madison, who wrote a blog post criticizing the proposal and is working on a paper about the proposal’s problems. “People say, ‘Isn’t change better than the status quo?’ In this case it isn’t. This is just a desire to have something be different. It’s change bias.”

A New Idea?

The Oregon plan is similar to, and has its origins in, one proposed by students at the University of California at Riverside that made

headlines in 2012. A group of University of California students have been in talks with the system administration to address some of the logistical challenges raised by the plan, but there has been little public movement.

In contrast, the Oregon plan moved quickly from being an idea to getting legislative approval. Chris LoCascio, one of the students involved in the UC effort, said he and his team worked with the Economic Opportunity Institute, a liberal think tank in Seattle, to help develop the plan. The institute then proposed a version of the plan for Washington.

A Portland State University professor connected with the institute’s executive director to work with a senior capstone class called “Student Debt: Economics, Policy and Advocacy” that semester. The students and faculty in the class modified the Washington proposal to fit Oregon and presented it to lawmakers, who embraced the idea.

Many details of the program would have to be worked out, including the actual percentages and repayment period. The proposal by the Economic Opportunity Institute would have students at four-year institutions sign an agreement to pay back 3 percent of their income and students at community colleges agree to pay back 1.5 percent of their income annually. So a

student who makes \$800,000 over the repayment period of 24 years would end up paying back about \$24,000, while a student who makes \$2 million over the same period would pay back \$80,000. A graduate who made very little would end up paying much less than the cost of his education, while one who made billions would end up paying back much more.

Officials said the rapid embrace of the plan is a function of the economic strain the state's public universities have felt since the recession. In the 2011-3 biennium, the university received less funding in actual dollars than it did in 1999-2001, even though it added 34,000 more students.

"Part of the problem is that many people don't realize what bad shape Oregon is in," said Mary King, an economics professor at Portland State and one of the teachers of the class that ended up proposing the plan. "What we provide on a per-student basis for public higher education is near the end of the line."

The idea of basing college payments on graduates' income is not a new one. Some federal student loans are eligible for income-based repayment, in which loan payments can be made on a sliding scale based on the debtor's income. But these payments, unlike the California and Oregon proposals, are repayments for a specific amount borrowed.

The Oregon and California ideas are similar to a program in place in Australia known as income-contingent repayment. But since that program is administered at the federal level, the program can tap into federal tax collection infrastructure and can track students when they leave the state, removing some of the barriers



Portland State students protest declining state support in 2012.

facing the Oregon program.

No Silver Bullet

Oregon higher education officials have given a tentative endorsement to the idea of studying the plan, noting that it is not a panacea for the financial problems facing public higher education.

"We need to do our share at the state level and if Pay It Forward -- or any other idea -- can help make Oregon's public colleges and universities more affordable and accessible, then it should certainly be studied," Wim Wiewel, president of Portland State University, said in testimony before the state legislature. "We must also be clear that this idea alone -- even if it were to reduce or eliminate student loan debt -- cannot solve Oregon's affordability and accessibility challenges. For example, reducing student loan debt will not slow the rising cost of tuition and improve the quality, or increase the capacity, of aging classrooms suffering from decades of unfunded deferred maintenance."

Unlike the proposal in California, which was not widely investigated by third-party groups, the Economic Opportunity Institute and Oregon plans have begun to generate a significant amount of criticism.

One objection is that the plan would shift the burden of paying for college -- currently a burden shared by students, their families, the institution and the general public

through taxes and appropriations -- to one that's squarely on the shoulders of the students.

"This is not just a transfer from the government to the student, it's a transfer from parents to students," Goldrick-Rab said. "Instead of holding hands and taking care of each other, this moves everything to the backs of the people waiting to be educated."

The AFT also expressed concern that the payment structure would lead to an increased burden on low-income students, many of

whom currently attend college at little cost due to need-based financial aid. "This is especially problematic when the prospect of long-term debt is cited as a primary barrier to low-income students seeking higher education," the paper states.

Mary King, an economics professor at Portland State and an instructor in the class that ended up proposing the plan, said that criticism fails to comprehend problems with the current system of student loans. "What students

are paying in terms of loans and interest fees, they end up paying so much more than they anticipate, and that's not going back to higher education," she said. "It's better that they go to school and pay for it than they not go to school and be stuck without an education."

King and Saunders said the post-graduate payment plan envisioned in the bill might have an effect opposite to that feared by critics, noting that students afraid to take out loans might view this as a better option. ■

THE OBAMA PLAN

FEDERAL PROMISE UNVEILED

By Michael Stratford

Bipartisanship is on display as President Obama announces free community college plan in Tennessee, but proposal likely faces tough odds in Congress.



