

Transcription for



THE KEY: INSIDE HIGHER ED

EP 59: RESHAPING THE FEDERAL ROLE IN HIGHER ED

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THE KEY WITH INSIDE HIGHER ED

EP 59: RESHAPING THE FEDERAL ROLE IN HIGHER ED

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DOUG LEDERMAN: Hello and welcome to The Key. I'm Doug Lederman, editor and cofounder of Inside Higher Ed, and host of our weekly news and analysis podcast.

This week's episode digs into what could end up being one of the most significant pieces of federal education policy-making in many years, the Build Back Better Act, which would carry out elements of President Biden's ambitious domestic policy agenda. Within higher education, that means his promise to make community college tuition free, significantly expand funding for Pell grants, and create for the first time fund that would give colleges incentives for retaining their students and ensuring that they graduate. It also would reshape the relationship between federal and state governments through a partnership that would provide a ton of federal money, but require a lot from state governments in return.

Joining me today are our guests who come at this sprawling legislation from a range of angles. For policy wonk and consumer protective perspective, we'll hear from Michele Streeter, associate director of Policy & Advocacy at The Institute for College Access and Success, Jee Hang Lee, senior vice president (and incoming president) of the Association of Community College Trustees will provide an institutional voice, and lastly, Will Doyle, a higher ed researcher at Vanderbilt University, will discuss his analysis of how the tuition-free community college proposal could affect students, states, and institutions.

First, though, a word from D2L for making this week's episode possible...

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DOUG LEDERMAN: Now on to my conversation with Michele Streeter of TICAS... Michele, welcome to The Key and thanks for being here.

MICHELE STREETER: Great. Thanks for having me.

DOUG LEDERMAN: This House legislation, really interesting and important, and potentially, obviously. Tell me from your perspective and TICAS perspective, what are the most important and notable elements of this legislation and how it would carry out and in some ways sort of not carry out the original Biden vision?

MICHELE STREETER: Yeah, absolutely. So I think first of all I'd like to say is broadly, without getting into the details, it's a recognition, I think, of the need for a comprehensive approach to addressing not just to college affordability, not just college access, but really moving the needle on college completion. So we see an explicit focus, more than really we have before from the federal level, on really doing what the research demonstrates will be effective in helping to close the racial and economic equity gaps that we see persist in college completion rates.

So we in the field, we always talk a lot about the many benefits of a college degree and what a college degree can mean for someone's life trajectory, and how higher education is such a major driver of economic and social mobility for students. But that's really only true if the student is able to complete their program. And so being about to cover costs, not just tuition costs, but all the other costs associated with being a student, having the support and resources to get to the finish line, all of this plays into that. And so I think this bill is a recognition of we have to address both the big existential challenges in higher ed, so, naming a few, declining state funding for public colleges, which is typically made worse during economic downturns, Pell grants that currently covers the lowest share of college costs in the program's history, and, of course, the resulting debt burdens that follow.

So addressing those big challenges, but also looking at the individual needs of students to access the quality program, and be able to get their degree. So there's certainly an ongoing role for states here. We'll talk about that I'm sure later, and colleges, of course, but I work in federal policy, so from the federal government's perspective, they have a big role to play here. Certainly, again, not the only role, but this bill proposes for the first time a different role, where there would be kind of this new statutory relationship directly between states and the federal government to fund higher ed. And I think that's kind of the key here to what this might do for students.

DOUG LEDERMAN: Expand on that if you will. The historical federal role has been on funding students through grants and other forms of financial aid. And support for colleges and universities has been the province of the states. And they've done so, as you suggested, to varying degrees and inconsistently over time. Could you explain for listeners how this bill would reshape the relationship between the feds and the states?

MICHELE STREETER: It would be really the first time that the federal government would directly send money to states, not to students, to states to fund higher ed. And we and others for many years have called for kind of this umbrella of a new federal-state funding partnership, where, and there's various ways to kind of calibrate this, but you're both putting new federal money into directly funding students and funding tuition and costs. But you're also looking at it as an opportunity to incentivize states themselves to invest more in students and colleges, and to hopefully reverse the trend of declining state funding.

