

A PROGRESSIVE FRAMEWORK FOR FREE COLLEGE

REPORT BY **SUZANNE KAHN**
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Introduction

Since 2015, when President Barack Obama raised the notion of free community college in his State of the Union address, the idea of “free college” has assumed an important place in the world of big and bold new policy ideas. Though the idea has become particularly associated with the progressive policy agenda, enthusiasm for free college is not necessarily ideological: One of the most well-known free college programs, the Tennessee Promise, was enacted by a Republican legislature and signed by a Republican governor, and in the past, free college was the norm in many states regardless of political control. Nevertheless, the phrase “free college” is actually an umbrella for a variety of different policies with very different terms. The particular terms matter quite a bit, and they can make the difference between a free college plan that upholds progressive values and one that does not.

When governments work to implement free college, there are all kinds of considerations that can affect the shape of the plan, from addressing budgetary concerns to satisfying political constituencies, ensuring sustainability or attaining certain educational outcomes for students. Free college can further progressive values like reducing wealth inequality, eliminating racial disparities, supporting democracy, and building a more inclusive economy. But the way that policymakers address these considerations can determine whether a free college program reinforces those values or undermines them.

If there is an opportunity to push a free college proposal at the federal level, policymakers and advocates must be equipped with a solid understanding of how the values and outcomes they wish to achieve would be driven—or thwarted—through certain design choices. Political realities and fiscal concerns will inevitably influence the debate about free college. But by grounding themselves in a clear framework, policymakers can ensure that those factors influence a free college plan without compromising its core purpose.

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To help facilitate a debate about free college that is grounded in values, this report examines



how the design choices made in existing free college programs have affected the outcomes and values they promote, and it offers a framework for how a federal free college plan could uphold progressive values. Section one provides some context for the discussion by offering four important observations about the state of higher education in the United States. Section two outlines the basic questions that must be answered in order to construct a free college plan. Section three offers examples of how some states and countries have answered these questions and how those answers have affected the shape and outcomes of their higher education systems. Section four proposes a progressive framework for shaping a federal free college proposal. Progressive policymakers may disagree about how to prioritize the principles laid out in section four, but anyone building a free college plan must engage directly with all of them.

FIVE OBSERVATIONS ON THE STATE OF HIGHER EDUCATION

Before one starts to tinker with what the future of higher education ought to look like, it is important to start with a basic understanding of what it looks like now. There are many ways to think about the state of higher education today, but we chose five observations that we believe are particularly important when thinking about how our college system could be reshaped. Though we describe these observations in isolation, it is worth noting that they often reinforce one another: For example, high prices reinforce racial and income stratification.

1. Higher Education Is Expensive

It is fairly well-known that college is increasingly expensive, but it is worth examining the details. College tuition rates have skyrocketed in the last three decades: Tuition at public four-year colleges increased 197 percent from 1989 to 2019, and 106 percent at private not-for-profit colleges.¹ In 2018, the average annual price—net of tuition, room and board, and any discounts like grants or scholarships—for a full-time undergraduate student was \$15,220 at a public four-year college and \$26,660 at a private four-year school. Community college is often cited as a less expensive alternative, but the price of attending a community college is fairly steep too (though the numbers vary substantially by state): The average

¹ College Board. 2019. "Average Published Charges by Sector over Time." Accessed November 19, 2019. <https://research.collegeboard.org/trends/college-pricing/figures-tables/average-published-charges-sector-over-time>



annual net price in 2018 was \$8,410.²

As the price of college has grown, so too has students' reliance on debt to finance their educations. Between 2004 and 2017, outstanding student debt tripled.³ Outstanding debt now stands at about \$1.6 trillion. Though some portion of this growth is due to expanding enrollments in higher education, much of it can be attributed to two disturbing factors: Borrowers are taking on more debt, and they are having difficulty paying their loans down when they leave school. The average balance for a borrower completing a bachelor's degree stands at \$29,200, and according to the Federal Reserve, the typical outstanding balance for a borrower in 2018 was between \$20,000 and \$24,999.⁴ These debt loads, in combination with lackluster or stagnant growth in earnings, have created a situation in which going to college has transformed, for many Americans, from a way to get ahead to simply a way to tread water.⁵

High prices have insidious effects beyond debt accumulation. Price is a factor in whether students decide to attend college at all; tuition increases are associated with drops in enrollment, particularly for students of color.⁶ It is also a factor in their likelihood to complete a college credential, as well as in decisions about the type of college to attend.⁷ As such, the rising price of college contributes to inequality whether students pay those exorbitant charges or not.

² College Board. 2019. "Average Net Price by Sector over Time." Accessed November 19, 2019. <https://trends.collegeboard.org/college-pricing/figures-tables/average-net-price-over-time-full-time-students-sector>. We have included room and board costs in the net price calculation for community college students, because it accurately reflects what it costs to attend, even though many often think only of tuition and fees as the costs of attendance at a community college.

³ Calculation based on New York Federal Reserve Bank 2018 Student Loan Update. Federal Reserve Bank. 2018. "2018 Student Loan Update." Accessed November 20, 2019. https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/xls/sl_update_2018.xlsx.

⁴ The Institute for College Access and Success. 2019. "Student Debt and the Class of 2018." Washington, DC: <https://ticas.org/our-work/student-debt/>; Federal Reserve Board. 2019. "Report on the Economic Well-Being of US Households in 2018." Accessed November 20, 2019. <https://www.federalreserve.gov/publications/2019-economic-well-being-of-us-households-in-2018-student-loans-and-other-education-debt.htm>.

⁵ Margetta Morgan, Julie, and Marshall Steinbaum. 2018. "The Student Debt Crisis, Labor Market Credentialization, and Racial Inequality." New York: Roosevelt Institute. <http://rooseveltinstitute.org/wp-content/uploads/2018/10/The-Student-Debt-Crisis-and-Labor-Market-Credentialization-final-1.pdf>.

⁶ See, e.g., Allen, Drew, and Gregory Wolniak. 2018. "Exploring the Effects of Tuition Increases on Racial/Ethnic Diversity at Public Colleges and Universities." *Research in Higher Education* 60, no. 1 (February): 18-43. <https://link.springer.com/article/10.1007/s11162-018-9502-6>.

⁷ Goldrick-Rab, Sara, et al. 2012. "Reducing Income Inequality in Educational Attainment: Experimental Evidence on the Impact of Financial Aid on College Completion." Institute for Research on Poverty Discussion paper No. 1393-12, <https://www.irp.wisc.edu/publications/dps/pdfs/dp139312rev.pdf>; Bettinger, Eric. 2004. "How Financial Aid Affects Persistence." NBER Working Paper No. 10242 <https://www.nber.org/papers/w10242>.



2. US Higher Education Is Highly Unequal and Highly Racialized

Today, access to higher education is shaped by many of the same factors that dictated opportunity back in 1965, particularly family resources and race.

When President Lyndon Johnson signed the Higher Education Act of 1965, he declared that it meant that “the path of knowledge is open to all that have the determination to walk it.”⁸ Unfortunately, this vision for broadly accessible higher education never came to pass. Today, access to higher education is shaped by many of the same factors that dictated opportunity back in 1965, particularly family resources and race.

Students from wealthier families are far more likely to attend college than students from less wealthy households. In 2016, 46 percent of students in the lowest income quartile entered higher education upon leaving high school, compared to 78 percent from the highest income quartile.⁹ Further, students from lower-income families enroll disproportionately in less selective, less-resourced schools, like open-access four-year colleges and community colleges.¹⁰ As we will discuss further, these disparities in access are compounded by unequal funding structures that place greater resources at more selective public institutions. The differences in access are shaped by a variety of factors, including affordability and the availability of resources and academic preparation. Affordability is a problem for a large swath of American college students, but it is particularly a problem for the lowest-income students. According to the Urban Institute, though their tuition is largely covered by grants, students from families in the lowest income quartile pay an average of \$14,500 in net living expenses at public four-year schools, and \$19,500 in remaining tuition and net living expenses at private nonprofit four-year colleges.¹¹ Though higher-income students end up paying more in absolute dollars, low-income students tend to pay far more as a proportion of income and therefore are more likely to turn to debt.¹² Nearly 90 percent of bachelor’s degree recipients whose family incomes qualify them for federal Pell Grants

⁸ President Lyndon Johnson. 1965. Full Remarks on the Higher Education Act of 1965. <http://www.lbjlibrary.org/mediakits/highereducation/p8.html>.

⁹ Pell Institute. 2018. “Indicators of Higher Education Equity in the United States.” Philadelphia, PA: The Pell Institute. https://blogs.edweek.org/edweek/high_school_and_beyond/COE-18-Pell-Indicators-f.pdf

¹⁰ Fry, Richard, and Anthony Cilluffo. 2019. “A Rising Share of Undergraduates Are from Poor Families, Especially at Less Selective Colleges.” Washington, DC: Pew Research Center. <https://www.pewsocialtrends.org/2019/05/22/a-rising-share-of-undergraduates-are-from-poor-families-especially-at-less-selective-colleges/>.

¹¹ Urban Institute. 2019. “Understanding College Affordability: Net Price.” Accessed November 20, 2019. http://collegeaffordability.urban.org/prices-and-expenses/net-price/#/by_income.

¹² See *id.* See also The Education Trust. 2011. “Priced Out: How the Wrong Financial Aid Policies Hurt Low-Income Students.” Washington, DC: The Education Trust. https://edtrust.org/wp-content/uploads/2013/10/PricedOutFINAL_2.pdf



graduate college with an average of \$30,000 in debt.¹³

Studies have shown that higher education access for lower-income Americans remains unequal even for the most academically prepared: A landmark 2012 study by economists Caroline Hoxby and Christopher Avery found that more than half of highly qualified applicants from lower-income families do not apply to competitive colleges.¹⁴ Some studies have suggested that changing students' perspectives about affordability can help with this “undermatching” problem by showing them that higher-ranked colleges can be affordable after tuition discounting, but other experts have pointed out that, in general, public colleges are simply not affordable for many low-income students.¹⁵

Individual factors like academic preparedness, finances, and sociocultural preferences surely matter, but when we take a step back and look at the enrollments at top-tier public colleges, it is clear that there are larger structural factors at play. Among 20 of the top public colleges in the US, all enrolled over 40 percent of their student body from families in the top 20 percent of the nation's income distribution, and over 19 percent from the top 10 percent of family incomes.¹⁶ For example, in the University of Virginia's class of 2013, 67 percent of students came from the top 20 percent of family incomes, and only 2.8 percent came from the bottom 20 percent.¹⁷

The US higher education system is particularly failing students of color, offering an experience that is starkly different from that available to their white peers. Whereas 71 percent of white students continue on to college after leaving high school, 56 percent of Black students go to college.¹⁸ Black and Latinx students are overrepresented in the least selective colleges and underrepresented in elite schools; further, these gaps have been growing in the last several decades.¹⁹ A report from the Education Trust found that only four

¹³ The Institute for College Access and Success (TICAS). 2019. “Quick Facts about Student Debt.” Washington, DC: TICAS. https://ticas.org/files/pub_files/qf_about_student_debt.pdf.

¹⁴ Hoxby, Caroline and Christopher Avery. “The Missing ‘One-Offs’: The Hidden Supply of High-Achieving Low-Income Students,” Washington, DC: Brookings. https://www.brookings.edu/wp-content/uploads/2016/07/2013a_hoxby.pdf.

¹⁵ DeBaun, Bill. 2018. “White Paper: Shutting Low-Income Students Out of Public Four-Year Higher Education.” Washington, DC: National College Access Network. <https://collegeaccess.org/news/456180/White-Paper-Shutting-Low-Income-Students-Out-of-Public-Four-Year-Higher-Education.htm>.

¹⁶ Author's calculations based on data from Opportunity Insights. Accessed November 21, 2019. <https://opportunityinsights.org/data/>.

¹⁷ See *id.*

¹⁸ Pell Institute. 2018. “Indicators of Higher Education Equity in the United States.” Philadelphia, PA: The Pell Institute. https://blogs.edweek.org/edweek/high_school_and_beyond/COE-18-Pell-Indicators-f.pdf.