NOXVILLE, Tenn. -- President Obama traveled here in January 2015 to make his first full-fledged pitch for tuition-free community college, as White House officials confirmed that the ambitious proposal would cost about \$60 billion over the next

decade.

Speaking to several hundred students and faculty at Pellissippi State Community College, Obama presented his plan as an economic imperative. He also said it was based on responsibility -- of individual students, of colleges and

of states in boosting their spending on higher education.

"This isn't a blank check. It's not a free lunch," Obama said. "But for those who are willing to do the work, and states that want to be a part of this, it can be a game-changer."



President Obama speaks at Pellissippi State Community College

The most important player in the short run, though, will be Congress, which needs to approve the \$6 billion-a-year proposal.

Obama's trip to Pellissippi, which is on the western outskirts of Knoxville, comes as part of a several-state tour to preview the themes of his State of the Union address. During the speech he will address a Congress controlled completely by Republicans for the first time in his presidency.

Some of Obama's largest higher education accomplishments in his first term -- such as boosting spending on federal Pell Grants and switching to 100 percent direct lending, ending federal bank-based student loans -- were hard-

fought but approved by a Congress that likely was far friendlier to the administration's agenda than the current one, controlled completely by Republicans.

The president's trip to Tennessee appeared to reflect the new political dynamics the administration faces as it begins its final two years in office. And his visit raised, to some extent, the prospect that college access and affordability is an area on which Obama may be able to work with Congressional Republicans.

The president chose to make his community college pitch in a state that is led by a Republican governor, Bill Haslam, who not only has been praised widely for

his innovation in higher education but who has also played ball with the administration.

Haslam in 2014 participated in the White House's higher education summit. He has praised the U.S. Department of Education's controversial new teacher preparation regulations. And, separately, he is negotiating with the Obama administration on a compromise Medicaid expansion for his state.

Speaking before Obama and Vice President Joe Biden, who also made remarks, Haslam alluded to that bipartisanship. He said while Democrats and Republicans may disagree on how to approach income inequality, they can agree

that community colleges are vital to economic growth.

In an unusual display, the state's two Republican senators, both of whom are assuming powerful roles as committee chairmen in the new Congress, traveled with the president to the event.

Obama spoke in a building named after Sen. Lamar Alexander, the former education secretary and governor, who has said he's open to working with the administration on higher education issues. For his part, Obama said he would join Alexander in seeking to simplify the federal student aid application.

"It just shouldn't be that hard to apply for aid for college," Obama said, noting that the Free Application for Federal Student Aid, known as the FAFSA, includes more than 100 questions.

"That's something we should be able to agree on," he added. "Let's get that done this year."

Alexander and Sen. Bob Corker, who is now chair of the Senate foreign relations committee, were seated next to Ted Mitchell, the under secretary who oversees higher education policy at the Education Department.

Despite the bipartisan overtures on Friday, though, the administration's community college plan will undoubtedly be a tough sell in Congress.

Alexander, who chairs the Senate education committee, told reporters after Obama's speech

that he was glad the president was promoting the Tennessee Promise but said he was pursuing the "wrong way" to expand it.

"That's the difference between Democrats and Republicans," Alexander said. "Republicans look at a good idea and want to expand it state-by-state. Democrats look at a good idea and want to make it a federal program operated from Washington."

If states create their own version of the Tennessee program, he said, the boost in community college enrollment would mean the federal government would have to pay for more Pell Grants. Alexander said he would be willing to find the funding to support that increase.

House Republicans went further in criticizing Obama's plan. Speaker John Boehner's spokesman said that the idea "seems more like a talking point than a plan."

Rep. John Kline, the Minnesota Republican who chairs the House education committee, said in a statement that the president was "proposing yet another multi-billion dollar federal program that will compete with existing programs for limited taxpayer dollars."

Political Outlook

Some Senate Democrats, meanwhile, rallied around the president's proposal, which will be formally included as part of the administration's budget request to Congress.

Washington Sen. Patty Murray, the top Democrat on the Senate's education committee, said she backed the plan.

"Expanding access to college and making it more affordable is a ticket to the middle class for millions of students across the country," she said in a written statement. "I look forward to working with President Obama and my colleagues to make this goal a reality."

Sen. Dick Durbin, an outspoken critic of for-profit education, said he was pleased the president was promoting community colleges as "a more affordable, higher quality alternative to for-profit colleges."

Many programs at for-profit colleges often compete directly with those at local community colleges.

The Obama proposal is aimed both at two-year programs that are a stepping stone to bachelor's degrees as well as at occupational training certificates.