So there's various kind of levers you can pull, and there's various proposals which focus, some, you know, as American College Promise does, that focuses is a lot more directly on covering tuition costs, than replacing other funds of direct student aid. There are other proposals that are a little bit broader and more focused on addressing state funding overall, and some of that would be directed to student aid. But some of it would be more toward operational costs than just shoring up state budgets. There's various ways you can approach this and various levers you can pull. And the House proposal is one kind of particular example, and we know the White House is focused a lot on community colleges. And, you know, there's a number of reasons for that, but this kind of idea of covering tuition through this fed-state partnership is kind of one avenue that we can take.

And we have our proposal on what a fed-state partnership should look like is a little bit different than this, but I do think it's important to say this includes a lot of those key elements, like a maintenance of effort. And it includes bringing states back to the funding table. And within the reconciliation context,

it's a little bit tricky because there's kind of limitations built in there, in terms of what kind of policy levers you can pull and what kind of policies you can implement. And also there's kind of a funding cliff built in when you create new programs through reconciliation legislation. But within those parameters I think it will really move the needle.

And I think if you kind of look at the bill text and you see if that survives the reconciliation process through the parliamentarian, you see that there's a lot of other elements that the federal government is going to look to compel states to do to improve their higher ed systems, and that's kind of what the fed-state partnership is looking at. It's saying, we know states, especially during downturns, can be impeded from investing in higher ed. You know, higher ed often serves as what we call balance wheel for state budgets, and you have states that have balanced budget requirements, so they need to fund other priorities on reduced revenue, you know, they have healthcare to fund and things like that. So they often will turn to higher ed. They cut higher ed, they rely on tuition to close the gap.

So this proposal actually includes, and this is kind of a first of its kind, would be a provision that would actually kind of automatically hopefully come in and equip states to stabilize their funding across economic cycles. So, again, it's a five-year window as proposed in the House bill, it's a bit shorter. But I think this issue of stabilizing state funding across economic cycles is one that a fed-state partnership is uniquely equipped to address. And so we're really happy to see that piece of it, along with all the other pieces around strengthening articulation and transfer [UNCLEAR], and all the other things that can be compelled through this funding stream.

DOUG LEDERMAN: It sounds like what you're saying is that if this legislation passes, it would be a foot in the door to creating this new structure. And while it might be narrower and shorter term than you'd like, it would at least establish a new approach that could be built on later and might be hard to undo, since it can be hard to kill off a federal program once it's created. What are some of the other elements in this legislation that are noteworthy, particularly in suggesting a new kind of federal policy making?

MICHELE STREETER: Another big piece is the funding for completion and retention initiative. So again, kind of a first of its kind federal proposal. Again, it's a lot less than what was originally proposed, but it still, I think \$9 billion is still huge, so, you know, we were a zero, so from zero to \$9 billion is quite a leap. But again, I think it really reflects where the research in the field has been pushing over the past few years in terms of we need to increase completion rates. And if we're only thinking about getting someone in the door, there's a lot in between starting and finishing that we're not accounting for in terms of federal funding. And so we need to be able to... There's a lot of evidence for programs that do work. A lot of colleges know what works, states know what works in many cases but there just isn't

always the money available to scale these programs up.

And again, that's kind of where, in the same way in the fed-state funding partnership, you want to harness the spending power of the federal government to scale up things that we know work. So there's a nice set-aside within the House proposal for evidence-based programs. One comes to mind. I think a lot of folks will be familiar with is CUNY ASAP, kind of those comprehensive advising states programs. But there's also funding for kind of innovation and for states and colleges to try other things and see what might scale.

And again, that's another, a nice balance they're trying to strike, as they do with the free community college program between states... It's not just the federal hammer coming in, I think it's this continued recognition that the state role is really important, and states kind of have a really strong sense of what their students and what the residents need. And it's not always the same. And so that can be difficult to account for in legislating from the federal side. But also, I think, there is recognition of that across this bill, which is really important.