¹⁹ Carnevale, Anthony, and Jeff Strohl. 2013. “Separate and Unequal: How Higher Education Reinforces the Intergenerational Reproduction of White Racial Privilege.” Washington, DC: Georgetown Center on Education and the Workforce. https://1gyhoq479ufd3yna29x7ubjn-wpengine.netdna-ssl.com/wp-content/uploads/SeparateUnequal.FR_.pdf; Ashkenas, Jeremy, Haeyoun Park, and Adam Pearce. 2017. “Even with Affirmative Action, Blacks and Hispanics Are More Underrepresented at Top Colleges Than 35 Years Ago.” New York Times, August 24, 2017. <https://www.nytimes.com/interactive/2017/08/24/us/affirmative-action.html>; Libassi, C.J. 2018. “The Neglected College Race Gap: Racial Disparities Among College Completers.” Washington, DC: Center for American Progress. <https://www.americanprogress.org/issues/education-postsecondary/reports/2018/05/23/451186/neglected-college-race-gap-racial-disparities-among-college-completers/>; Huelsman, Mark. 2018. “Social Exclusion: The State of State U for Black Students.” New York: Demos. <https://www.demos.org/research/social-exclusion-state-state-u-black-students>.



states enroll a representative share of Black students in their four-year public colleges.²⁰ Of the students who actually complete bachelor's degrees, almost 30 percent of Black students and 25 percent of Latinx students finish their education at a for-profit college, compared to 11 percent of white students. Meanwhile, nearly 40 percent of white students who complete bachelor's degrees finish their education at a public four-year school, compared to 30 percent of Latinx students and 27 percent of Black students.²¹ For-profit colleges tend to have higher tuition rates and lower labor market returns than public institutions, making the inequitable distribution of enrollments doubly damaging.²² While students of color are concentrated at public community and technical colleges, the Education Trust report found that these colleges, too, only enroll Black students at a representative rate in half of the 41 states they studied.²³

Not only do students of color enroll in different schools; they also have different experiences paying for college. Borrowing rates are far higher for Black students in particular: Whereas 57 percent of white students and 58 percent of Latinx students took out loans for undergraduate education, 78 percent of Black students borrowed.²⁴ The combination of the less desirable educational experiences available to many Black students, lower levels of family and intergenerational wealth, and a discriminatory labor market means that the payoff that Black students see for their indebtedness is starkly different than white students too. Twelve years after entering college, the median white borrower owes 65 percent of what they originally borrowed, but the median Black borrower owes 113 percent. And almost half of Black borrowers—49 percent—had defaulted on a student loan, compared to 21 percent of white borrowers.²⁵

²⁰ The Education Trust. 2019. "Broken Mirrors: Black Student Representation at Public State Colleges and Universities." Washington, DC: The Education Trust. <https://edtrust.org/resource/broken-mirrors-black-representation/>.

²¹ Libassi, C.J. 2018. "The Neglected College Race Gap: Racial Disparities Among College Completers." Washington, DC: Center for American Progress. <https://www.americanprogress.org/issues/education-postsecondary/reports/2018/05/23/451186/neglected-college-race-gap-racial-disparities-among-college-completers/>.

²² See Liu, Yuen Ting, and Clive Belfield. 2014. "The Labor Market Returns to For-Profit Higher Education: Evidence for Transfer Students." New York: Center for Analysis of Postsecondary Education and Employment. <https://capseeecenter.org/labor-market-returns-to-for-profit-higher-education/>.

²³ The Education Trust. 2019. "Broken Mirrors: Black Student Representation at Public State Colleges and Universities." Washington, DC: The Education Trust. <https://edtrust.org/resource/broken-mirrors-black-representation/>. Miller, Ben. 2017. "New Federal Data Show a Student Loan Crisis for African American Borrowers." Center for American Progress (blog). October 16, 2017. <https://www.americanprogress.org/issues/education-postsecondary/news/2017/10/16/440711/new-federal-data-show-student-loan-crisis-african-american-borrowers/>.

²⁴ Miller, Ben. 2017. "New Federal Data Show a Student Loan Crisis for African American Borrowers." *Center for American Progress* (blog). October 16, 2017. <https://www.americanprogress.org/issues/education-postsecondary/news/2017/10/16/440711/new-federal-data-show-student-loan-crisis-african-american-borrowers/>.

²⁵ *Id.*



3. US Public Higher Education Is Becoming Less Public

Though elite private colleges tend to draw a lot of attention in the media, most students in the US attend public colleges and universities. In 2017, 78 percent of undergraduates were enrolled at public institutions.²⁶ Still, in many ways, US public higher education is less “public” than it might seem. Although the circumstances of particular states vary, the share of public support for higher education on a per-student basis has declined over the last 25 years. At the same time, the proportion of support that comes from individual students has increased substantially: Between 1993 and 2018, net tuition revenue per student increased 85.6 percent.²⁷ Colleges cope with declining public support in a variety of problematic ways, including by raising tuition, but also by recruiting out-of-state or international students who pay higher tuition rates and by cutting back on full-time faculty in favor of contingent positions.

Further, many public universities have entered into high-profile arrangements with private entities that can detract from their public missions. A 2019 *Huffington Post* piece chronicled the rise of online program managers that administer online programs at a variety of big-name colleges, including public ones like the University of North Carolina at Chapel Hill and the University of California, Berkeley, charging students high tuition rates for low-cost online programs and driving huge profits for the program managers.²⁸ In 2018, George Mason University, a Virginia state college, received a great deal of attention for its financial ties to the Koch family, including a series of agreements that gave the Charles Koch Foundation influence over the selection and evaluation of faculty.²⁹ The Roosevelt Institute’s Network has tracked how the growing influence of the financial sector on college campuses—particularly administrators’ decisions to invest funds in risky financial products—has coincided with increased tuition in many cases.³⁰ Private involvement in publicly-funded institutions is certainly not new, but as public funding for higher education declines, it leaves public colleges and universities even more vulnerable to private influence.

²⁶ National Center for Education Statistics. “Total Undergraduate Fall Enrollment in Degree-Granting Postsecondary Institutions, by Attendance Status, Sex of Student, and Control and Level of Institution: Selected Years, 1970 through 2028.” Accessed November 1, 2019. https://nces.ed.gov/programs/digest/d18/tables/dt18_303.70.asp.

²⁷ State Higher Education Executive Officers Association (SHEEO). 2019. “SHEE: 2018.” Boulder, CO: SHEEO. https://sheeo.org/wp-content/uploads/2019/04/SHEEO_SHEE_FY18_Report.pdf.

²⁸ Carey, Kevin. 2019. “The Creeping Capitalist Takeover of Higher Education.” *Huffington Post*, April 1, 2019. <https://www.huffpost.com/highline/article/capitalist-takeover-college/>.

²⁹ Flaherty, Colleen. 2018. “Uncovering Koch Role in Faculty Hires.” *Inside Higher Ed*, May 1, 2018. <https://www.insidehighered.com/news/2018/05/01/koch-agreements-george-mason-gave-foundation-role-faculty-hiring-and-oversight>.

³⁰ Roosevelt Network. 2018. “Financialization of Higher Education.” Roosevelt Institute. January 1, 2018. <https://rooseveltinstitute.org/financialization-of-higher-education>.



4. There Is Emerging Evidence That Free College Is Transformative

Even though providing free public college would, in many ways, simply be a return to America's higher education roots (see "Historical Perspectives on Free College" below), many skeptics view it as unnecessary or radical. But given the proliferation of local and state-level free college programs in America, there is now good evidence that providing free college can have a significant positive impact on some of the persistent inequities in American higher education. For example, a study of the Kalamazoo Promise program (a scholarship providing free tuition to graduates of Kalamazoo public schools) found that the program boosted college attainment by over one-third.³¹ Other local promise programs have been shown to have positive effects on college-going aspirations, academic preparation, enrollment, and completion; and as discussed in subsequent sections, state-level programs like Tennessee Promise have shown positive results as well.³²

Some research has underscored that just the clear messaging of programs with "free college" in their title makes a big difference, even if the program does not provide students with more resources than they would have received otherwise. A 2018 study by economist Susan Dynarski illustrated this point. Though attendance at the University of Michigan was already tuition-free for certain low-income students, a change in the university's marketing practices to emphasize a four-year, tuition-free promise yielded big results in applications and enrollments. Students who received the "free college" marketing were more than twice as likely to apply and enroll as students who would have received the same aid package but did not receive the "free college" treatment.³³ These results suggest that making college free—as opposed to affordable—can be particularly meaningful.

³¹ Bartik, Timothy, Brad Hershbein, and Marta Lachowska. 2017. "The Effects of the Kalamazoo Promise Scholarship on College Enrollment, Persistence, and Completion." Working Paper no. 15-229. Upjohn Institute Working Papers. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research. https://research.upjohn.org/cgi/viewcontent.cgi?article=1246&context=up_workingpapers.

³² Miller-Adams, Michelle, and Edward Smith. 2018. "Promise Scholarship Programs and Local Prosperity." Policy Paper no. 2018-019. Upjohn Institute Policy Papers. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research. https://research.upjohn.org/cgi/viewcontent.cgi?article=1018&context=up_policypapers; Li, Amy & Mishory, Jen. 2018. "Financing Institutions in the Free College Debate." New York, NY: The Century Foundation. <https://tcf.org/content/report/financing-institutions-free-college-debate/>.

³³ Dynarski, Susan et al. 2018. "Closing the Gap: The Effect of a Targeted, Tuition-Free Promise on College Choices of High-Achieving, Low-Income Students." Working Paper no. 25349. NBER Working Paper Series. Cambridge, MA: National Bureau of Economic Research. <https://www.nber.org/papers/w25349>.

HISTORICAL PERSPECTIVES ON FREE COLLEGE

College affordability has been a major kitchen-table issue for American families for the past three decades. But it was not always this way. In the late 1800s, the federal government helped establish public colleges in many states through the Morrill Land Grant Acts of 1862 and 1890. Many of the colleges established through the Morrill Acts were free. Over time, these colleges began instituting tuition and fees. California is often cited as an example of the precedent for free college (until the 1970s, California’s public colleges were tuition-free for in-state students), but there are other examples as well. The University of Florida did not begin charging in-state students tuition until 1969; the City University system in New York was also tuition-free for city residents until 1976.³⁴ There have also always been—and there continue to be—individual schools that are tuition-free. Cooper Union offered free tuition to its undergraduates for over 100 years; Berea College remains tuition-free, as do the military service academies.³⁵

There may be a temptation to look back on the days of free public college as “the good old days” when the government invested in people. But to do so would be to ignore the realities of *who* the government chose to support. The era of free college in the US was also the era of elite higher education. Questions about whether the government ought to support higher education coincided with big changes in who attended college, from the influx of older, working-class students to the Civil Rights Act’s challenge to racial exclusion.³⁶

³⁴ Stone, Michael. 2016. “What Happened When American States Tried Providing Tuition-Free College.” *Time*, April 4, 2016. <https://time.com/4176211/free-college/>.

³⁵ Berea College. 2019. “No Tuition, No Kidding!” Accessed November 1, 2019. <http://www.berea.edu/admissions/no-tuition/>; Kaminer, Ariel. 2013. “College Ends Free Tuition, and an Era.” *New York Times*, April 23, 2013. <https://www.nytimes.com/2013/04/23/nyregion/college-ends-free-tuition-for-undergraduates-tuition.html?module=inline>; Adams, Susan. 2013. “The Colleges Where Tuition Is Still Free.” *Forbes*, June 12, 2013. <https://www.forbes.com/sites/susanadams/2013/06/12/the-colleges-where-tuition-is-still-free/#2Debe214c>.

³⁶ Brunner, Eric, and Erik Johnson. 2016. “Intergenerational Conflict and the Political Economy of Higher Education.” *Journal of Urban Economics* 91 (January 2016): 73-87. [https://www.sciencedirect.com/journal/journal-of-urban-economics/s0047-2606\(16\)00020-7](https://www.sciencedirect.com/journal/journal-of-urban-economics/s0047-2606(16)00020-7); Demos. “Florida’s Great Cost Shift: How Higher Education Cuts Undermine Its Future Middle Class.” New York: Demos. https://www.demos.org/sites/default/files/publications/Florida_Highered_StateCuts_Factbook.pdf; Mitchell, Michael, et al. 2018. “Unkept Promises: State Cuts to Higher Education Threaten Access and Equity.” Washington, DC: Center on Budget and Policy Priorities. <https://www.cbpp.org/research/state-budget-and-tax/unkept-promises-state-cuts-to-higher-education-threaten-access-and-equity>.



5. Price Isn't the Only Challenge for Higher Education

One final important observation to bear in mind when thinking about building a new free college program is that college affordability is not the only crisis in America's higher education system. Many students who enter college will never finish, and many more take far longer to graduate than the stereotypical four years. Of the students who began at a public four-year college in 2012, about 66 percent of them got a degree within six years. Among community college students, only 39 percent received a credential in that same time period.³⁷ Consistent with the racial and wealth-based disparities described above, Black and Latinx students have far lower college completion rates than their white peers, and students from lower-income families graduate at lower rates than those from upper-income households.³⁸ Poor college completion rates are clearly related to affordability, but there are other factors at play as well, such as lack of access to advising and student support services, inadequate support for faculty, curricular requirements that impede the accumulation of credit toward a degree, and the failure of rigid college systems to account for the complicated lives of today's college students.

³⁷ Shapiro, D. et al. 2018. "Completing College: A National View of Student Completion Rates Fall 2012 Cohort." Herndon, VA: National Student Clearinghouse Research Center. <https://nscresearchcenter.org/signaturereport16/>.

³⁸ Libassi, C.J. 2018. "The Neglected College Race Gap: Racial Disparities Among College Completers." Washington, DC: Center for American Progress. <https://www.americanprogress.org/issues/education-postsecondary/reports/2018/05/23/451186/neglected-college-race-gap-racial-disparities-among-college-completers/>.



THE BASICS OF FREE COLLEGE

Designing a free college plan can be a very complicated matter, but in general, the design choices come down to six basic questions.