For-profit analysts said the plan, which is aimed at expanding community college capacity nationwide, would be a negative for the for-profit sector's revenues.

Community college advocates heaped praise on the Obama plan, which they said reflects the most dramatic action yet by this administration to boost their institutions.

Some, however, remained concerned about the plan's details,

many of which have yet to be released.

Even if the plan fails to attract enough support in Congress, its lasting effect might be in advancing the President's message that some form of higher education is for everyone.

In Knoxville, community college officials said one success of their statewide tuition-free program and its county-run predecessor has been a shift in how the public approaches their institutions.

Pellissippi State President Anthony Wise said that before the programs, the majority of students registered for classes only shortly before they began.

"We'd have kids show up the day before classes," he said. "It was like: 'who decided to go to college today?'"

The scholarship programs, which require students to commit to attending college far earlier and do more serious planning, he said, have boosted completion rates.

David Key, who has been a professor of history at Pellissippi State for the past 12 years, looked on from the audience as many of his students stood behind the president during his announcement.

"I think this could become a cornerstone of higher education policy, much like what the Pell Grant was in the past," he said of the Obama plan. "If our college and our county had a small part to play in that, we're just proud." ■

THE THOUGHT THAT COUNTS

By Paul Fain

Obama's free tuition plan is a hit among community college leaders, but some experts worry about details and whether the money could be more targeted.



community college advocates like the spirit of President Obama's blockbuster free community college proposal. It's the details, many still unknown, that worry some.

The White House wants \$60 billion over a decade to go toward filling in tuition gaps for all Americans who meet the plan's requirements. Several leaders at two-year colleges applauded the bold funding request, which they said could help millions of people,

many of whom otherwise might not have considered attending college.

A full-time community college student would save an estimated \$3,800 in tuition per year under the so-called America's College Promise, according to the administration. If passed by the U.S. Congress, which is unlikely, the feds would cover 75 percent of tuition expenses for eligible students. Participating states would be required to pay for the rest.

The funds would not be a "last dollar" scholarship, which is money that covers the gap after federal aid is applied. A White House spokeswoman told Inside Higher Ed that Obama's plan would "cover all of the tuition costs up front."

This approach means needy students presumably could still receive Pell Grants and other aid after the federal government and states team up to pay for tuition. Students could use that money for living and other expenses.

Some consumer groups and two-year college advocates would not have backed a last-dollar plan, because many community college students rely on Pell Grant money for expenses other than tuition.

Even so, not all community-college experts like Obama's approach.

Kay McClenney is an independent consultant working with community colleges who in 2014 retired as director of Center for Community College Student Engagement. While McClenney said the program's goals are "laudable," she would prefer a more targeted use of funding.

The White House proposal would create "public subsidies for people who don't need them," she said, "in the face of excruciating need for students who do."

Richard Kahlenberg had a different take. A senior fellow at the Century Foundation, Kahlenberg led a task force that in 2013 issued an influential report about the growing equity divide between the two-year college sector and the rest of higher education.

Community colleges increasingly are a "separate but unequal" path for lower-income college students, the report found.

That's why Kahlenberg said it wouldn't be a bad thing if the White House plan encourages wealthier students to attend community college. "Economic segregation in community colleges helps explain the dismal results," he said, adding that evidence shows all students will benefit from more of an "economic mix."

The two national community-college groups also support Obama's plan. The American Association of Community Colleges praised the "bold" idea while the Association of Community College Trustees called it "unprecedented."

David Baime, the American Association of Community Colleges' senior vice president for government relations and research, said the White House proposal is a "very positive public policy" that seeks to funnel a large amount of money to lower-income students. And it comes at a time when many states are cutting

support to the sector.

"Community colleges clearly enroll the neediest students in all of traditional higher education," said Baime. "This is Obama doing what states should be doing."

It also appears to be the case that the administration is trying to do something symbolically big and new because more incremental moves, such as increasing the size of Pell Grants, are almost sure to go nowhere in this Congress.

'GI Bill of the 21st Century'

The president's announcement is a return to the focus he put on community colleges earlier in his presidency, most notably with a 2009 budget request for \$12 billion in new support for the sector. That proposal eventually became \$2 billion in job-training grants to two-year colleges.

On Friday Obama called community colleges the "centerpiece of my education agenda."

Community college leaders welcomed the attention.

“COMMUNITY COLLEGES CLEARLY ENROLL THE NEEDIEST STUDENTS IN ALL OF TRADITIONAL HIGHER EDUCATION THIS IS OBAMA DOING WHAT STATES SHOULD BE DOING.”