DOUG LEDERMAN: The federal government has two key roles in higher ed policy, funding key priorities and more of an accountability role to try to ensure quality and to protect students. This administration and this legislation pretty clearly embraced the former role. But I'm curious what signals we see in this bill about the accountability role and that federal hammer you mentioned.

MICHELE STREETER: I think that is kind of the big overarching question here that is not necessarily answered explicitly by this proposal. I think there's a lot of different ways you can interpret the word accountability and what it means for higher ed. I think certainly the administration has the negotiated rule-making process and they've kind of signaled their commitment to, you know, hopefully, it seems like restore some of the previous accountability measures that were in place before, during the Obama Administration.

There hasn't been, I think, as much reflection of that in their legislating yet. I think some of that may have to do with the reconciliation parameters. I also think there are broader conversations that need to be had about, you know, we would, for example, like to see an expansion to allow all public colleges to be a part of some kind of federal-state partnership. And kind of thinking about community colleges play a really important role, and thinking about how are we, what are we incentivizing, what are we funding? You know, how are we able to equip institutions to serve the students that they have, the students that they are curr

But also must thinking again about, you know, we don't want to be leading students into something that isn't going to pay off for them. I don't think there are currently enough, you know, parameters in place. I think I probably am not speaking out of turn from TICAS's standpoint in saying that. But at the same time I think it's also important to be really careful. I don't want to conflate... We know that public colleges are doing a really good job on whole and that includes two-year and four-year, and we need to make a lot more investments in those institutions.

DOUG LEDERMAN: We've appropriately, I think, been focusing on the policy in this conversation, but we also, news flash here, have a good bit of politics in our world these days, and they're really swirling around this bill. There's a lot less money in here than a lot of colleges and student advocates surely wanted, and less than was in the administration's original American families plan, on which the legislation is based. But it's a heck of lot more than Republicans, and it looks like a few key Senate Democrats think is prudent to spend. Without asking you to gaze into a crystal ball exactly, what do you see as the challenges on the path to this becoming law? Is it likely that the key elements remain but the dollar amounts keep getting smaller?

MICHELE STREETER: We are very optimistic that something will go through. And I think our goal at this point, you know, of course, we don't want to negotiate against ourselves. It's the job of Congress to do that amongst themselves. But I think we want to be realistic in saying, you know, we understand this may get cut further, but also say, you need to keep this kind of coordinated, comprehensive approach intact.

DOUG LEDERMAN: You probably wouldn't love to see then something that I suppose I could envision, which would be, we're just going to throw all this money back to Pell grants or something. Your hope is that this sort of framework stays intact in a way that sort of creates some things and that can, again, once they're in place they can be adapted, but would be there.

MICHELE STREETER: Absolutely. I think that is spot-on. The opportunity to build new things into statute is a fairly rare one at this point, and missing that opportunity in all of these policy areas and priority areas for higher ed would be a shame. And so I think if we're talking about tradeoff, we'd rather see the bones of the federal-state partnership built in. But again, we've created a new statutory relationship. We need to then go back and extend it, expand it, fund it, evaluate what it looks like, and argue about all of that over time. But just building that in right now when we have this window is really important.



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DOUG LEDERMAN: That was Michele Streeter, associate director of Policy & Advocacy at the Institute for College Access and Success. We're going to follow that think tank perspective with an institutional one by hearing from Jee Hang Lee, senior vice president at the Association of Community College Trustees, where he has tracked federal and state policy for 15 years.

Jee Hang, welcome to The Key and thanks for being here.

JEE HAND LEE: Okay, well, thank you so much for the invitation. It's great to be here.

DOUG LEDERMAN: The Build Back Better Act would, if enacted, have an enormous impact on your member institutions. What are the most significant elements of the legislation from your and their perspective?

JEE HAND LEE: Well, obviously, the bill has the America's College Promise, which is the free community college component, which creates a federal-state partnership around universal access to community colleges. And I'm sure we're going to be talking about that for the duration of this conversation.