- 1** Which students will be eligible?
- 2** Which institutions will be eligible?
- 3** What counts as free? (i.e., which costs associated with going to college will get covered?)
- 4** Who pays? (i.e., how will state and federal governments cover the cost of making college free?)
- 5** Will the government attach any conditions to the program—for students, states, or colleges?
- 6** What will happen to the rest of the higher education system?

This section will offer an overview of what each of these questions means and some of the factors that may play into the way policymakers answer them.



1. Which students will be eligible?

One hotly-debated question about free college is whether or not it ought to be freely available to all Americans. Some argue that efforts to improve affordability ought to be targeted to those students who need the most support: low-income students, particularly those eligible for federal Pell Grants. Advocates for low-income students often point out that state-level free college plans provide greater help to upper-income families because the funds are “last dollar”—added on top of existing student aid programs, meaning that the amount applied to students who are more likely to qualify for existing need-based aid tends to be smaller.³⁹ Some critics have called free college “regressive” because it offers a benefit to those who can already afford to pay.⁴⁰ Proponents of free college, on the other hand, argue that means-tested college affordability plans are insufficient. They point out that such programs exclude students who may not be wealthy enough to afford college, but who are also not poor enough to qualify for aid. Further, they argue that means-testing sets up administrative hurdles that exclude even students whose circumstances would qualify them for assistance. Finally, some proponents of free college point out that progressive taxation should alleviate concerns about making college free at the point of service.⁴¹

Although the question of means-testing free college programs gets the most attention, there are some finer points related to eligibility that tend to get less visibility. For example, in designing a free college plan, policymakers would have to make a decision as to whether undocumented students and other populations excluded from current education benefits—like incarcerated individuals—would be eligible. Further, though it seems to be implied that free public college would only be free for a state’s residents, policymakers would have to clarify how out-of-state and international students would be treated. And some states have considered singling out certain segments of the population for eligibility, such as recent high school graduates, first-time college-goers, or students who can pass a drug test. Finally, most policy experts seem to assume that free college plans would only cover undergraduate students, but policymakers could choose to cover some advanced education too.

³⁹ Douglas-Gabriel, Danielle. 2019. “It Seems Like a No-Lose Idea: Free College. But Nobody Can Agree on the Details.” *Washington Post*, July 28, 2019. https://www.washingtonpost.com/local/education/it-seems-like-a-no-lose-idea-free-college-but-nobody-can-agree-on-the-details/2019/07/28/7c5962d6-91d3-11e9-b570-6416efdc0803_story.html.

⁴⁰ Whistle, Wesley, and Tamara Hiler. 2019. “Why Free College Could Increase Inequality.” Washington, DC: Third Way. <https://www.thirdway.org/memo/why-free-college-could-increase-inequality>.

⁴¹ Weissman, Jordan. 2019. “Moderate Democrats Should Stop Pretending that Free College Is a Giveaway to Rich Kids.” *Slate*, November 21, 2019. <https://slate.com/business/2019/11/free-college-is-for-rich-kids-cut-it-out-moderate-dems.html>.



2. Which institutions will be eligible?

In addition to determining student eligibility, policymakers have to determine which colleges would be included in a free college plan. There seems to be broad agreement that a free college plan would primarily apply to public college, but some policy experts have raised questions about including other types of colleges that serve a distinctly public mission, like historically Black colleges and universities (HBCUs). Even with regard to public colleges, policymakers are not in agreement on which colleges ought to be eligible. Some free college plans, like Tennessee Promise, offer free tuition only at community colleges. At the federal level, President Obama and several members of Congress had signed on to free community college proposals. More recently, several members of Congress have advocated broader plans to make four-year colleges free as well.

3. What counts as free?

As simple as “free” sounds, it is complicated by the different ways in which the costs associated with attending college can be divided up and what we consider to be included in the price of college. Here, we offer a simplified guide to the charges that may be considered as part of a free college plan.⁴²

First—and most obvious—among the charges associated with attending college: tuition, the cost of attending classes. Tuition can be charged on a semester or annual basis or on a credit-hour basis. Tuition may also be accompanied by fees that are mandatory but not covered by tuition, including registration fees and student activity fees. Certain institutions may charge other fees that are not mandatory for all students, but rather linked to the types of courses students take, like lab or studio fees. Published tuition and fees at public universities have increased substantially over time; in just the last two decades, tuition and fees at four-year public colleges have tripled, while tuition at public two-year colleges has increased by 50 percent.⁴³

Another substantial factor in the price of college is “living expenses”—an umbrella category that covers a variety of costs, some of which may be charged directly by the college, and

⁴² To make matters just a bit more complicated, some policymakers promote “debt-free” college, and it is often conflated with free college. In general, “debt-free” shifts the focus from zero cost to zero debt, meaning that institutions would be able to charge students so long as they do not need to incur debt to pay. In practice, Sen. Brian Schatz’s Debt-Free College Act attempts to accomplish this by requiring public institutions to meet students’ full financial need, as determined by a federal financial aid formula, in order to receive additional federal funding.

⁴³ “Trends in College Pricing.” *College Board*, <https://trends.collegeboard.org/college-pricing/figures-tables/tuition-fees-room-board-over-time>.



others simply associated with attending college. For example, housing, food, childcare, and utilities may be lumped together as a “room and board” charge for on-campus students, or those expenses may be paid to a variety of different entities for those who live off-campus. For students who do not live on campus, transportation may also be a relevant living expense. Finally, textbooks bear a substantial cost that is not included in tuition and fees.

As we will discuss further in subsequent sections, researchers who focus on equitable access to college often cite living expenses as a key obstacle to meaningful access. And yet, covering living expenses can be challenging. For one thing, living expenses are tricky to measure, as they vary substantially based on an individual’s circumstances. Even though many living expenses fall outside of the costs directly paid to a college, colleges are required by federal law to estimate the cost of certain living expenses (books, supplies, transportation, and room and board) and include them in an overall “cost of attendance” figure. These estimates are meant to guide students and families, but they are also used to track the growing cost of college and as part of calculations of the net price paid by students. Yet these cost-of-living estimates can be substantially misleading: A 2017 study found that nearly half of all colleges reported living cost allowances were at least 20 percent above or below county-level living expenses that the study’s authors generated.⁴⁴

4. Who pays?

Understanding the components of college prices from students’ perspective helps shed light on what a free college plan would mean to students and which categories of charges might need to be eliminated. But when it comes to designing a free college plan, there is another side to the story: how the lost revenue from tuition and other expenses will be replaced.

By and large, public colleges receive their revenue from a few major sources: state and local governments, student financial aid (primarily Pell Grants and student loans) from the federal government, and payments from students and their families. Some colleges receive revenue from a variety of other sources, like private gifts, university hospitals, or athletics. When policymakers draw up a free college plan, a primary task is to determine how these sources of revenue will shift.

At a basic level, a free college program would aim to replace revenue derived from families’ tuition payments—and, in some cases, revenue derived from families’ payments for other

⁴⁴ Kelchen, Robert, Sara Goldrick-Rab, and Branden Hosch. 2017. “The Costs of College Attendance: Examining Variation and Consistency in Institutional Living Costs Allowances.” *The Journal of Higher Education*, March 2017. <https://www.tandfonline.com/doi/abs/10.1080/00221546.2016.1272092>.



associated costs, like room and board—with public funding. It would also replace much of the revenue derived from federal student loans. There are a few additional considerations that suggest that a free college program might require more funds than colleges currently receive. For one, a free college program is likely to encourage more students to attend college; economists at the Georgetown Center on Education and the Workforce estimated that Hillary Clinton’s means-tested free college proposal would increase enrollment by between 9 and 22 percent.⁴⁵ Indeed, expanding access is often a key goal for free college proponents.⁴⁶ The level of resource constraints at colleges is also an important consideration. If certain colleges do not currently have the resources to provide a quality education to their students, then a free college program should arguably do more than simply replace existing funds; it should also increase the overall resource pie at those schools.

Reimagining the way public colleges are funded introduces thorny questions about how the additional costs of making college free ought to be shared. In state-level free college programs, states provide the additional resources necessary to make college free. But a federal free college program could either be fully funded by the federal government or by a federal-state partnership that combines new federal funds with enhanced state funding.

The decrease in state funding for public higher education, particularly since the 2008 recession, strengthens the case for a federal program that requires additional state investment. Though adequately funding public higher education has always been a struggle, the financial crisis gave rise to a combination of factors that significantly damaged state support for higher education. During the recession, states faced increased financial pressures that caused them to reallocate funding toward other priorities—like health care—at the same time that families experiencing unemployment and asset devaluation had fewer resources to devote to paying tuition. Nevertheless, students facing an uncertain job market flocked to college.⁴⁷ As a result, most states’ budgets did not keep pace with growth in enrollment, and per-student funding significantly decreased. On average, states’ per-student appropriations for public higher education decreased by 23 percent between 2008 and 2013, but this belies significant variation among states.⁴⁸ A handful of states—North

⁴⁵ Carnevale, A., M. Van Der Werf, and C. Lou. 2016. “The Enrollment Effects of Clinton’s Free College Proposal.” Washington, DC: Georgetown Center on Education and the Workforce. <https://cew.georgetown.edu/wp-content/uploads/Clintons-Free-College-Proposal.pdf>.

⁴⁶ Li, Amy, and Jen Mishory. 2018. “Financing Institutions in the Free College Debate.” New York: The Century Foundation. <https://tcf.org/content/report/financing-institutions-free-college-debate/>.

⁴⁷ Mitchell, Michael, Michael Leachman, and Kathleen Masterson. 2017. “A Lost Decade in Higher Education Funding.” Washington, DC: Center on Budget and Policy Priorities. <https://www.cbpp.org/research/state-budget-and-tax/a-lost-decade-in-higher-education-funding>.

⁴⁸ State Higher Education Executive Officers (SHEEO). 2013. “State Higher Education Finance.” Boulder, CO: SHEEO. https://sheeo.org/wp-content/uploads/2019/03/SHEF_FY13-2.pdf.



Dakota, Wyoming and Alaska—actually increased their funding in that time period. Others had deep cuts: New Hampshire’s per-student appropriations decreased by over 50 percent, and another 14 states cut their per-student funding by more than 30 percent.⁴⁹ On average, states’ contributions to higher education are far lower now than they were pre-recession; however, these trends vary substantially by state. Though many states have made strides to increase funding in the years since, state funding levels have still not reached pre-recession levels in terms of aggregate funding, and most states remain below pre-recession levels when it comes to per-student funding.

Given all of this, experts have cautioned that a free college plan should not reward states that have underfunded their higher education systems with federal funds. For example, New America’s Vice President for Education Policy and Knowledge Management, Kevin Carey, argued that free college plans like Sen. Elizabeth Warren’s or Sen. Bernie Sanders’s that would have the federal government pay a fixed percentage of the cost states incur to make college free would provide an advantage to the states that are investing the least in their higher education systems.⁵⁰ Other experts seem to contradict Carey’s assertion that a federal plan should hold states accountable for their failure to invest. Some argue that when free college proposals put an emphasis on states’ contributions, it becomes less likely that states will participate. Citing some states’ reluctance to accept Medicaid expansion funds from the federal government despite the nine-to-one matching program, journalist Matthew Yglesias argues that a free college proposal that requires a state match is unlikely to be universally implemented.⁵¹ It is worth noting that policymakers’ choices regarding how much states ought to contribute could hinge on the lens they bring to the question of “fairness.” Carey asserts that providing more funding to states that have been “stingy” is “grossly unfair.” But one might also argue that denying students access to free college because they happen to live in a state that underinvests in higher education is even more unfair. Demos proposed a potential middle ground in its Affordable College Compact, arguing for a baseline level of funding for all states while offering a reinvestment bonus to states to increase their funding levels.⁵²

Aside from the larger question of how costs are shared across state and federal governments, there’s another key question that policymakers must face when thinking about paying for free college: Should those costs be controlled in any way? States’—and individual colleges’—

⁴⁹ See *Id*

⁵⁰ Carey, Kevin. 2019. “What Sanders and Warren Get Wrong on Free College.” *Washington Monthly*, July/August 2019. <https://washingtonmonthly.com/magazine/july-august-2019/what-elizabeth-warrens-free-college-plan-gets-wrong/>.

⁵¹ Yglesias, Matthew. 2016. “There’s a Big Problem with Bernie Sanders’s Free College Plan.” *Vox*, March 14, 2016. <https://www.vox.com/2016/3/14/11222482/bernie-sanders-free-college>.

⁵² Huelsman, Mark. 2014. “The Affordable College Compact.” Washington, DC: Demos. <https://www.demos.org/policy-briefs/affordable-college-compact>.

costs vary widely. For example, Alabama’s 2018 average per-student cost, as measured by total educational revenue, was \$18,812, but Wisconsin’s was \$12,993.⁵³ Further, within states, colleges spend vastly different amounts on students. In some ways, these disparities make sense; a public research university would require more resources to pay faculty who conduct research than a community college might need to compensate instructors who teach exclusively. But there is a strong argument that these funding disparities are not always founded on educational necessity, but rather on the political clout that larger public universities exert, and that they serve to compound discriminatory access to higher education. There are a number of different ways to deal with cost control or resource allocation issues. For example, the federal government could set a “foundation” budget for public higher education and provide funding only up to that amount, requiring the same amount to be spent at all public colleges. It could exclude flagship state colleges from a free college program or limit free college to schools that serve a high proportion of low-income students. The government could also set up regulations or conditions that require states to justify their allocation of funding across schools. Further, it could limit increases in the federal government’s contributions to free college to some minimal amount pegged to the rate of inflation.