"This is like the GI Bill of the 21st century," Thomas Snyder, president of Ivy Tech Community College, said in a written statement. "In order to maintain America's middle class we need to look at education as K-14 with two years at a community college."

Snyder, a former automotive executive who leads Indiana's 32-campus community college system, said he fully supports the proposal. His system has been mulling a state-based scholarship concept, which would have similarities with the Tennessee program that Obama has praised.

Likewise, Bernie Sadusky, the executive director of the Maryland Association of Community Colleges, said the benefits of the White House plan far outweigh its costs.

He said the association was ready to help in the creation of a "free post-secondary tuition program that would achieve state

and national educational and workforce developmental goals."

California is the linchpin to any bold national plan for two-year colleges. The state's 112 community colleges enroll 2.1 million students.

"Our first reaction is that we are very excited about the president's plan to provide more opportunities for students to attend community colleges," Brice W. Harris, the California system's chancellor, said in a written statement.

The plan is still taking shape, Harris noted. And the \$60-billion question, according to some community college leaders, is whether the feds and states would pony up the operating funds needed to serve new students brought in under the plan. The White House said the program would benefit an estimated 9 million students if all states participated.

Some community college leaders also may have blanched

at vague "reform" language in an administration fact sheet.

Participating states' higher-education budgets "must allocate a significant portion of funding based on performance, not enrollment alone," the White House said. "Colleges must also adopt promising and evidence-based institutional reforms to improve student outcomes."

Yet the vague references to new federal requirements didn't generate much concern among community college leaders, at least publicly expressed ones. That may be due in part to the fact that few observers expect Congress to support Obama's idea. But it's also because the plan is a historic attempt to direct more money to the sector.

"It's time we update our approach to education and extend free high school to free community college," Kahlenberg said. "Everyone understands 'free.'" ■

**“ IT’S TIME WE UPDATE OUR APPROACH
TO EDUCATION AND EXTEND FREE HIGH
SCHOOL TO FREE COMMUNITY COLLEGE.
EVERYONE UNDERSTANDS 'FREE.' ”**

NEW HIGHER ED FEDERALISM

By Ry Rivard

The president's free community college plan may change the balance between the federal government, states and colleges.

President Obama's proposal to make community college free could rearrange the relationship between the federal government, states and colleges.

Behind the talk of a free two-year college education is a shift in the federal government's role. Conservatives are saying the president's plan may go too far -- calling it a federal regulatory regime dressed up as a free tuition plan. For others, a federal government that spends more than \$140 billion a year on higher education is justified in attempting to get the right bang for its buck. The White House said its effort would involve "restructuring the community college experience."

Under the president's free community-college proposal, the federal government will pick up about 75 percent of the average cost of community college for qualifying students. The states would be required to pick up the other 25 percent. That requirement alone is a major change aimed at preventing states from divesting

from public education.

Other details remain unclear -- and whether the idea will ever become law is an open question -- but the White House is tying some strings to the money and asking states and their community colleges to be accountable directly to the federal government if they want to qualify for aid.

Andrew Kelly, the director of the conservative American Enterprise Institute's higher education center, wonders how involved the federal government could become.

"Does that mean that the feds now have 75 percent say over how community colleges operate?" he said.

Kelly worries the federal government will get as involved in higher education as it is in K-12 schools, an effort he views as unsuccessful.

Now, with few exceptions, most federal higher-ed spending goes to students and their families, mostly in the form of loans, grants and tax credits. Relatively little money goes directly to states or colleges themselves.

"I am baffled by the idea the feds shouldn't be involved, because they are involved, to the tune of \$140 billion -- plus VA benefits, plus GI benefits," said Amy Laitinen, who directs higher education work at the liberal New America Foundation and used to work on vocational and adult education policy in the Obama administration.

Christopher P. Loss, a Vanderbilt University professor and author of *Between Citizens and the State: The Politics of American Higher Education in the 20th Century*, said even though federal funding for higher ed has been indispensable, colleges have kept a good deal of autonomy.

In part, that's because many players don't want to see a centralized system. He wonders if that will soon change.

"Is it just the beginning of a whole new way of imagining college-going in the country?" Loss asked. "Will four-year institutions be what happens in the next generation?"

The additional control, though, may appeal to those who have argued that the federal government



Source: iStock Photo

picks up so much of higher education's tab but asks little from colleges themselves in return.

"Federal monetary investment would be matched by federal power under this plan," said Sara Goldrick-Rab, a professor of educational policy studies at the University of Wisconsin at Madison.

Zakiya Smith, the Lumina Foundation's director of strategy and a former senior education adviser to the Obama administration, said a variety of people acknowledge the current higher education system is not getting enough students through college at an affordable price.