But I would just highlight a couple of other things. Number one, it also includes additional resources for workforce training programs, for example, in the ways and means portion. It includes TA money for community college training grants. It also included \$2 billion in the labor portion for community colleges, for workforce training.

But, you know, the one thing that we flagged for the administration and for Congress as part of this process as doing America's College Promise, is that currently right now if you receive a Pell grant, you

are taxed on the portions of that Pell grant that is used for items that are not tuition fees or direct costs for college. So all the things for college attendance were taxed, but ways and means actually did include a provision to remove it from the gross income for taxation purposes, which we're very excited about, because one of the things we flagged is that, if you did a free community college piece for all students attending our community colleges, and they receive a Pell grant, that means every single Pell grant student at a community college would be paying taxes on the Pell grant, because they would have zero fees, zero tuition. So once we flagged that, I think there was a large resonance to resolving that situation. And we're excited and we're hopeful that it will make it into the finance piece on the Senate side.

DOUG LEDERMAN: I didn't know that. That is interesting. In terms of the tuition-free community college piece of the legislation, how do you see it most affecting your members and their students?

JEE HAND LEE: Well, I think, you know, the conversation around universal access to community colleges, I think, is the most paramount conversation that we've been having with our member institutions. Being able to articulate to a family, to students, that no matter your location, you're able to have a tuition waiver and not have to pay anything for tuition fees. If you're low income, your Pell grant will cover your cost of attendance, that means the living costs of the students. To us, that's a powerful message.

If you take a look at some of the enrollment declines, especially at community colleges, we're seeing significant declines amongst males, and males of color attending our institutions. But that's also being experienced across the higher education spectrum. So we think the universal message is very, very important.

As it plays out in states, I think this is going to be incumbent upon on how the Department of Education works with each of the individual states to negotiate how states participate and get into the system. But we believe that with America's college promise, and also the completion grant program, because that program is tied to your participation in ACP, America's College Promise, you can't participate unless you participate in the Promise program. So we believe that will be a carrot, hopefully, for many states to participate. And I do think that's ultimately at the end of the day, the vast majority of the states will participate in this program. And I think our institutions will see an increase in number of students that are enrolling. And I can't stress enough about how of a powerful message it is for families to just... When you do like a college fair and you can just go to family and say you have zero tuition to come to our institution. It's not, oh, if you are a Pell grant student. No, it's not if you are, you know, X, Y, and Z, there's no caveats. The caveats are, if you're more the half-time and you're in a Title 4 program, you get free tuition.

DOUG LEDERMAN: Do you have a sense of kind of what is likely to happen to institutions in states that might decide not to opt in on this? I mean, how far down the road are you going right now in thinking about that?

JEE HANG LEE: Well, I think the way that they've created the bill, you know, our institutions in states that don't participate won't be able to participate in the program. So that's first and foremost. You know, one of the conversations we are having on the House bill, and we might see something different once it goes to the Senate side, is we're having conversations with them about the length of the program. The program is for five-year authorization, and we are concerned that it may take some time for states to be able to ramp in and get into this program. And it might take them one or two years. And if it takes them one or two years, I guess, especially on the two-year mark, do really just want to come in or three years and essentially have to stop the program? So we are flagging this. Obviously Chairman Scott's team knows about this as an issue for us as a sector. But we are hopeful with this amount of resources, the fact that some our states can meet the match, and that they also have promised programs that our institutions will be able to participate. And also the retention-completion grants will also serve as an additional carrot, so to speak, for the participation amongst our states.

DOUG LEDERMAN: Those of us who've been around for a while have seen cases in the past where colleges have been promised a lot through federal legislation, and then have watched it be whittled down to a lot less. I happened with President Obama's graduation initiative coming out of the Great Recession where the original \$12 billion became an important, but much smaller \$2 billion Labor Department program. We've got budget and other politics swirling around this legislation as well. What's your sense of what's ahead for the legislation and what's in it for your institutions in the weeks to come?