5. Will the government attach any conditions to the program—for students, states, or colleges?

Another big design question for a free college program is whether to attach any conditions to it. A policymaker could design a free college program that addresses the four questions above and does not attach any additional conditions to the receipt of funding—and indeed, some might argue that is the “purest” form of a free college plan, because its only purpose should be to make college affordable and universally accessible. But others might argue that conditions ought to be attached in order to shape our country’s higher education system. The case for attaching conditions could take one of two forms. First, one might argue that, quite simply, the pot of money that comes with a free college program is going to be a big carrot for states and universities, and that presents an opportunity to attach conditions that the federal government wants to accomplish—whether or not they are directly related to the goal of the free college plan itself. Alternatively, one could argue that, if the point of free college is universal accessibility, then conditions are necessary to ensure meaningful access. In that case, conditions should be related to improving either the conditions of access or the quality of public higher education.

⁵³ State Higher Education Executive Officers (SHEEO). 2018. “State Higher Education Finance.” Boulder, CO: SHEEO. https://sheeo.org/wp-content/uploads/2019/04/SHEEO_SHEF_FY18_Report.pdf.



Whatever the rationale, existing free college proposals impose a variety of conditions on states, students, and colleges. For example, Sen. Bernie Sanders’s free college proposal requires states to ensure that at least 75 percent of instruction is provided by tenured or tenure-track faculty within five years.⁵⁴ Some state-level plans impose conditions on participation for students. About half of local free college promise programs require students to meet an academic threshold, like a minimum grade point average or minimum SAT/ACT score.⁵⁵ New York’s Excelsior free college program requires that students reside in the state for a specified period after graduation or else repay any funds received as a loan.⁵⁶ West Virginia actually requires students to pass a drug test to participate in its tuition-free community college program.⁵⁷ Aside from the merits of adding certain conditions to a free college program, the complexity and burden of administering the requirements warrants consideration. Some conditions could be relatively easy to implement—especially if they are tied to data that colleges already supply to the government, like graduation rates or enrollment figures. Others could be much more difficult to enact, and those that change the financial burden on students, like New York’s residency requirement, carry enormous risk for students.

6. What will happen to the rest of the higher education system?

There is a final set of considerations that is very important but often gets left out of the conversation about free college: Will a free college proposal alter the way the rest of the higher education market is funded? Under current law, private and for-profit colleges can receive federal aid, including federal grants like Pell Grants and federal student loans. The federal government also pays for tax subsidies to students who attend these schools, like the American Opportunity Tax Credit. A free college proposal could leave all of these subsidies to private and for-profit colleges intact, or it could eliminate or alter them to divert resources toward public colleges—or simply to encourage attendance at public schools. Most existing free college programs do not clearly outline how or whether any of this would change. But some free college proposals bring a broader lens to the issue by indicating how certain other sectors of the higher education system ought to be treated. For example, Sen. Sanders’s and Sen. Warren’s plans propose that HBCUs receive enhanced support from

⁵⁴ College for All Act of 2019. S. 1947, 116th Cong. (2019). <https://www.congress.gov/bill/116th-congress/senate-bill/1947>.

⁵⁵ Billings, Meredith. 2018. “Understanding the Design of College Promise Programs, and Where to Go from Here.” *Brookings Institution* (blog). <https://www.brookings.edu/blog/brown-center-chalkboard/2018/09/18/understanding-the-design-of-college-promise-programs-and-where-to-go-from-here/>.

⁵⁶ The City University of New York. 2019. “Excelsior Scholarship FAQs.” Accessed November 21, 2019. <https://www2.cuny.edu/financial-aid/scholarships/excelsior-scholarship-faqs/#1494000367899-83720aa3-8201>.

⁵⁷ Hazelrigg, Nick. 2019. “Free Tuition—After a Drug Test.” *Inside Higher Ed*, June 27, 2019. <https://www.insidehighered.com/news/2019/06/27/west-virginia-requires-students-take-drug-test-qualify-free-tuition>.



the government, whether they are private or public. Sen. Warren’s plan also states that she would eliminate federal funding for for-profit colleges.

The treatment of the rest of the market will affect the success or failure of a free college program.

Strictly speaking, these changes do not have to be included in a free college program. Free college could be implemented without making changes to other portions of the higher education market, and the changes to the rest of the market could be made in the absence of free college. By including design elements that contemplate shifts in the entire higher education marketplace, policymakers acknowledge that free college itself will fundamentally, change market dynamics in ways that may warrant concurrent adjustments (e.g., enhanced funding for private HBCUs). They also acknowledge that the treatment of the rest of the market will affect the success or failure of a free college program, and therefore concurrent adjustments, like the elimination of federal funding for for-profit colleges, may be necessary to ensure the efficacy of the free college program itself.

INSIGHTS FROM FREE COLLEGE EXPERIMENTS IN THE US AND ABROAD

Though the federal government has yet to invest in free college, there are many examples of tuition-free college programs at the state and local level in the US, as well as in other countries, that provide examples of how the questions described above can be answered. Taken as a whole, they show that “free college” can encompass a wide variety of programs, which can promote a number of different outcomes, depending on their design components—and the education and labor market contexts of the given geography. The appendix to this paper provides detailed examples of how some states and countries have answered the key design questions, as well as the outcomes their free college programs have yielded. This section will synthesize the key takeaways from existing free college policies. Though there are many lessons to learn from free college experiments, the most important one is that making college free is not, in itself, enough to ensure positive outcomes: Free college policies can promote affordability, equitable access, increased persistence and degree completion, or a better-educated workforce—but can also result in racial and economic inequity, increased student loan debt, and decreased enrollment.

Making college free is not, in itself, enough to ensure positive outcomes.



1. To address racial inequality, free college programs must tackle it head-on.

Programs like Tennessee Promise illustrate the importance of having an explicit focus on racial disparities. In many ways, the Tennessee Promise, which provides two years of tuition-free college to Tennessee residents, has been a success. The program has made significant strides in increasing access to higher education.⁵⁸ But racial disparities in enrollment and completion persist. Making college tuition free may contribute to affordability and improve enrollment, but free tuition alone will not close racial disparities in education. Many researchers point to living expenses and academic requirements as key barriers to reducing racial gaps, arguing that free college programs ought to include funding for such expenses for low-income students and avoid onerous academic requirements.⁵⁹ But students of color face other obstacles too—many stemming from our country’s history of both legal and structural racism. For example, Black students have lower high school graduation rates and lower family wealth, and they are more likely to be concentrated at poorly resourced institutions.⁶⁰ Policymakers who wish to address racial disparities need to examine the forces that contribute to gaps in access, enrollment, and educational and financial outcomes and address those head-on—both through the design of free college programs and through additional interventions in education, society, and the economy.

2. Without adequate resources, free college plans can reinforce income and wealth-based inequality.

Reducing income-based inequality in college access and completion is often a key goal of free college plans, yet the way they are designed and funded is vitally important to meeting

⁵⁸ Carruthers, Celeste. 2019. “5 Things to Know about the Tennessee Promise Scholarship.” *Brookings Institution* (blog). <https://www.brookings.edu/blog/brown-center-chalkboard/2019/05/06/five-things-to-know-about-the-tennessee-promise-scholarship/>.

⁵⁹ Jones, Tiffany, and Katie Berger. 2018. “A Promise Fulfilled: A Framework for Equitable Free College Programs.” Washington, DC: The Education Trust. <https://edtrust.org/resource/a-promise-fulfilled/>. Michael Dannenberg and Konrad Mugglestone illustrate how academic requirements could affect racial equity in Massachusetts. They have recommended that Massachusetts implement a robust free college plan that requires students to complete a set of academic requirements in high school, because having solid academic preparation is a predictor of college completion. But they also point out that, if Massachusetts were to do so under current conditions, its free college program would be strikingly unequal: white students in Massachusetts are more than 50 percent more likely to complete the state’s college preparatory curriculum, and schools with low or no access to the college prep curriculum are far more likely to serve students of color. Dannenberg, 60 Michael, and Konrad Mugglestone. 2018. “No Commencement in the Commonwealth: How Massachusetts’ Higher Education System Undermines Mobility for Latinos and Others and What We Can Do About It.” Washington, DC: Education Reform Now. <https://edreformnow.org/wp-content/uploads/2018/05/ERN-No-Commencement-in-the-Commonwealth-WEB.pdf>.

⁶⁰ Kahn, Suzanne, Mark Huelsman, and Jen Mishory. 2019. “Bridging Progressive Policy Debates: How Student Debt and the Racial Wealth Gap Reinforce Each Other.” New York: Roosevelt Institute. https://rooseveltinstitute.org/wp-content/uploads/2019/08/RI_Student-Debt-and-RWG-201909.pdf.

this goal. As discussed above, the ability to pay for living expenses and meet academic requirements can contribute to inequity along both economic and racial lines. Free college plans can only address these inequalities if governments fund them adequately and sustainably.

Without sufficient funding, a free college requirement can lead to a reduction in seats at higher education institutions and the emergence of a new kind of restricted access. Last year, a group of researchers released a paper that analyzed the shift from free to tuition-based college in England in the late 1990s. The paper analyzed that shift's effect on metrics like enrollment, access, and quality and concluded that making students pay actually improved England's higher education system by increasing access and equity.⁶¹ But a close read reveals some important context: The failures of England's free college program were deeply tied to the government's funding decisions. The study suggests that the era of free tuition in England was marked by big increases in enrollment, but the government failed to keep up adequate funding. As a result, per-student funding declined, and the government limited the number of students that universities could enroll. Further, free college did not succeed in closing access gaps between high- and low-income families; in fact, the crackdown on enrollments and aid to lower-income families for living expenses drastically deepened inequitable college attainment patterns. In contrast, instating tuition and fees, along with student loans, allowed for greater enrollment and an influx of funding that helped to stabilize the quality of institutions.⁶²

If a country offers college for free but then restricts funding such that only the students with the best academic preparation or the greatest admissions advantages (college counseling, test preparation, assistance with admissions processes, even legacy status) are able to gain access, then that free college system will just replicate the inequalities present in the K-12 education system and in society overall.

3. Free does not necessarily mean debt-free.

Some of the appeal of free college stems from the fact that it could substantially reduce reliance on student loans. But high debt levels among Sweden's college graduates show

⁶¹ It is worth noting that the study glosses over the economic and democratic impacts of increasingly privately funding higher education. The authors note that the net price of college has been increasing at all income levels in England, and that average debt levels exceed \$50,000. But they do not engage critically with how this debt is distributed across low- and high-wealth households (though they do point out that income-based repayment means that lower-earning borrowers will repay less). Nor do they analyze how the shift from a publicly-funded system to a privately-funded one has affected the "publicness" of the system, in terms of its governance or commitment to cost controls.

⁶² Murphy, Richard, Judith Scott-Clayton, and Gillian Wyness. 2018. "The End of Free College in England: Implications for Quality, Enrolments, and Equity." Working Paper no. 23888. NBER Working Paper Series. Cambridge, MA: National Bureau of Economic Research. <https://www.nber.org/papers/w23888.pdf>



clearly that having free tuition is not the same as eliminating—or even lowering—student debt. Though the Swedish government offers tuition-free college at all public institutions, and even eligible private ones, in 2018, as a result of living expenses, 77 percent of bachelor’s degree graduates in Sweden had student loans, with an average debt load of \$21,432 USD.⁶³

As in Sweden, living expenses could drive continued student debt in the US even after a free college proposal is implemented. To this end, several free college proposals, including those from Sens. Sanders and Warren, would retain the Pell Grant program in addition to new, direct funding to states to eliminate tuition, so that low- and moderate-income students could use Pell Grants to allay living expenses without debt. Nevertheless, to see if these measures are sufficient, policymakers must remain attentive to tracking debt levels as a free college plan is implemented. Too often—as demonstrated by research on England’s now-defunct free college program and preliminary research on Tennessee Promise—measuring changes in debt and family balance sheets has taken a back seat to examining the effect of changes in tuition on access and educational outcomes.⁶⁴

Another way for debt to continue to hang over students’ heads is presented by the structure of New York’s Excelsior Scholarship, which blurs the lines between free college and a loan. New York offers Excelsior scholarships to make college tuition-free for residents, but it includes a post-college residency requirement: Recipients must reside in the state for a certain period of time or else the scholarship converts into a loan. Some experts label this type of program a “groan”—a cross between a grant and a loan.⁶⁵ When such programs are designed, there is often an assumption that the loan conversion component will affect a small proportion of recipients, based on the idea that students are able to choose whether or not to comply with the requirements. But the federal TEACH Grant program—a “grant” that converted to a loan unless graduates completed a requirement to teach in certain fields in high-needs schools—shows that loan conversion can occur at a far higher rate than anticipated and that students’ choices are not always the driving factor. According to a Department of Education review, 63 percent of TEACH grants converted into loans, and one in three of those whose loans converted expected to—or already had—completed

⁶³ OECD. 2018. “Education at a Glance 2018.” Paris: OECD. <http://dx.doi.org/10.1787/eag-2018-en>. The loans offered by the Swedish government have extremely low interest rates—around 0.6 percent.