The White House has already tried a major market-driven approach, with its rating system, which is being designed to give students a clearer picture of colleges' outcomes.

Now, the community college plan is about more directly influencing affordability.

"Over the years, there's always been these proposals to have a more robust federal-state partnership," Smith said.

The federal government exerts a variety of powerful controls over a host of its spending, often through strings attached to money that flows to states and often in ways that may not seem obvious. For example, states raised the drinking age to 21 because of a law that allowed the federal government to withhold money for road construction from states that did not.

While there are a handful of federal programs that give money directly to colleges, including research spending and grants to minority-serving institutions, they give the federal government little

control over colleges.

There are also long-term questions about any new federal spending program. Among the government's few direct-to-institution programs is one sponsored by Medicare to provide residencies for doctors.

While the high-level workforce program is credited with helping expand the pool of doctors in the country over the past few decades, it has lately been blamed for failing to keep up spending even as demand for doctors is expected to rise.

Kelly wonders what might happen down the road if a community college or state qualified for the federal program and then, for some reason, no longer did.

"Do they kick it out and start to charge students tuition? That would be one hell of a fight," he said. ■

VIEWS

THE DIFFERENCE COMMUNITY COLLEGES MAKE

By Casey Randazzo

When you hear nay-sayers doubt the value of free tuition at two-year institutions, or suggest that the beneficiaries may not succeed, Casey Randazzo wants you to consider her story.

My college career began with remedial courses at a community college and ended four years later with a bachelor's degree from Cornell University.

This makes people flinch. But we all have an unexpected flame inside of ourselves waiting to be lit. I always believed this to be true. Others did not, and justifiably so, as my grades in high school were inconsistent. The marks on my report card followed the waves of my depression.

President Obama's proposal to expand access to community colleges has many asking why the country should focus on students with the odds against them. I offer my story as one to think about amid this debate.

When I was a high school

senior, expensive private colleges seemed unrealistic and only small, flimsy envelopes arrived from four-year state colleges. I scanned the website of Raritan Valley Community College, remembering that a high-achieving friend had just enrolled. That was enough to convince me to apply.

I received a startling text from my aunt after announcing my decision to attend Raritan Valley. "You're going to fail out and ruin your life," read the message.

My aunt knew the stereotypes of community college too well. Those who attend two-year schools are thought to be defeatist, uninspired, and lacking in follow-through, according to the stereotype. My parents started community college with the intention of earning a degree, but walked away empty-

handed.

Feeling perplexed, I quickly wrote back, "Students transfer from community colleges into top schools like Pepperdine and Syracuse all of the time! There's also an honors society. Some people even get full scholarships. I just need to get above a 3.5."

"That's never going to happen," read the message that flashed across the screen of my phone. I was disappointed. She feared that if I went to community college I would derail, forfeiting all hopes for a successful life.

For me, forfeiting wasn't an option. The eccentric and quick-witted professors, personable and encouraging nature of the college president, and wealth of opportunities to explore made Raritan Valley Community College



RARITAN VALLEY COMMUNITY COLLEGE

a well-kept secret that I was fortunate enough to discover.

My mathematics professor enlightened our class with her first lesson. “To be fully proficient in any subject,” she said, “studying an additional six to nine hours each week is essential.” I went home and immediately reorganized my schedule to accommodate this formula for mastery.

The tutoring center was my sanctuary. Although passes to the center were limited, I still managed to convince my professor to give me a few extra. I treated them like golden tickets, rejoicing as I danced down the hallway to book my appointment. In the end, my professor’s ultimate study formula proved to be correct. The high-achieving student within me finally took form.

I was no longer ashamed of

not having it all together in high school. I belonged in this land of lost toys. The students I interacted with varied in age. They shared identical challenges but told unfamiliar stories. Community colleges accept more than just everyone’s application.

Community colleges welcome all students and support them in their pursuit to improve their lives with education. There’s a reason no other academic institution is more accepting.

I applied to Cornell University with my fingers crossed. When I was accepted and decided to major in communication, I knew the odds were still against me. I didn’t anticipate that community college would lead me to graduating from one of the most competitive universities in the world. However, the tenacity I gained over those

two years enabled me to face the odds and flourish.

Now, I share the stories of academically struggling children from low-income neighborhoods for the education nonprofit Practice Makes Perfect. We accept all types of scholars because we know they can achieve academic success through our five-week summer education programs. Learning in an environment that promotes acceptance, whether a summer program or a local community college, can strengthen a weak flame into becoming an invincible fire.