JEE HANG LEE: [LAUGH] Well, obviously, you know, one of the things that occurs when you do these large pieces of legislation, especially when you have a razor-thin margin on the Senate side during the reconciliation process, there's a lot of pushing squares into round holes. And, you know, I think our expectation is that we will likely have something. We don't necessarily know if every component from workforce to whether or not there's a component of means testing within America's College Promise. So once it moves over to the Senate side, there might be some trimming that might occur.

I think for us as a sector, we think broadly, candidly a universal message about every student's eligible for America's College Promise is a great message. And I'm remiss to say, I forgot, I neglected to mention about our DACA students are a major focal point as part of this piece of legislation, and their eligibility

for College Promise, and also their eligibility for Pell grants and student loans. We are hopeful that we get all the pieces as it migrates.

Obviously, but as a betting man, I would expect some snipping around the corners all throughout the various pieces. You know, all you to have to do watch the Sunday news shows to know that, for example, \$3.5 trillion allocation might be trimmed in itself, and if that's trimmed then it has a ripple effect across all the various programs, let alone the priorities on the Senate side. So we are expecting some, but we're hopeful that the resources that we're provided remain solid as it moves through the legislative process and is signed into law.

DOUG LEDERMAN: That was Jee Hang Lee, senior vice president at the Association of Community College Trustees. For our last conversation today, I'm joined by Will Doyle, a professor of higher education at Vanderbilt University, who focuses on the impact of higher education policy. This week, Will posted an in-depth thread on Twitter. Yes, I know that's a somewhat oxymoronic concept, about the tuition free community college provisions in the House legislation. Will, can you expand on your Twitter statement that the community college plan, quote, represents a huge change in how the federal government funds higher education?

WILL DOYLE: Mostly what the feds have done in the past is to focus on students, that they direct the funding for higher education through the students, and they do that primarily through the Pell grant program, and then they also do it through the various ways in which they subsidize student loans. But here in this plan for the first time at a very large scale, the feds are proposing to directly fund institutions so that students can attend, you know, for the states that decide to participate, dropping tuition to zero at community colleges for students.

DOUG LEDERMAN: And that's much more how states have historically operated in their funding, correct, is enrollment based or something else, but money to institutions.

WILL DOYLE: Yeah, the basic division of responsibility has been that the states fund institutions and then the feds come in and step in and provide additional funding so people can go to those institutions, can afford the tuition there.

DOUG LEDERMAN: Right, and the modest exceptions to that are things like the strengthening institutions program and some of the support for historically Black institutions, etc. But those are

infinitesimal compared to what we're talking about here.

WILL DOYLE: Yeah, we're at an entirely different scale with this.

DOUG LEDERMAN: Right. And some of the other elements that I think are probably worth talking about in that larger reframing. This compact, or change in the relationship, does it also provide an opportunity for the federal government to ask more of the states in addition to giving them a lot more money?

WILL DOYLE: Yeah, absolutely. And that's... How you see the federal government establish its priorities in a bunch of other areas is by offering funding for the states. But when the states get that money, they have to abide by the federal rules. And so that's the way that Medicaid funding works, healthcare for low income people works. It's the way that temporary assistance to needy families works, you know, it used to be called welfare, and it's the way that transportation. So these other huge policy areas, that's the way the federal government gets its priorities done.

DOUG LEDERMAN: And it's how, isn't that how we have speed limits? That's the example that I think of is that they've tied highway funds to certain rules of the road, right, so...

WILL DOYLE: Yep. You have to abide by those federal safety regulations if you want those federal transportation funds.

DOUG LEDERMAN: Do what are the key things in this legislation that the federal government would be asking of the states?

WILL DOYLE: So what they're going to ask the states is to charge zero dollars at community colleges. So for students attending for basically the first couple of years, those students will go to community college for free. And it's everybody, you know, all students in those first couple of years of attendance. You know, it doesn't depend on age or other types of things, and in particular, it doesn't depend on the student's income. In return for that, if the states drop that tuition down to zero, the federal government will give them an amount that's equal to sort of the average of community college tuition across the state. And that's actually, like the feds will be 80 percent of that amount, and the states have to match 20 percent. So, zero tuition, feds give it looks like it's something like \$4000 and the states have to provide about \$1000 call it.