⁶⁴ It is worth noting that some policymakers, including Sen. Brian Schatz, have proposed “debt-free” college as opposed to free college. A debt-free model generally focuses on limiting a family’s college-related expenses to their “expected family contribution”—a determination made based on federal financial aid formulas. In that sense, debt-free models do not necessarily make any particular college expense—tuition or otherwise—free. Further, debt-free models do not, in fact, ensure that college will be debt-free, as expected family contribution calculations do not always encompass a student’s or family’s actual financial needs. Debt-Free College Act of 2019. S. 672. 116th Cong. (2019).

⁶⁵ Kelchen, Robert. 2018. “Which Strings Will States Attach to Free College Programs?” [RobertKelchen.com](http://robertkelchen.com) (blog). <https://robertkelchen.com/tag/free-college/>.



the requirements to avoid conversion.⁶⁶ Even when the TEACH grants were converted to loans based on mistakes or paperwork issues, it was exceedingly difficult, if not impossible, to convert back.⁶⁷ It remains to be seen whether the same dynamics will play out for the Excelsior Scholarship.

4. Labor market conditions are part of the context for free college.

There is clearly a connection between college access and the state of the workforce, but examples from abroad help illustrate that the connection is more nuanced than we often acknowledge in debates about free college. In the US, policy experts often promote free college as a way to strengthen the workforce by ensuring that citizens have the skills to meet labor market demands.⁶⁸ Other experts make a similar but related point: As the American workforce increasingly requires postsecondary degrees, ensuring broad access to college through free college programs becomes more essential.⁶⁹ Examples from Sweden and Germany add a slightly different angle: The availability of well-paid jobs for those with no postsecondary education and those with lower-level credentials (like certificates and associate degrees) is part of the context for investments in free college. Sweden and Germany both have much lower degree attainment rates than the US, but the gap in earnings between those with a high school diploma and those with a college degree is also much smaller than in the US. It's the large gap in earnings between those with and without a college degree that makes the need for increased college attainment urgent in the US—both for the individual and for the country as a whole. Consequently, the uptake on free college is expected to be quite high. Though free college can be part of the solution to the country's labor market needs, it is not the only tool at the country's disposal for addressing the college earnings premium or meeting economic challenges. As we will discuss further below, pairing free college with other interventions aimed at reforming the structure of the labor market could result in better outcomes for Americans and for the economy overall.

⁶⁶ US Department of Education. 2018. "Study of the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program." Washington, DC: US Department of Education. <https://www2.ed.gov/rschstat/eval/highered/teach-grant/final-report.pdf>; Turner, Cory, and Chris Arnold. 2018. "Dept. of Education Fail: Teachers Lose Grants, Forced to Repay Thousands in Loans." *NPR*, March 28, 2018. <https://www.npr.org/sections/ed/2018/03/28/596162853/dept-of-education-fail-teachers-lose-grants-forced-to-repay-thousands-in-loans>.

⁶⁷ See *id.*

⁶⁸ See, e.g., New York State. 2019. "Governor Cuomo Launches the New York State Excelsior Scholarship Application." Accessed November 21, 2019. <https://www.governor.ny.gov/news/governor-cuomo-launches-new-york-state-excelsior-scholarship-application>; Tennessee Promise. 2019. "Tennessee Promise Frequently Asked Questions." Accessed November 21, 2019. https://www.insidehighered.com/sites/default/server_files/files/TN%20Promise%20FAQ.pdf.

⁶⁹ Hamilton, Darrick, Mark Paul, and William Darity Jr. 2018. "An Economic Bill of Rights for the 21st Century." *American Prospect*, March 5, 2018. <https://prospect.org/economy/economic-bill-rights-21st-century/>.



Learning the lessons from existing free college experiments is an important step toward designing successful free college proposals. But these lessons, on their own, are not sufficient to guide future plans; policymakers need to combine these lessons with a set of values and goals that can guide them and help them make the tradeoffs inherent in designing a free college plan. For example, the lessons here show us that debt should be an important consideration in designing a free college plan, but values and overall goals tell us how much debt accumulation we are willing to accept—and for which students. The lessons show us that if policies do not focus on race, free tuition, on its own, will not redress racial disparities. Values and goals tell us whether addressing racial discrimination will be at the center of a free college plan or somewhere on the periphery.

The idea of having free—or drastically more affordable—higher education is politically popular, and that creates a danger that policymakers will focus too much on the headline of offering “free college” and not enough on the outcomes that they aim to achieve through that program. As such, they could easily end up with a program that sounds good to voters but does not ultimately benefit our country. To design the best possible free college program—or even to determine whether such a program could exist—policymakers need to clearly define the values and outcomes they aim to promote and how they might show up in a free college plan. In the next section, we offer a framework for how progressive values could be reflected in a free college program.

DESIGNING FREE COLLEGE PLANS: A PROGRESSIVE FRAMEWORK

Policymakers have the best shot at delivering meaningful change through a free college policy if they start with a set of clear values and use those to guide policy design. We offer an example of what that would look like by drawing on Roosevelt’s New Rules for the 21st Century report to define a set of progressive goals that could guide a free college plan and then showing how those goals would shape the design of a plan.

Policymakers have the best shot at delivering meaningful change through a free college policy if they start with a set of clear values and use those to guide policy design.



Defining Progressive Goals for Free College

When policy experts think about the goals of a free college plan, they often focus on increased enrollment, access, equity, and completion. These are important goals, but they do not have to be the only ones. The goals of a free college plan should be more expansive: They should connect to a larger vision for our society and economy. A progressive free college plan should provide universal access to college; contribute to remediating the effects of wealth inequality and structural racism in the economy and American society; and help build a stronger, more inclusive economy. These broader goals encompass the narrower ones that dominate traditional higher education policy debates, but they introduce new issues that get less attention—for example, the way a free college plan might affect working conditions both on and off campus, or how a free college plan could affect the concentration of wealth and power in the economy.

Ensuring Universal Access

At a high level, many experts would agree that universal access (defined as universal ability to attend, not universal attendance) is the goal of government investments in higher education. After all, policymakers often talk about increasing access to higher education, arguing that every American should have the opportunity to go to college. But that goal is not always taken seriously in policy design. A progressive higher education proposal should use universal access as the touchstone for shaping policy. In other words, the government's primary role in higher education should be ensuring universal access: a guaranteed ability to enroll in a public in-state college, regardless of family finances.

There are strong economic justifications for ensuring *broad* access to higher education, but economic arguments can only carry us so far; the economic benefits of higher education require wide, but not universal, access. Rather, arguments based in freedom, justice, and democracy underlie the essential case for universal access. Mark Paul, Sandy Darity, and Darrick Hamilton argue that the government's responsibility to ensure access to higher education is grounded in the freedom to thrive. Drawing on President Franklin D. Roosevelt's call for an economic bill of rights, Paul, Darity, and Hamilton assert that universal access to certain services and benefits is essential to ensure freedom and to build an inclusive, strong economy. The right to a good education is on that list of essentials. As Paul, Darity, and Hamilton write, "Students are demanding education as a right, not a privilege reserved only for those born into selective families that can afford it."⁷⁰ Further, unequal access to public benefits, like a public university system, undermines democratic

⁷⁰ See *id.*



principles; as such, universal access is essential to democracy.

Finally, setting a goal of universal access for all citizens requires *meaningful* access. That means having a public system that offers educational opportunities of adequate quality—and also one that creates the conditions for students to be able to attend and succeed. For example, offering tuition-free access only to the lowest-quality institutions in a public system would be, strictly speaking, “universal access,” but it would not be meaningful.

Remediating the Effects of Wealth Inequality and Structural Racism

Progressive visions for reform recognize that economic inequality and racial exclusion are deliberate features of the current broken economic system, not unintended consequences. The last five decades of policymaking were characterized by policy decisions that dismantled the traditional protections of power for average Americans—like unions, strong public benefits, democratic norms, and regulation of the private sector—and replaced them with policies that helped build wealth and concentrate power at the top of the economy. The policy debates that enabled these changes were dominated by neoliberal experts who argued that wealth inequality is a necessary, if unfortunate, feature of a growing economy—one outweighed by the overall benefits of economic growth—and that markets would reward talent and effort, thereby providing solutions for racial discrimination. If Americans did not know it back then, they certainly know now: Neither of those points is true. The concentration of wealth in the hands of a small proportion of the population inhibits economic growth. At best, markets leave racial hierarchies untouched, and at worst, they leverage them to build profit. Any progressive policy proposal, including a free college plan, must seek to address racial discrimination and wealth inequality directly.

Rates of access and success in higher education are key targets for addressing inequality. The provision of higher education in the US is highly unequal: Wealthier students enjoy access to more elite institutions, better outcomes, and less debt. Black and Latinx students are often locked out of higher education entirely, or else concentrated at less-selective schools. As such, progressive interventions in higher education should seek to address inequality in access along a variety of vectors. This would include inequalities in overall college enrollment and attainment rates, but also in the level of public funding allocated toward educating students and the enrollment of lower-income, Black, and Latinx students at all levels of the public higher education system—from open-access institutions to flagship universities.



Building a Stronger, More Inclusive Economy

Progressive policies are not just about improved social benefits: They are rooted in the notion that the economy is strongest when prosperity is broadly shared. Improving access to certain essential goods and services is certainly part of that, but so is guarding against forces that inhibit economic growth. For example, concentrated power and wealth inhibit the innovation, competition, and investment that build economic strength and stability. Further, concentrated economic and political power at the top of the economy can imperil government investments in programs that benefit the rest of the country.

Free college plans can contribute to or remediate the concentration of wealth in the economy in many ways. In particular, progressive free college plans should pay particular attention to the methods of funding used to support free college at the state and federal level, as well as the ways in which public colleges and universities enrich private individuals and businesses. A free college plan can counteract trends toward concentration of power not only by broadening access to higher education, but also by helping build countervailing power for workers and the public. Furthermore, a free college plan can guard against trends that inhibit inclusive economic growth, like the rise of student debt.

Deploying Public Power Effectively Toward Public Goals

In *New Rules for the 21st Century*, Abernathy, Hamilton, and Margetta Morgan argue that the methods of achieving policy change matter as much as the goals that policymakers define. In the last five decades, policymakers have narrowed the tools available to them almost entirely to market-based solutions: lax regulatory structures, grants to spur private-sector innovation, and subsidies to encourage private providers to meet public goals. These methods have been employed to the exclusion of others that center a robust role for government. *New Rules* illustrates how this constricted view of policymaking has let America down by preventing government from taking on roles that it can fulfill more effectively than the market.

The structure of the American higher education system—a mix of public and private institutions, with both state support for public institutions and federal vouchers that follow students to their respective schools—has been in place for so long that it can seem like an intractable foundation for any future higher education reforms. But it doesn't have to be this way. The policy choices that shaped this structure were not always based on effectiveness; some were simply rooted in political expediency and tradition. For example, the government continues to subsidize for-profit colleges through federal student aid programs. These subsidies are clearly not rooted in efficacy; the comparatively high student loan



default rates at for-profit colleges alone rebut their effectiveness. Rather, the inclusion of for-profit colleges in federal student aid is rooted in abstract arguments about fairness and access—as well as the considerable lobbying efforts of the for-profit college industry. Instead of accepting the status quo, we must recalibrate our visions for higher education policy based on what we know about deploying government power effectively toward certain goals.

When it comes to ensuring universal access, for example, subsidies to market providers are generally not as effective as direct public provisioning.⁷¹ By providing a good or service directly, the government can ensure universal access, the availability of the appropriate quantity, and a certain level of quality.⁷² In the case of higher education, is it neither practical nor advisable for the federal government to start fresh and build its own university system. But it could reimagine state institutions as a public option, meant to provide universal access and to create a floor for educational quality. To get there, the federal government would shift from being a source of vouchers to a direct funder of public institutions.

Instead of accepting the status quo, we must recalibrate our visions for higher education policy based on what we know about deploying government power effectively toward certain goals.

To be a true public option requires establishing a floor for quality. To do this, the federal government would have to play some role in assessing the adequacy of education offered at state institutions. As the federal government has traditionally deferred to outside experts to judge educational quality, this role could be accomplished in a few ways: through an improved system of independent accreditors, a state-level quality assurance mechanism, a set of objective measures, or some combination thereof. But overall, the role of institutional quality would have to take a much more central role in the debate about public higher education than it does today.