Please think about my story when you think about why community colleges matter – in the decisions of high school guidance counselors, state legislators who allocate funds, and members of Congress who now have a unique opportunity to make a difference. ■

Casey Randazzo is the communication coordinator for Practice Makes Perfect, an intergenerational program that matches struggling elementary and middle school students with high-achieving middle and high school students with the supervision of college interns and expert teachers for an intensive academic summer program. She studied communication at Raritan Valley Community College and received her bachelor’s degree from Cornell University in 2013.

THE COSTS OF FREE

By Robert Kelchen

Eliminating community college tuition sounds great, but Robert Kelchen questions who really benefits.

Several states have explored the possibility of so-called “free community college” programs, which would cover the cost of tuition and fees for recent high school graduates who meet certain other eligibility criteria. Tennessee was the first state to pass such a plan, making first-time, full-time students who file the FAFSA and complete eight hours of community service each semester eligible for two years of tuition and fee waivers. Legislators in Mississippi, Oregon, and Texas have proposed similar plans, although none of those have been adopted at this time.

One recent plan for free community college comes from the city of Chicago, where Mayor Rahm Emanuel announced that the city would cover up to three years of tuition and fees for eligible graduates of the Chicago Public Schools. In order to be eligible, students must have a 3.0 high school grade-point average, not require remediation in math or English, and file the FAFSA. (It appears that part-time students

will be eligible for the program, unlike in the state proposals.) The district estimates that about 3,000 students would qualify for the program out of the roughly 20,000 students who graduate each year.

Who Benefits?

All of these programs operate as last-dollar scholarships, meaning that the city or state makes their contribution — if any — to the student after federal grant aid (primarily the Pell Grant) has already been applied. In Chicago, tuition and fees for a full-time student are approximately \$2,536, less than half of the maximum Pell Grant. District officials estimate that 85 percent of students’ tuition and fees will be covered by Pell Grants — meaning that the city’s contribution will be zero in most cases. This contributes to an estimated cost of about \$2 million in the first year.

Looking more broadly, these “free college” programs will give very little additional money to students with the greatest financial need. In every state except New Hampshire and South Dakota, the average

tuition and fees at community colleges was lower than the maximum Pell Grant of \$5,645 in the 2013-14 academic year. Data from the National Postsecondary Student Aid Study (NPSAS), a nationally representative sample of students enrolled in the 2011-12 academic year, show that 38 percent of community college students had their tuition and fees entirely covered by grant aid. An additional 33 percent of students paid less than \$1,000 out of pocket for tuition and fees. Eighty-five percent of Pell recipients at community colleges had sufficient grant aid to cover tuition and fees, meaning they would get no additional money from a “free college” program.

Bryce McKibben of the Association of Community College Trustees has written about how Tennessee’s program will mainly benefit students from middle-income and higher-income families. NPSAS data for community college students show that relatively few low-income students nationwide will benefit

Tuition and Fees Not Covered by Grant Aid at Community Colleges, by Income

Income Quartile	\$0	\$1-\$2,999	\$3,000+
Lowest	68.2	18.6	3.2
Second	36.6	28.7	7.9
Third	11.2	36.0	13.8
Top	8.0	34.3	15.1

Source: 2011-12 National Postsecondary Student Aid Study

Note: Sample includes dependent students attending community colleges.

from these programs, as most of them already have tuition and fees paid for by other sources.

Costs Are More Than Tuition and Fees

At community colleges, tuition and fees are a small portion of the total cost of attendance. Students also have to pay for books and other supplies, a place to live, and everyday expenses necessary to live while also being a student. While some argue that living costs shouldn't be subsidized by financial aid because they are also necessary to live, being able to cover these costs is critical to being successful in college. The "free college" programs do not cover any of the other expenses, meaning that students must turn to loans or self-support in order to finance their education.

Only 2 percent of community college students receiving Pell

Grants in the NPSAS have their full cost of attendance met by grant aid. Four in 10 Pell recipients have to cover less than \$5,000 in costs, while an additional 37 percent have to cover between \$5,000 and \$10,000. The median student with a zero expected family contribution has to come up with just over \$5,000 to cover estimated living costs — something that the Chicago program and other similar programs do nothing to alleviate.

Defining "College Ready"

Unlike some other last-dollar scholarship programs, Chicago's program has a substantial merit component. The requirements of a 3.0 high school grade point average and testing into college-level math and English leave out the vast majority of community college students. Ninety-four percent of Chicago Public Schools graduates required remediation in

math in 2009, suggesting that very few students are able to qualify for the city's program. About 40 percent of community college students in the NPSAS had taken at least one remedial course, with slightly higher rates for Pell recipients. This means that other states or cities considering merit components are likely to reduce the potential pool of recipients — and reduce their costs.