DOUG LEDERMAN: One of the other elements of it is maintaining something that we've called maintenance of effort, right, which is been talked about in some other pieces of legislation, and if I'm remembering right, stretching back in my memory, was part of like that 2008-9 stimulus legislation was that states... Talk a little bit about what that means.

WILL DOYLE: Yeah. So the huge concern anytime the federal government steps into fund something, along with the states, is that the states will be like, thanks for this money. We're just going to cut our funding by the amount that you're giving us. So then they can take that and devote it to something else. They can cut taxes or spend it in some other area. And so any kind of federal state program, there's going to likely be some mechanism that's going to say, oh, no, the states have to spend what they were spending, and then this new money coming in is extra. It's on top of what the states were spending. So this, the bill does have a very similar provision where it says, no, no, like whatever you were spending before, you have to have to continue spending. And interestingly, for all the entire public system of higher education, not just the community colleges. But if you do that, then you can continue to get this federal money.

DOUG LEDERMAN: And that is important and it's been desired.... Something related to maintenance of effort has been desired by a lot of people in public higher education in response to, this is contested territory to some extent, but the sense that states have not been keeping up their obligations to support public higher education. And this would be a tool for the federal government to try and put a floor, and presumably try and impose some upward pressure, ultimately, on that.

WILL DOYLE: Yeah, at the very least, so like states cut higher education more than other categories in bad times, they increase it more than other categories in good times. But the cuts can be really severe. So in the last couple of recessions, the feds have actually stepped in to try and keep those cuts from being too severe in higher education, with some success. And here this is like a stable ongoing policy where like funding can't get below a certain level if the states are going to participate in this program.

DOUG LEDERMAN: So you also did a bunch of analysis, sort of looking, and you had to make some assumptions in here about the amount of tuition it would be, and who would qualify in different states, and which institutions would qualify, because there isn't a common definition of what a community college is across states, although there's obviously a definition in the legislation itself. And you looked at sort of how this would play out in a bunch of different states. It's fine to talk about some specifics, but generally what were sort of the conclusions you drew about the effect that this would have on states and students in those states?

WILL DOYLE: Yeah, as like a person who sort of looks at state-level policy for higher education, I can make an entire career just saying states are different, right? States are different. [CROSSTALK]

DOUG LEDERMAN: Fifty answers to that question....

WILL DOYLE: Try to think about how states are different... But when we look at it... It looks like, kind of like, working it out, it's probably somewhere around \$4500. Like you said, that key amount is probably somewhere around \$4500, and you can even just kind of simplify it a little bit and say like, the feds are probably going to spend about \$4000 per students attending community colleges, and the states would have to match about \$1000.

DOUG LEDERMAN: Per year, for the two years?

WILL DOYLE: Per year. Yeah, so everything for like a per student, per year basis. so the feds are coming to states and saying, hey, we're going to give you \$4000 a student, but you have to give up that tuition revenue that you would collect from that student otherwise. And you have to contribute your \$1000 to this.

So then the states are faced with this deal and there's a couple different ways to think about it. So one is just like, is this going to overall be like more funding than the current system? Is the student going to receive more in a subsidy, with all of the money being spent on a student? And in a lot of states, that's true. A solid majority of states that's absolutely true So the students will go to a community college for free, and when they get to that community college, like more money will be spent on them. So it's a good deal for students in most states from that perspective.

For the states, one way to think about this from the state perspective is, all right, the state has to give up that tuition revenue and they have to put in their own money. Is that going to actually end up costing the state more than what they're currently doing? I that, compared to how much the state is spending right now, is that going to be more or less?