Effectively shifting to a public option would require eliminating subsidies to competing private institutions. In a recent report on public options, Roosevelt fellows Darrick Hamilton, Sandy Darity, and Rakeen Mabud argue that when public options operate in

⁷¹ See Abernathy, Nell, Darrick Hamilton, and Julie Margetta Morgan. 2019. *New Rules for the 21st Century: Corporate Power, Public Power, and the Future of the American Economy*. New York, NY: Roosevelt Institute. http://rooseveltinstitute.org/wp-content/uploads/2019/04/Roosevelt-Institute_2021-Report_Digital-copy.pdf.

⁷² Darity Jr., William, Darrick Hamilton, and Rakeen Mabud. 2019. "Increasing Public Power to Increase Competition: A Foundation for an Inclusive Economy." New York: Roosevelt Institute. https://rooseveltinstitute.org/wp-content/uploads/2019/04/RI_Increasing-Public-Power-to-Increase-Competition-brief-201905.pdf.



direct competition with private providers, it produces favorable results for individuals and for the economy as a whole.⁷³ But when private providers can insulate themselves from competition by relying on federal aid to reduce their prices, the full benefits of the public option cannot be achieved. Further, subsidization of private providers diverts resources that could be allocated toward improving the quality of the public option, which would, in turn, put upward pressure on private providers.

The application of these ideas to higher education is not entirely straightforward. One could argue that it would be best to simply end all federal aid—grants, tax credits, loans, etc.—from private colleges and universities. But one could also argue for a more nuanced stance. First, certain private institutions—like HBCUs—serve such an important public role, and are so dependent on federal aid, that ending federal subsidies would have a substantial negative impact on the very students that a public option would aim to help. Indeed, though Darrick Hamilton has been a major proponent of public options and increased investment in public college, he has also been an advocate for the essential role that HBCUs play in our society. To account for this, a free college plan could consider certain colleges like HBCUs that serve an essential public purpose as part of a public system, so long as they meet certain public goals in terms of transparency, access, and cost controls. Second, student loans might be viewed differently from other forms of federal subsidies. Student loans are not just federal aid; they are, themselves, a public option that serves as an alternative to the private market. As such, maintaining a federal student loan program is a means of ensuring that students who borrow to attend private institutions are able to access credit on safe, consumer-friendly terms.⁷⁴

How Goals Can Guide the Design of a Free College Plan

The goals defined above can show up in a free college proposal in a number of different ways. This section is not meant to propose a specific design for a free college plan, or even prioritize the goals with which a progressive policy must engage, but rather is meant to offer some examples of how those goals might guide policy development.

1. Which students will be eligible?

The answer to this question is intimately related to the goal of universal access. The real question: How many students need to be eligible for free college in order to ensure truly

⁷³ See also Sitaraman, Ganesh, and Anne L. Alstott. 2019. *The Public Option: How to Expand Freedom, Increase Opportunity, and Promote Equality*. Cambridge: Harvard University Press.

⁷⁴ It should be noted that the author believes that the federal student loan program is in need of crucial, substantial changes to ensure that it is, in fact, a preferable alternative to private student loans.



universal access? Framing the question this way provides clear guidance on some of the very specific eligibility criteria that have come up in state-level plans, like passing a drug test. Eligibility criteria that serve to limit access, like work status, drug testing, or immigration status, would not align with progressive goals. But other criteria that do not limit access could be acceptable: for example, limiting eligibility to those who have not already achieved a college degree or limiting eligibility to state residents (assuming that all states offer free college).

How many students need to be eligible for free college in order to ensure truly universal access?

The question of whether to limit eligibility based on financial need is a bit thornier. Again, universal access should be the touchstone, but some may argue that universal access can be achieved through a means-tested free college program. For example, eligibility could be conditioned on an income criterion or a more complex financial need formula that takes into account both earnings and wealth.

We can draw some insights into the effect of means-testing on achieving universal access from our country's current model of college affordability, in which colleges charge full tuition rates to those who can afford to pay and discount the price for others based on financial need. Decades of experience with this system have revealed some significant flaws. Under the tuition discounting model, universal access is conditioned on a number of factors: Government has to invest enough to subsidize tuition for those who cannot afford to pay it; financial aid formulas have to be calibrated with precision to reflect families' true financial need; and citizens have to be aware of, and confident in, the government's efforts to ensure affordability. These conditions are often not met.⁷⁵ Policymakers perennially fight over the underfunding of both government grant programs and appropriations for public

⁷⁵ Clark, Kim. 2007. "A Formula that Adds Anxiety." *U.S. News and World Report*, September 7, 2007. <https://www.usnews.com/education/articles/2007/09/07/a-formula-that-adds-anxiety>.



institutions.⁷⁶ Researchers like Sara Goldrick Rab and Robert Kelchen have illustrated the extent to which financial aid formulas can fail to capture families' financial circumstances.⁷⁷ And studies like Sue Dynarski's evaluation of a University of Michigan initiative to repackage existing financial aid programs as free college show that, even when discounting makes school effectively free, the moniker can matter as much or more than the price tag.⁷⁸

Some of the factors that contribute to failures in the current discounting model could be avoided in a conditional free college program, but others would be hard to avoid. A means-tested free college plan would be a bit more easily understood by potential students, as the outcome of eligibility—zero tuition—is more straightforward than the discounted prices in the current model. But under a means-tested free college plan, universal access would still depend on having precise income or financial need criteria that identify students for whom finances pose a barrier to access. One way to address this might be to overcount, setting income or financial need criteria so high as to ensure that those who need access would receive it. Even with generous criteria, means-testing can inhibit access merely because it would require students to know or estimate their family income and provide documentation.

Providing tuition-free college for all would obviate these potential pitfalls; as such, it is more likely to provide universal access. One of the primary critiques of broad eligibility has been that it is not a good use of government funding—or alternatively, that it is “regressive”—as it provides funds to those who would be able to pay out of pocket. It bears noting that paying for free college through a system of progressive taxation would ensure that those who can afford to pay do pay, while also giving those taxpayers a perceived benefit.

Accepting the goal of universal access suggests other important design features in addition to a zero price tag. First, universal access to college could be framed as a “right,” as Paul, Darity, and Hamilton describe it, or as an entitlement. Either term implies a particular legal status: Creating a right to college access moves universal access to college from merely aspirational to legally enforceable. If policymakers want to make access to college a right for all Americans, they could make free college an entitlement, ensuring that anyone who meets the eligibility requirements would have a legal right to access it, or otherwise give citizens

⁷⁶ See, e.g., Douglas-Gabriel, Danielle. 2019. “Trump’s Bid to Dip into Pell Grant Reserves to Fund NASA Faces Uphill Battle.” *Washington Post*, May 15, 2019. <https://www.washingtonpost.com/education/2019/05/15/trumps-bid-dip-into-pell-grant-reserves-fund-nasa-faces-uphill-battle/>; Dillon, Sam, and Tamar Lewin. 2008. “Pell Grants Said to Face a Shortfall of \$6 Billion.” *New York Times*, September 17, 2008. <https://www.nytimes.com/2008/09/18/education/18grant.html>.

⁷⁷ Kelchen, Robert, Sara Goldrick-Rab, and Braden Hosch. 2017. “The Costs of College Attendance: Examining Variation and Consistency in Institutional Living Cost Allowances.” *Journal of Higher Education*, 88 no. 6, 947-971. <https://doi.org/10.1080/00221546.2016.1272092>.

⁷⁸ Dynarski, Susan et al. 2018. “Closing the Gap: The Effect of a Targeted, Tuition-Free Promise on College Choices of High-Achieving, Low-Income Students.” Working Paper no. 25349. NBER Working Paper Series. Cambridge, MA: National Bureau of Economic Research. <https://www.nber.org/papers/w25349>.



the right to sue to enforce their right to free college.

Framing higher education as a right for all Americans affects how we approach the question discussed earlier about whether it is appropriate to reward states that have historically underinvested in higher education with federal funding. If all citizens deserve higher education, then the federal government cannot condition access on residency in a state that is willing to invest in it. There are a few ways this could affect the design of a free college plan. The federal government could provide all of the funding for free public college at the state level, or it could provide the additional funding necessary to make college free over and above what states currently spend. Finally, it could create and fund a national online university, as Anne Alstott and Ganesh Sitaraman propose, to ensure that a public option is available to all whether or not states choose to participate.⁷⁹

2. Which institutions will be eligible?

As discussed above, the most effective form of government investment in higher education would likely be creating a “public option.” Doing so requires diverting public investment away from institutions that are not part of that public system. But beyond the role of private institutions, there are a number of other questions about institutional eligibility. For example, a public option could include all existing public colleges and universities, or it could be more limited. It could offer free college only at community colleges, or it could designate only a few institutions in each state to serve as the free option.

The goal of universal access cuts against offering only a few free colleges in each state. To ensure universal access, there must be enough slots for anyone who wishes to attend. Still, states could reach universal access through either a free community college program or a free online-only program. These options, however, would most likely contravene the goal of remediating wealth and racial gaps in access. Students of color and low-income students are already overrepresented in less selective colleges; any progressive free college plan must be centered on eliminating disparities in access to the entire spectrum of public colleges.

Finally, preserving and improving the structures that are doing the most to promote educational opportunity is essential to reaching the goal of dismantling racial discrimination—but without care, it could conflict with efforts to limit public investment to a public option. HBCUs, which can be either public or private nonprofit institutions, remain an important component of higher education for Black students, offering nurturing environments that can offer exceptional experiences for Black students.⁸⁰ But historic

⁷⁹ Sitaraman, Ganesh, and Anne Alstott. 2019. *The Public Option: How to Expand Freedom, Increase Opportunity, and Promote Equality*. Cambridge, MA: Harvard University Press.

⁸⁰ Hamilton, Darrick, et al. 2015. “Why Black Colleges and Universities Still Matter.” *American Prospect*, November 9, 2015. <https://prospect.org/education/black-colleges-universities-still-matter/>.



discrimination and underinvestment endanger HBCUs, and a shift in federal funding toward public institutions under a free college plan could compound these financial challenges. Free college plans could avoid this in a few ways: by providing additional federal funding for public HBCUs; by requiring states to make investments in local HBCUs; and by incorporating nonprofit HBCUs into the public education system.

3. What counts as free?

The research on equitable access to college makes it clear that covering only tuition and fees for lower-income students will be insufficient to ensure universal access and close racial gaps. As such, in addition to free tuition for all, a progressive free college plan must cover the costs of living expenses for students who cannot afford them. But there are other costs associated with a free college plan that are often left out of the debate, which are nonetheless essential to meeting the goal of universal access.

Access to college cannot just mean ability to enroll. It must be *meaningful* access that creates the conditions to be able to succeed. This can include transportation, courses that are available when students need them, childcare for working parents, and even basic nutrition. Government can create some of these conditions by providing funds to students who need support to cover living expenses. But ensuring that colleges can provide other conditions, like available courses or an acceptable level of educational quality, requires funding and support beyond merely reducing student costs to zero. This suggests that a progressive free college plan ought to include additional funding beyond the operating budget of existing public colleges to improve things like the infrastructure, student supports, and academic offerings at public institutions.

4. Who pays?

In a progressive framework for free college, the source and amount of the funding matters as much as the structure of the program. It is worth noting at the outset, as Abernathy et al. did in *New Rules for the 21st Century*, that big public programs like free college do not necessarily generate new costs but rather shift costs away from individuals onto the public. Still, there are important questions about how these costs should be divided across states and the federal government and how governments ought to cover these costs.

On the question of cost-sharing across federal and state governments, the principle of universal access again provides guidance. As discussed above, some policy experts have agitated against federal funding that rewards states that have not invested adequately in public higher education. Relying on states to step up to the plate to cover costs is appealing because it would require states that have underinvested over time to course-correct. But reliance on states also leaves it up to them to decide whether to invest in free college at



all. Given the concentration of Black students in certain southern states, this could lead to highly racialized access to free college. To achieve the goal of providing access to all Americans, the federal government should approach funding from the perspective of ensuring universal participation. This does not mean that states should not be expected to increase their contributions, but it does mean that encouraging participation should take precedence over fairness between states. Having strong federal investment further bolsters universal access by helping to address the countercyclical nature of higher education enrollment: Enrollments in college rise during economic downturns—exactly the point at which it is hardest for states to cover the costs of their higher education systems. Federal funding can help states maintain access through these downturns.

The goal of building a stronger, more inclusive economy should help shape the way governments cover the cost of increased investments in free college. In contrast to the claims of some politicians, free college need not require low-income Americans to pay for college for the wealthy.⁸¹ Rather, we can pay for free college by using spending measures that help decrease the concentration of wealth and power in the economy. As economist J.W. Mason points out, the federal government has ample room to raise revenue for programs like free college through taxes that would be socially beneficial for reasons beyond generating revenue. According to Sen. Elizabeth Warren, the 2 percent wealth tax on assets over \$50 million and 3 percent tax on assets over \$1 billion proposed by Gabriel Zucman are sufficient to fund free college in America—and then some. This tax is also broadly beneficial for the economy as it would help reduce the outsized power of the wealthiest individuals in the economy, foster a more inclusive society, and convert wealth into funds that are used to grow the economy.