Making grant receipt contingent on placement test scores could potentially have negative effects on students who end up in remediation. Research by Jennie Brand, Fabian Pfeffer, and Sara Goldrick-Rab using Chicago Public Schools data has found that attending community colleges results in a higher bachelor's-degree completion rate for disadvantaged students, many of whom are unlikely to enroll

in college without the option of a community college. Students who expect to get a scholarship under the Chicago program but are then deemed ineligible due to their test score may be more likely to drop out of college due to the disappointment of not getting the award. It is important to note this effect could even exist for students who would get no additional money under the Chicago program — as long as the perception is that the program is giving them money that is actually being provided by the Pell Grant.

How to Improve “Free College” Programs

“Free college” programs do have some positive attributes, in spite of the limitations noted above. Some students from middle-income families will get additional financial aid as a result of the program. But the concept of “free college” could even benefit Pell recipients who are unlikely to see any additional financial aid under the program. Research has shown that making students aware of their financial aid eligibility results in increased college attendance rates, and

similar effects could result due to the programs' publicity. For those reasons, it is important that the Chicago and Tennessee programs be rigorously evaluated to see who benefits, and for what groups

of students the program passes a cost-effectiveness test.

These programs should also provide some additional financial aid to students whose Pell Grants cover tuition and fees in order to cover living costs. Even a \$500 award at the beginning of the semester would help low-income students manage upfront costs like books and rent payments, and could be paid for by slightly reducing awards for students who are not Pell-eligible.

The program would still give larger benefits to financially squeezed middle-income families, but students with the greatest financial need would also see some additional money.

It is also important to consider



extending the programs to returning adult students, who typically do not qualify for these programs. The median age of community college students is approximately 23, and a program that provides assistance to these students (most of whom have exceptional financial need) could prove to be very beneficial. Finally, it is important to publicize these programs (and their conditions) widely so students and their families know that community college can be an affordable, high-quality educational option. ■

Robert Kelchen (@rkelchen) is an assistant professor in the department of education leadership, management, and policy at Seton Hall University and blogs at Kelchen on Education. All opinions are his own.

THERE IS NO (TUITION-)FREE LUNCH

By Arthur M. Hauptman

The Obama administration's proposal to make community college free is part of a pattern of elevating sound bites over sound higher ed policy.

President Obama has jumped on the bandwagon, which started in Tennessee, of making community college tuition-free. This latest proposal is his most recent effort to increase the prominence of the federal government in higher education. While giving higher education more federal visibility may be a good thing, making community colleges tuition-free is also the latest in a series of proposals in which the administration seems to have decided that sound bites trump sound policy.

The cycle began in the administration's early days when it declared its primary goal in higher education was to "re-establish" the U.S. as having the world's highest attainment rate -- the proportion of working adults with a postsecondary degree of some sort.

Never mind that the U.S. has not had the highest rate in the world for at least several decades and that achieving such a distinction now is well high impossible given where

some other countries are. And also ignore the fact that some countries which have overtaken us, such as South Korea and Japan, have done so in large part because they are educating an increasing share of a declining number of their young people -- a demographic condition we should want to avoid at all costs.

In this effort to be Number One in higher education, the Obama administration is continuing a trend in K-12 education that began in the Clinton and George W. Bush administrations in which we as a nation set totally unrealistic goals to be achieved after the incumbent administration has left office. Not clear why we would want to expand this practice into higher education, but that's what we are doing.

The administration also in its first year pushed for a remarkable expansion of Pell Grants as part of the economic stimulus package of 2009. It was certainly good to augment Pell Grants in the midst of a severe recession when so many students were having a tough time paying their college bills. But rather

than doing it on a temporary basis by increasing awards for current recipients, the administration pushed for and the Congress agreed to a permanent legislative change that increased the number of recipients by 50 percent and doubled long term funding.

This is the equivalent of changing tax rates in the middle of a recession rather than providing a rebate. It certainly provided more aid for many more students -- nearly one in two undergraduates now receives a Pell Grant. But the expansion in eligibility means less aid is available for the low-income students who most need it. And few seem worried that Pell Grant increases may have led many institutions that package aid to reduce the grants they provide from their own funds to Pell recipients, as is reflected in the fact that institutional aid increasingly goes to middle-income students.

The Obama administration's recent effort to develop a rating system for postsecondary institutions is another example of politics triumphing over

sound policy. The rhetoric goes to the noble notion of making institutions more productive and more affordable, but the metrics the administration has proposed using are unlikely to produce the desired result or may well have the unintended effect of producing bad results.

