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THE OBAMACOLLEGE PLAN

By The Editorial Board January 11, 2015

The State of the Union address is coming, which means it's time for President Obama to propose new federal entitlements. His latest gift horse from taxpayers comes under the pretext of improving America's workforce: free community college.

Community colleges are public state or local institutions, often two- or three-year programs, that attempt to narrow the skills gap for high-school graduates who don't attend four-year colleges. The schools vary widely in quality, and in practice they often provide remedial training in basic math and reading skills to kids who were promoted through failing K-12 schools.

The White House proposal would waive tuition for students who attend community college at least half-time and maintain a 2.5 GPA (that's a C+). You have to work hard not to get that grade. Washington would then cover 75% of tuition on the condition that states pay the rest. The Obama Administration calls this a federal-state "partnership." It's more accurate to call it the education version of Medicaid without the fiscal discipline.

To be eligible, community colleges would have to offer academic credits that transfer to four-year colleges or occupational programs that produce high graduation rates and degrees in demand by employers. The Administration doesn't specify how it would measure the latter, but you can bet it would include nonprofit and government jobs.

Colleges must also "adopt promising and evidence-based institutional reforms to improve student outcomes," such as paying for books and transit costs. President Obama is also proposing a new worker-training fund whose objective is the same as Washington's 30 some other job-training programs.

White House officials are whispering to reporters that all of this will cost federal taxpayers \$60 billion over 10 years, and another \$20 billion by the states, if you choose to believe them. The White House predicted in 2010 that expanding its income-based repayment (i.e., student loan forgiveness) plans would cost \$1.7 billion that year and \$7.4 billion over the following decade. By 2014 the Administration's estimate had ballooned to \$7.6 billion for 2015 alone.

The bigger problem with the new entitlement is that there are already plenty of training programs and financial assistance for students attending community colleges. According to the College Board's annual survey, tuition at public two-year colleges averages about \$3,300, which is less than the \$5,090 in average student aid (i.e., grants and tax benefits). Low-income students can also receive up to \$5,730 in Pell grants, which Mr. Obama has greatly expanded.

The White House says its plan is based on a Tennessee program that pays for two free years of community college for state residents. If that's how states want to spend their tax dollars, at least voters are in a position to hold local schools accountable.

But by nationalizing the program, the feds are likely to make community colleges more expensive and bureaucratic. States would have an incentive to cut their own direct funding for community colleges and redirect spending to student grants. For every dollar states spend on student aid, they would reel in three more from Washington. Community colleges would then raise tuition to pocket more federal cash.

The new entitlement is best understood as an extension of the Administration's ideological project to add higher education to the list of entitlements that keep the federal government in charge of American life from cradle to grave. First Mr. Obama nationalized the student-loan market, adding \$1 trillion in taxpayer liabilities. Then he made forgiving those loans easier. This year he plans to propose a new rating system for colleges that the feds will eventually use to determine which schools receive federal aid.

Meantime, the Administration has spent years harassing for-profit colleges by trying to impose a "gainful employment" rule that ties federal aid to student debt and incomes. The rule could shut down nearly 1,400 for-profit programs educating 840,000 students if it survives another legal challenge, but the Administration won't apply the rule to community colleges or nonprofit schools.

Yet according to the National Center for Education Statistics, the three-year college completion rate at community colleges is 21%, compared to 62% at two-year nonprofits and 63% at for-profits. The reason for the disparity is that many community colleges do a poor job of meeting the needs of non-traditional students who tend to be older and work while attending school. Enrollment at for-profit colleges soared over the last decade in part because students and employers could see that many community colleges weren't providing the skills they require.

And now the Administration is proposing to give inferior community colleges another competitive advantage with this new entitlement that bribes students with "free" tuition. So: Punish private schools, subsidize often inferior public schools, snatch regulatory control from states, and add tens of billions in new taxpayer obligations: The ObamaCollege plan is everything we've come to expect from this White House.