Further, cost containment is often a key concern among policy experts. A progressive free college plan would surely contain provisions aimed at controlling costs, but the demise of England’s free college program shows how important it is to not let austerity or cost containment overshadow adequate funding for high-quality, universally-accessible education, or let the goal of cost containment drive disinvestment in free college overall. Often policymakers assume that lower costs are a key to the sustainability of public programs; however, providing a valued benefit for all is just as important, if not more.

5. Will the government attach any conditions to the program—for students, states, or colleges?

Some policymakers might be inclined to keep their free college proposals more streamlined

⁸¹ See Weissman, Jordan. 2019. “Moderate Democrats Should Stop Pretending that Free College Is a Giveaway to Rich Kids.” *Slate*, November 21, 2019. <https://slate.com/business/2019/11/free-college-is-for-rich-kids-cut-it-out-moderate-dems.html>.



and avoid many conditions. But the goals identified above require at least some conditions on colleges and states to ensure that a free college program operates in ways that help eliminate racial and wealth inequalities and contributes to an inclusive economy.

For example, in order to address racial disparities, a free college plan could include a number of conditions. It could require states to justify or ameliorate the unequal spending within their public education systems. There are huge disparities in per-student funding among different types of public colleges: Typically, community colleges that enroll a far more diverse population of students receive far less funding. Public research institutions receive nearly twice as much in public funding compared to community colleges. In Maryland, the state legislature funds community college students at 25 percent of the expenditure for four-year college students.⁸² There are some legitimate reasons for different expenditures; for example, colleges that focus on training in technical fields may require more resources. But many disparities are totally unjustified, and others are based on dubious practices—like recruiting all-star faculty to compete with private colleges—that ought to be part of the public debate.

Another way to address racial and economic segregation would be to require public colleges to have transparent admissions processes and to eliminate admissions requirements that pose barriers. College admissions decisions are notoriously opaque, and even at some public institutions, factors like legacy status or other preferences are at play. Some states have experimented with automatic admissions policies to promote certainty and transparency. For example, Texas law requires automatic admissions to public universities for students who are in a certain segment of their graduating high school class. Evaluations of this program suggest that it incentivizes more low-income and Black students to apply to top state institutions, but those effects are mitigated by a lack of information about the program and students' lack of familiarity with flagship state schools.⁸³ Ensuring fair competition for top schools is important, but it should be paired with resource parity reforms such as those described above to ensure that a student's college placement is not so consequential.

A free college plan could also require states to justify the patterns of enrollment and outcomes for their public colleges. The Education Trust produces a state equity report card that compares states' enrollment and outcomes for Black and Latinx students to that of white students, using the proportion of Black or Latinx state residents as a benchmark.

⁸² Kahlenberg, Richard. 2015. "How Higher Education Funding Shortchanges Community Colleges." New York: The Century Foundation. <https://tcf.org/content/report/how-higher-education-funding-shortchanges-community-colleges/>.

⁸³ Cortes, Kalena, and Jane Arnold Lincove. 2018. "Match or Mismatch? Automatic Admissions and College Preferences of Low- and High-Income Students." *Educational Evaluation and Policy Analysis*. <https://doi.org/10.3102/0162373718813360>; Cortes, Kalena, and Jane Arnold Lincove. 2016. "Can Admissions Percent Plans Lead to Better Collegiate Fit for Minority Students?" *American Economic Review*, 106 no. 5, 348-354. <https://www.aeaweb.org/articles?id=10.1257/aer.p20161115>.

Policymakers could look to this as a model and require states to identify plans to address disparities.⁸⁴

As discussed above, meaningful universal access requires a certain level of educational quality. The government can contribute to this by providing adequate funding for improving institutional quality, but policymakers may also consider conditioning participation in a free college program on meeting certain basic quality standards, like floors for year-to-year student retention or graduation rates.

Meeting the goal of building a stronger, more inclusive economy also requires some conditions on free college plans. For example, a free college proposal could address the effect that concentrated economic power has on public college campuses themselves: Right now, wealthy individuals and corporations are able to secure influence over colleges through financial contributions. A free college plan could inoculate colleges against some of this influence. An extreme version of this would be prohibiting participating colleges from accepting gifts of any kind from private donors. A less radical proposal might be prohibiting colleges from accepting directed donations—donations that include conditions on how the money is to be used.

Another way to curb corporate power through higher education policy would be to limit the involvement of companies that extract outsized profit from government programs. For-profit colleges' business model relies overwhelmingly on federal student loans. In 2014, almost a third of for-profit colleges derived between 80 and 90 percent of their revenue from federal sources.⁸⁵ Yet these institutions are a relatively poor investment for students: Their programs are high-cost but yield poor outcomes in terms of graduation rates and the placement of students in jobs that allow them to repay their debts after school.⁸⁶ These programs have been particularly damaging to Black students—65 percent of Black borrowers at for-profit schools drop out of their programs.⁸⁷ A higher education policy should consider restricting for-profit colleges' access to federal student aid. Further, public colleges should be restricted from contracting out educational services to online program managers or other businesses that use public higher education for their own profit.

Finally, a free college plan could include conditions that contribute to reduced wealth

⁸⁴ The Education Trust. 2019. "State Equity Report Card." Accessed November 20, 2019. <https://www.stateequity.org/>.

⁸⁵ Morgan, Julie Margetta. 2019. "Dismantling Broken Power Structures in Higher Ed." New York: Roosevelt Institute. <https://rooseveltinstitute.org/dismantling-broken-power-structures-in-higher-ed/>.

⁸⁶ Morgan, Julie Margetta. 2019. "Dismantling Broken Power Structures in Higher Ed." New York: Roosevelt Institute. <https://rooseveltinstitute.org/dismantling-broken-power-structures-in-higher-ed/>.

⁸⁷ Kahn, Suzanne, Mark Huelsman, and Jen Mishory. 2019. "Bridging Progressive Policy Debates: How Student Debt and the Racial Wealth Gap Reinforce Each Other." New York: Roosevelt Institute. https://rooseveltinstitute.org/wp-content/uploads/2019/08/RI_Student-Debt-and-RWG-201909.pdf.



inequality and more balanced distribution of economic power by improving working conditions and worker power on campus. For example, Sen. Sanders’s free college bill includes a requirement that would greatly improve working conditions on campus by steering schools away from reliance on low-paid adjunct faculty. But there are other workers on campus in addition to faculty—some of whom are paid directly by the university, like those in administrative positions, and some of whom may be paid by contractors, like food services workers. Broad-based policies to boost union representation and improve working conditions, like right-to-strike laws or an increased minimum wage, will help workers on campus. But tailored rules attached to a free college plan could help too. This point is particularly important given that, without real attention to the issue, a free college plan could actually end up eroding working conditions. The instinct to be cost-conscious when designing big investments in higher education could lead to incentives to reduce costs. Eliminating benefits for workers can be a cost-saving tactic—and even when it is not, cost pressures can simply provide an excuse for colleges to make the changes to employment that they already wanted to make.⁸⁸

6. What will happen to the rest of the higher education system?

Reinventing public higher education as a public option necessarily means pulling back on public support for non-public schools. Policymakers would need to eliminate private institutions’ eligibility for government grants and tax credits. This would substantially change the business model at many private colleges and universities. Though elite institutions could likely make up for lost revenue, non-elite institutions are more likely to serve a larger population of students who receive need-based government aid, and are less likely to have endowments that can cover revenue gaps. Policymakers could consider whether they might account for some of this by absorbing private colleges that serve public missions into the public system—or else by conferring on them nominally “public” status for the purpose of participating in the free college program, as long as they meet certain conditions.

⁸⁸ American Association of University Professors. 2019. “Background Facts on Contingent Faculty Positions.” Accessed November 20, 2019. <https://www.aaup.org/issues/contingency/background-facts>; Frye, Joanna. 2015. “Flexibility for Survival: State Funding and Contingent Faculty Employment at Public Higher Education Institutions.” University of Michigan (dissertation). https://deepblue.lib.umich.edu/bitstream/handle/2027.42/116724/jrfrye_1.pdf?sequence=1&isAllowed=y; Margot Roosevelt. “UC Outsources Thousands of Jobs to Private Contractors. Is that a Good Idea?” *Los Angeles Times*. December 1, 2019. <https://www.latimes.com/business/story/2019-12-01/university-of-california-outsources-jobs>.



CONCLUSION

The design features described here are by no means exhaustive, but they offer an example of how a free college plan might be shaped by values and goals rather than by political expediency or conformity to a budget. As the political landscape shifts, it seems more likely that there will be a real policy opportunity to enact free college legislation at the federal level in the coming years. Before we get there, policy experts ought to define the goals they seek to achieve through any free college plan and the design features dictated by those goals. Doing so will allow policy advocates and policymakers to implement free college plans without losing sight of achieving the underlying goals they value most.



Appendix

DIFFERENT APPROACHES: HOW FOUR GOVERNMENTS HAVE BUILT FREE COLLEGE SYSTEMS

The states, local governments, and other countries that have invested in free college have all found different ways to answer the questions discussed above. This appendix offers four examples of how governments have answered the questions outlined above and how their free college policies have helped shape their higher education systems.

New York’s Excelsior Scholarship

In 2017, New York State began offering the Excelsior Scholarship, a program aimed at providing tuition-free college at all City University of New York (CUNY) and State University of New York (SUNY) campuses.

Which Students Are Eligible?

New York residents making up to \$125,000 are eligible for tuition-free college.

Which Schools Are Covered?

The Excelsior Scholarship is available at all public colleges and universities in New York.

What Costs Are Covered?

The Excelsior Scholarship covers only tuition expenses up to \$6,470 and no other related costs like room and board or fees. Further, it is important to note that Excelsior is a “last dollar” program, meaning that funds from the Excelsior program are applied after applying other forms of financial aid, like federal Pell Grants and other state assistance programs. Critics argue that last dollar programs are problematic because they provide assistance to upper-income families by making tuition free without substantially affecting the affordability challenges that face lower-income students, for whom living expenses—not



just tuition—are a barrier.⁸⁹

Who Pays?

The Excelsior Scholarship is funded through state appropriations. Since the amount of funding is fixed, some experts worry that the appropriations are not sufficient to ensure access for all students.⁹⁰

What Kinds of Conditions Are Attached?

The Excelsior Scholarship includes a number of conditions for student eligibility. In addition to income and residency requirements, students must take and complete a specified number of credits each year: They must enroll in at least 12 credits per term and each year must complete at least 30 credits that are applicable toward a degree program, with no break in enrollment. Altogether, students are only eligible to receive an Excelsior scholarship for two years for an associate degree program or four to five years for an undergraduate program (depending on the length of the program). Further, students are required to live and work in New York State for the same length of time for which the scholarship was achieved. If they do not, the scholarship converts into a loan.

How Has the Program Changed the Higher Education System and Its Outcomes?

The Excelsior Scholarship was only phased in over the last few years, so it is a bit too early to gauge the long-term effects. Crucially, we don't know how the residency requirement and loan conversion are affecting students. But in the early years of the program, it appears that it is not having a major effect on college affordability in the state. In 2018, the Center for an Urban Future reported that only 20,000 out of the 633,543 undergraduates in the state received an Excelsior scholarship. About 68 percent of students who applied for the program were rejected. The report suggests that the low take-up rate may be attributable to the eligibility conditions, since many students opt to attend part-time or take fewer than 30 credits.

Because the Excelsior program leaves intact existing assistance for private colleges and universities in the state, including the Tuition Assistance Program that provides generous

⁸⁹ Whistle, Wesley, and Tamara Hiler. 2019. "Memo: Why Free College Could Increase Inequality." *Third Way*, March 19, 2019. <https://www.thirdway.org/memo/why-free-college-could-increase-inequality>.

⁹⁰ Kelchen, Robert. 2017. "The Challenges of Facing New York's Tuition-Free College Program." April 11, 2017. <https://robertkelchen.com/2017/04/11/the-challenges-facing-new-yorks-tuition-free-college-program/>.



grants to low-income residents, it may not have much of an effect on reshaping the state’s overall higher education market. In addition, when New York introduced the Excelsior program, it also created an Enhanced Tuition Awards Program that offers grants to students who attend private colleges if those colleges match the funds and freeze tuition at the level students pay in their first year. The Enhanced Tuition Awards Program carries many of the same student eligibility conditions as Excelsior, including the income and residency requirements. As of July 2017, about 30 private New York institutions chose to participate in the program.⁹¹

Tennessee Promise and Tennessee Reconnect

The Tennessee Promise program, along with its counterpart, Tennessee Reconnect, is probably the best-known free college program in the US and one that is consistently lifted up as an exemplar. One reason Tennessee Promise receives attention is that it was adopted and implemented by a Republican-controlled legislature and a Republican governor.⁹²

Which Students Are Eligible?

Any Tennessee resident who recently graduated from high school or obtains a GED before age 19 can participate in Tennessee Promise. Older students can participate in Tennessee Reconnect.

Which Schools Are Covered?