So there's about 20 states where it's just perfectly clear that this is a really good deal. And it's states

where a lot of students are attending community colleges and the community college tuition is low, much lower than the national average. So they can easily give up those revenues they've already got. They can take the federal money. They can pay out of their own funds and it's going to be all an overall better deal for everybody.

There's a set of states where it's a little bit of extra money, like less than \$500 per student, the kind of think where you could probably work that out in your existing budget without making huge sacrifices elsewhere.

And then there's another set of states where if they want to maintain their current overall level of spending, overall level of subsidies is a better way to say it like, they're going to have to spend a lot more money. These are high tuition states basically, so they're going to give up all this tuition revenue. They're going to have to spend more of their state funding, even just to match. Plus then there's going to be this big gap where there used to be tuition, there's nothing, and so the state would have to fill that in, if they wanted to.

DOUG LEDERMAN: Could that conceivably lead states to opt out, as is the case in some of these other programs that you've described?

WILL DOYLE: Yeah, so the most recent that we have is the example of Medicaid expansion under the Affordable Care Act, under Obama Care, right? And that was intensely political. Many things are political these days, but that was an intensely political problem...

[CROSSTALK]

DOUG LEDERMAN: Yes, especially, yeah...

WILL DOYLE: So it's difficult to know what lessons to draw from that. But just really generally, the terms of Medicare expansion were more generous than the terms we're talking about here. The federal government was putting a lot more money on the table to fund healthcare for low-income people. The states would have had to put their own money in, but it was much, much more general terms.



So here, it really does put a set of states in a fairly difficult position. They could just... And it's places Vermont, New Hampshire, they don't spend hardly anything on their community college students. They could just kind of come up and start spending what everybody else does. That is a reasonable thing to ask. But it's a big change from the way they've done things in the past.

DOUG LEDERMAN: We've talked about sort of the impact on the states and we talked about the benefits for the students. What's your sense of the impact or the result of this for the institutions themselves? Is it across the board a good thing?

WILL DOYLE: So it falls out on those states that we were talking about. There's one set of institutions that are likely to see a reasonably substantial increase in their budgets as a result of this. They're going to get some additional revenue coming in from this federal and state match. There's going to be more than enough to make up the tuition revenues that they're losing.

The set of institutions I really worry about are if the state agrees to participate, drops the tuition revenue, and then doesn't come in with extra money beyond the match. And so then you're telling these paces you don't get the tuition revenue anymore. You're getting that federal funding plus our state match, and that's it. You know, figure it out from here. And the reason that that's additionally concerning is that if you drop the tuition to zero, more people are going to go to the community colleges. It's going to be new people who wouldn't have gone otherwise and it's going to be people who would have gone to a four-year but are going to go to a two-year because it's so much cheaper. So at the same time that they're going to face increased enrollment, there's going to be real constraints on what they can do. They may be asked to do so with less money.

DOUG LEDERMAN: Another situation that community colleges are used to finding themselves in, but...

WILL DOYLE: Yeah, that is not unusual for community colleges. But it doesn't make it right.

DOUG LEDERMAN: That conversation with Vanderbilt's Will Doyle completes today's episode about arguable one of the most important pieces of higher education legislation we've seen in a long time. Thanks to Will, Jee Hang Lee of the Association of Community College Trustees, and Michele Streeter of the Institute for College Access and Success for their perspectives on the significance and potential impact of this bill. Tnks also to D2L for its support of important conversations like these.

You can follow Alexis Gravelly's excellent coverage of this and other federal policies today and always on Inside Higher Ed. And The Key will certainly return to these issues as the legislation progresses.

The relationship between higher education and government is constantly evolving. And while it may seem to be interesting and important mostly to lobbyists and policy wonks, how the government views and treats colleges and universities has implications for students, college employees, and even you English and Engineering professors out there. Federal and state funding is a major part of the equation for how your colleges operate, whether they thrive financially or not, and in turn, how they support you and your students. So I'd encourage you to pay at least some attention to issues like the ones we discussed today.

Thanks for listening, and until next week, I'm Doug Lederman, host of The Key. Stay well and stay safe.

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