Much more troublesome, the administration's ratings proposal would penalize students based on where they decide to enroll, as those going to colleges that don't perform well would get less aid. This is illogical as well as counterproductive. Thankfully, there seems little chance that this proposal would be adopted, but one is left to wonder why it was suggested and pushed when it would do little to address the many real challenges facing American higher education, such as chronic inequity and unaffordability.

Which brings me to the most recent proposal by President Obama – to make community colleges tuition-free. At this stage, we know relatively little about what is being proposed other than that it is modeled on what was done in Tennessee where state lottery funds (not a very good federal model) were used to ensure that students with good grades would not have to pay tuition to go to community college. But since there are so few details as to how this tuition-free package would be structured, there are

more questions regarding the President's proposal than there are answers. These include:

Who will benefit and who will pay? If the administration were to follow the Tennessee plan, current Pell Grant recipients will largely not benefit as their Pell Grant award fully covers the cost of tuition at most community colleges throughout the country. So beneficiaries would disproportionately be middle-class students who mostly can afford \$3,300 in annual average tuition costs of community college, just as has been the case for the Tennessee plan.

The administration to its credit seems to recognize this potential lack of progressivity, and its spokesmen have declared (to *Inside Higher Ed*) that the new benefits will be on top of what Pell Grant recipients currently receive. This could be an avenue for a big step forward in federal policy were we to recognize that Pell Grants are largely for living expenses for students whose families cannot afford to pay those expenses, but it means that the federal costs of implementing such a plan will be substantial, probably far more than the \$60 billion in additional costs over 10 years now being suggested.

Also lost in the enthusiasm about making community colleges tuition-free is the reality that the biggest bill for most students are the costs of living while enrolled

and the opportunity costs of leaving the job market to enroll in school on more than an occasional basis. Also lost in the hubbub is the question of how these benefits are going to be paid for. This key financing question seems largely unanswered in the administration's explanation thus far.

What would happen to enrollments in other higher education institutions?

Advocates for the Tennessee Promise talk about how it has already boosted enrollments in community colleges. There seems to be little consideration, though, of whether this might come at the expense of enrollments in other colleges and universities. The Obama administration clearly prefers for students to go to community colleges rather than for-profit trade schools, but it seems to have little concern that offering more aid for students enrolling in community colleges will have any adverse effect on enrollments in more traditional four-year institutions -- including historically black colleges that could ill afford the dropoff in enrollments.

But federal and state officials have an obligation to recognize that enrollments in higher education are not unlimited and that providing incentives for students to enroll in one sector means that enrollments in other sectors are likely to decline. Is the next step for the federal government to propose a program

of support for those institutions that cannot afford to wait for all those new community college students to transfer in two or three years to fill their now empty seats?

Why would community colleges participate? Like many other federal and state policy initiatives, the president's proposal reflects a tendency to think only in terms of demand and to believe that price reductions will inevitably result in enrollment increases. But the economic reality is that good policy must take into account institutional behavior as well, and it is not at all clear why community colleges would change their behavior in light of the Obama proposal.

Under the Obama plan the federal and state governments would replace funds that families currently spend or loans that students currently borrow for tuition. The likely result of such a policy would be more students enrolling in already overcrowded community colleges with little or no additional funds provided to community colleges to educate them.

If one truly wants to improve community college financing, a better approach would be one in which governments recognize the additional costs entailed in enrolling additional students and try to help pay for those costs. But in the absence of such a proposal, the current Obama plan seems more of the same – more requirements but no more money. As a result, it is hard to understand the enthusiasm of the community college and other national associations for the president's plan.

Why would states participate? It's also not immediately clear why states would participate in the Obama plan as it is aimed primarily or entirely at changing how tuition is financed. As a result, it really would not get at the majority of the community college financing iceberg – what states and localities spend in support of every student who enrolls. So the question remains: why would states choose to participate in this plan that obligates them to meet a series of new requirements AND pay for one-quarter of tuition costs in addition to still paying what they

do now for operating subsidies.

In sum, an analysis of what we know of the president's plan is part of a troubling pattern that seems to characterize our higher education policy debates these days. Political considerations trump good policy. The interests of low-income students get second billing to middle class affordability, or no billing at all. Not enough attention is paid to how things actually would work or why institutions or states would decide to participate.

It all goes to show that, as the economist John Maynard Keynes famously said, "There is no free lunch." One of the problems with the Obama administration's continuing enthusiasm for higher education policy initiatives is that it doesn't seem to recognize this basic economic reality. ■

Arthur M. Hauptman is a public policy consultant specializing in higher education policy and finance. This is the first in a series of articles about how federal and state higher education policies might be changed to produce greater equity, efficiency and effectiveness.

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