The funds are primarily used at Tennessee community colleges, colleges of applied technology, or other colleges that offer an associate degree. Like New York, Tennessee made some accommodations for private institutions in its free college program. Students may use Tennessee Promise funds at eligible private universities that offer associate degrees. At four-year institutions, Tennessee Promise would not necessarily ensure free tuition; rather, it would cover excess tuition after other grant aid, up to \$4,000.⁹³

⁹¹ Seltzer, Rick. 2017. “New State Aid, With Strings Attached.” *Inside Higher Ed*, July 6, 2017. <https://www.insidehighered.com/news/2017/07/06/one-third-colleges-opt-new-student-aid-program-private-institutions-new-york-state>.

⁹² Edelman, Adam. 2019. “As Democrats Champion Plans for Free College, One GOP State Already Had a Model Program.” NBC News, May 13, 2019. <https://www.nbcnews.com/politics/2020-election/democrats-champion-plans-free-college-one-gop-state-already-has-n1004336>.

⁹³ “Tennessee Promise Institutions.” https://www.tn.gov/content/dam/tn/collegepays/money-for-college/state-programs/TNPromiseListofInstitutions_032217.pdf.



What Costs Are Covered?

Tennessee Promise and Tennessee Reconnect cover all tuition and mandatory fees at public community or technical colleges. Like the Excelsior Scholarship, Tennessee Promise is a last dollar program, so the program's funds are applied to meet any tuition or fees left over after other grants and scholarships are applied.

Who Pays?

The program is funded through the state's lottery. More than \$300 million was transferred to a trust to fund Tennessee Promise for years to come, helping to ensure the program's sustainability. The state was able to fund the program by reducing scholarships available to students attending four-year institutions, further underscoring the sense that community college ought to be the first step in college access for Tennessee residents.

What Kinds of Conditions Are Attached?

Tennessee Promise includes a number of conditions for student eligibility. Participants must attend orientation and counseling and participate in eight hours of community service per semester. Further, students must take 12 credit hours per semester and maintain satisfactory academic progress (typically, a grade point average of 2.0 or better).

How Has the Program Changed the Higher Education System and Its Outcomes?

Given that the Tennessee Promise program has been in effect since 2015, researchers have been able to evaluate its effects along a variety of valences.⁹⁴ There have been some clear benefits: In the first year, Tennessee saw a 10 percent bump in first-time freshman enrollment, and 21.5 percent of Promise students who started in 2015 had finished after five semesters, compared to 8.3 percent of students who did not participate in Promise.⁹⁵

Though Tennessee posts promising outcomes for its free college program, some researchers have found fault with Tennessee Promise—particularly its impact on low-income students and students of color. The Institute for Higher Education Policy found that because Tennessee Promise is a last dollar scholarship, the benefits (measured in terms of additional

⁹⁴ Tennessee Reconnect was instituted in 2018, so there is less information available about its efficacy.

⁹⁵ Tennessee Promise. "Tennessee Promise Enrollment Snapshot 2015-2016." Accessed November 20, 2019. https://www.insidehighered.com/sites/default/server_files/files/TNPromiseYear1Numbers.pdf. It bears noting that Tennessee Promise not only boosted college enrollment; it also shifted enrollment patterns. The state saw decreases in enrollment at four-year colleges and a notable shift toward enrolling at community colleges.



dollars of aid received) do not accrue to lower-income students.⁹⁶ This point is borne out in the results Tennessee has shared: About half of Tennessee Promise participants were federal Pell Grant recipients, meaning that they would not qualify for much, if any, additional funding from Tennessee Promise. And overall, 43.6 percent of Promise participants received no funding at all from the Promise program; almost all of those students were Pell recipients.⁹⁷ Further, a 2018 report from Complete Tennessee pointed out that, despite Tennessee Promise's positive effects on access, there is still more than a 10 percent gap in graduation rates between white and Black students.⁹⁸ A recent working paper suggested that Promise scholarships may have also contributed to a shift in enrollment among Black students from ineligible institutions to Promise-eligible schools. Given that Tennessee Promise is available only at schools that offer associate degrees, that shift could be significant in terms of the types of degrees Black students pursue, or the educational outcomes they achieve.⁹⁹

Research suggests that Tennessee Promise might be reshaping the market for higher education in Tennessee overall. Where Promise-eligible schools saw an increase in enrollment, ineligible schools saw a sizable decrease and a corresponding rise in out-of-state enrollment.¹⁰⁰ And, though it is difficult to isolate the effect of Tennessee Promise from preexisting trends in college pricing, there is some indication that Tennessee Promise resulted in higher out-of-state tuition prices at eligible institutions, and lower fees at ineligible schools.

Sweden

Which Students Are Eligible?

All Swedish citizens are eligible for free tuition at Swedish universities. Until 2011, Sweden also allowed international students to attend tuition-free; now, students from the European Union do not have to pay tuition, but other international students do.¹⁰¹

⁹⁶ Poutre, Alain, and Mamie Voight. 2018. "Tennessee Promise: Does It Help Students with Limited Financial Means Afford College?" Washington, DC: Institute for Higher Education Policy. http://www.ihep.org/sites/default/files/uploads/docs/pubs/ihep_state_free_college_tennessee_promise.pdf.

⁹⁷ The College System of Tennessee. 2015. "Tennessee Promise Students at Community Colleges: The Fall 2015 Cohort after Five Semesters." https://www.tbr.edu/sites/tbr.edu/files/media/2018/05/TBR_TNPromise_2015_2.pdf.

⁹⁸ Complete Tennessee. 2019. "No Time to Wait: 2018-19 State of Higher Education in Tennessee." Nashville, TN: Complete Tennessee. https://static1.squarespace.com/static/56cf531db6aa6036fa14e1f8/t/5c881d654e17b648e3b53384/1552424300130/SOHE_Report2018_FullReport_small.pdf.

⁹⁹ Bell, Elizabeth. 2018. "Estimating the Impact of Tennessee Promise Eligibility on Tuition, Fees, and Enrollment." Working paper. https://aefpweb.org/sites/default/files/webform/Manuscript_Submit.pdf.

¹⁰⁰ See *id.*

¹⁰¹ ICEF Monitor. 2012. "Sweden on the Rebound from Tuition Fee Fallout." Accessed November 20, 2019. <https://monitor.icef.com/2012/09/sweden-on-the-rebound-from-tuition-fee-fallout/>.



Which Schools Are Covered?

This program covers attendance at both public and private Swedish colleges. Private universities that are recognized by the government receive subsidies and do not charge tuition and fees. These schools represent a small portion of the Swedish higher education system: Just 9.6 percent of Swedish students attended private institutions in 2017.¹⁰²

What Costs Are Covered?

Sweden covers tuition and fees, but students have to pay living expenses. The Swedish government also offers grants and loans to help students cover these costs.¹⁰³

Who Pays?

The vast majority of the funding for the Swedish higher education system comes from the Swedish government.¹⁰⁴

What Kinds of Conditions Are Attached?

Besides residency requirements and admissions qualifications, the Swedish government does not attach other conditions to receiving free tuition.

How Has the Program Changed the Higher Education System and Its Outcomes?

Since tuition-free college in Sweden is longstanding, it is hard to say how it has changed the country. But it is worth pointing out that tuition-free education has not resulted in debt-free education.¹⁰⁵ The high cost of living in Sweden makes it difficult for students to cover living expenses without debt, and some argue this is exacerbated by a cultural norm under which parents do not contribute significantly to their children's postsecondary education. According to a 2018 report, 77 percent of bachelor's degree graduates in Sweden had

¹⁰² OECD. "Share of Enrolment by Type of Institution." Accessed November 20, 2018. https://stats.oecd.org/Index.aspx?datasetcode=EAG_ENRL_SHARE_INST#.

¹⁰³ Swedish Board of Student Finance. "Student Finance – Grants and Loans for Studies." Accessed November 20, 2019. <https://www.csn.se/languages/english.html>.

¹⁰⁴ Official Website of Sweden. "Higher Education and Research." Accessed November 20, 2019. <https://sweden.se/society/higher-education-and-research/>.

¹⁰⁵ Phillips, Matt. 2013. "The High Price of a Free College Education in Sweden." *The Atlantic*, May 31, 2013. <https://www.theatlantic.com/international/archive/2013/05/the-high-price-of-a-free-college-education-in-sweden/276428/>.



student loans, with an average debt load of \$21,432 USD. The loans offered by the Swedish government have extremely low interest rates—around 0.6 percent.¹⁰⁶

It is also worth noting that Sweden has much lower postsecondary attainment than the US: Just under 40 percent of the population between ages 25 and 64 have a college degree.¹⁰⁷ Some attribute this low attainment to free tuition itself, arguing that the high cost of publicly-subsidized education necessitates tighter admissions standards and lower enrollment. But the OECD suggests that other factors may be at play. For example, the earnings premium for a college degree is much smaller in Sweden than in the US and many other OECD countries. There is also a lower differential in employment rates based on educational attainment in Sweden compared to other countries. As such, going to college is not as consequential in terms of an individual's earnings and job stability.

Germany

Which Students Are Eligible?

As in Sweden, Germany's public universities are available tuition-free to German citizens. In the past, universities were also free for international students; however, several German states have eliminated free tuition for citizens of countries outside the EU.¹⁰⁸

Which Schools Are Covered?

Germany's tuition-free policy covers only public institutions. Private college enrollment makes up 15 percent of the German higher education system.¹⁰⁹

What Costs Are Covered?

German universities do not charge tuition; however, they do charge a "semester contribution" that covers administrative fees, student services, and public transportation.

¹⁰⁶ OECD. 2018. "Education at a Glance 2018." Paris: OECD. https://www.oecd-ilibrary.org/education/education-at-a-glance-2018/indicator-c5-how-much-do-tertiary-students-pay-and-what-public-support-do-they-receive_eag-2018-25-en.

¹⁰⁷ <http://www.oecd.org/education/Sweden-EAG2014-Country-Note.pdf>.

¹⁰⁸ Noack, Rick. 2017. "Want to Study for Free in Germany? You Might Need to Hurry Up." *Washington Post*, October 5, 2017. <https://www.washingtonpost.com/news/worldviews/wp/2017/10/05/want-to-study-for-free-in-germany-you-might-need-to-hurry-up/>.

¹⁰⁹ OECD. 2018. "Education at a Glance 2018." Paris: OECD. https://www.oecd-ilibrary.org/education/education-at-a-glance-2018/indicator-c5-how-much-do-tertiary-students-pay-and-what-public-support-do-they-receive_eag-2018-25-en.

The fees are typically between \$160 and \$380.¹¹⁰ The German government does provide some stipends and zero-interest loans for low-income students, but most students have to cover living expenses themselves.¹¹¹

Who Pays?

The German government provides the majority of the funding for its public universities.

What Kinds of Conditions Are Attached?

Besides admissions and citizenship standards, there are no additional conditions for receiving free public education.

How Has the Program Changed the Higher Education System and Its Outcomes?

Germany's tuition-free policy took a hiatus in the mid-2000s. Since then, there has been much debate about whether or not the return to free college is good for the country. Critics often note the high cost of free college, compared to the relatively low rates of college attainment: 31 percent of Germans aged 25-34 have a postsecondary degree, well below the US's nearly 50 percent.¹¹² However, in the US, many students pursue shorter-term credentials, whereas very few pursue such programs in Germany.¹¹³ Further, like Sweden, Germany has a strong vocational education component, and the employment rates for those with vocational secondary degrees are nearly as high as those for individuals with bachelor's degrees. In contrast, in the US, there is an 11 point difference in employment rates between those with secondary education and those with postsecondary.¹¹⁴ Additionally, the earnings differential between those with a high school education and those with postsecondary

¹¹⁰ German Rectors' Conference. Higher Education Compass. Accessed November 20, 2019. <https://www.hochschulkompass.de/en/degree-programmes/fees-funding/semester-fees-tuition-fees.html>.

¹¹¹ Germany's student loan program is very different from the US federal student loan system. German students can receive zero-interest loans that become due five years after the maximum period of assistance ends. Borrowers pay a set amount per month over 20 years, and the total amount repaid does not exceed 10,000 euros. <https://www.xn--bafg-7qa.de/de/darlehensrueckzahlung-383.php>. Times Higher Education. 2017. "The Cost of Studying at a University in Germany." *Times Higher Education*, December 5, 2017. <https://www.timeshighereducation.com/student/advice/cost-studying-university-germany>.

¹¹² OECD. "Population with Tertiary Education." Accessed November 20, 2019. <https://data.oecd.org/eduatt/population-with-tertiary-education.htm>.

¹¹³ OECD. 2018. "Education at a Glance 2018 Country Note: United States." Paris: OECD. https://www.oecd.org/education/education-at-a-glance/EAG2019_CN_USA.pdf.

¹¹⁴ See *id.*

education is larger in the US, suggesting that postsecondary education is essential to economic stability.¹¹⁵

Media reports on German higher education suggest that the commitment to free college has shaped the way the German university system functions. Universities generally do not have much on-campus housing, and students tend to stick to local institutions. To keep costs low, German universities have large class sizes and modest amenities.

Finally, though the German system theoretically allows for universal access to college, inequities persist. Germany has persistent gender gaps in college attainment, as well as gaps in the fields of study that men and women choose. Further, Germans who have a parent who attended college are almost twice as likely to attend themselves than first-generation college students.

¹¹⁵ See *id.*



