

THE WALL STREET JOURNAL.

BIDEN PLAN FOR FREE COMMUNITY COLLEGE FACES RESISTANCE

Republicans and experts say the free-college part of the American Families Plan fails to address deep-seated problems.

By Josh Mitchell
May 16, 2021

President Biden's plan to offer Americans the opportunity to attend community college for free is running up against political obstacles over who should pay for it and skepticism on whether it would broaden access to higher education.

His proposal – unveiled in April as part of his \$1.8 trillion American Families Plan – would waive tuition for two years of public community college. It would also provide many students more cash to cover living expenses that often deter students from lower-income families from attending.

As with other aspects of the overall Biden plan, the \$256 billion community-college proposal represents a gamble on big social spending. It could reduce inequality and boost wages of lower-income households, as the White House envisions, or it might shovel more taxpayer money into a system that some academics across the political spectrum say chronically underperforms.

The White House says spending more on community college will lead to more Americans enrolling, gaining skills and landing well-paying jobs – in turn boosting incomes and the US's economic competitiveness. By shifting education costs to taxpayers, supporters say, the plan would ease reliance on student debt, which has soared in recent years.

Republicans and some academics on both the left and right say that community college is already inexpensive and making it free wouldn't sufficiently address deep-seated problems with the system: high dropout rates and entering students being unprepared for college-level work.

"If you just give people cash and have that take the place of debt, I think that papers over the problem," said Preston Cooper, a research fellow at the Foundation for Research on Equal Opportunity, a nonprofit that advocates free-market ideas.

The Biden plan as introduced also relies on states contributing funds – about \$1 for every \$3 from the federal government – raising the question of whether states will go along.

In New Hampshire, community-college tuition costs on average \$7,100 a year, the second-highest in the nation, according to the College Board, a nonprofit that represents colleges and universities. Gov. Chris Sununu, a Republican, said he doesn't believe college should be free and is opposed to devoting state funds to Mr. Biden's plan.

"If you go down a path where the federal government is paying the bulk of the costs, you're really telling the federal government that they now control the system," Mr. Sununu said.

College shouldn't be free, he said, because students with skin in the game take their studies more seriously.

Taking all sources into account, the US spends more than any other developed country on its colleges and universities – \$632 billion in 2018-2019, according to the Education Department – and more per student, too.

Advocates of community colleges say the sector is underfunded and underappreciated. The schools take in many students who lack the high test scores and grades needed to get into middle- and upper-tier colleges.

Nearly six million students, about one in four in higher education, attend public two-year colleges, and spending per student is slightly more than a third of that at public four-year colleges, Education Department data show.

The Biden plan aims to boost community-college funding while reducing costs for students and their families to make attendance more affordable. The plan's spending is spread over ten years. Under it, \$62 billion would go to community colleges to improve services such as tutoring and counseling. Another \$85 billion would cover cash grants to low- and middle-income students for living expenses.

The largest portion, an estimated \$109 billion, would go to states that waive community-college tuition, with the federal government replacing three-quarters of the lost revenue as long as the state covers the rest.

A White House summary of the Biden plan said that raising incomes and remaining globally competitive require that "we provide every student the opportunity to obtain a postsecondary degree or certificate."

Forty-seven percent of Americans between the ages of 25 and 64 have an associate degree or higher, according to the Organization for Economic Cooperation and Development.

Higher education is a dividing line in society. The more education a worker has, the more likely they are to be employed and the higher their earnings, Labor Department data show. In 2019, the typical worker with an associate degree earned 19 percent more per week than the typical worker with only a high-school diploma, the data show.

While the tuition-free aspect of Mr. Biden's plan has drawn much attention, tuition for most students at public community colleges is already essentially free, or close to it. Grants and scholarships are typically big enough to cover the schools' average annual tuition of \$3,770, according to the College Board. But those funds often don't cover rent, gas and other living costs. When those expenses are included, students pay on average \$14,560 a year to attend public community college, according to the College Board.

By covering tuition costs, Mr. Biden's plan would effectively free up grant and scholarship money for students' living expenses. His plan also calls for Congress to increase the maximum amount that an individual student could receive in Pell grants, the federal cash assistance program for low- and moderate-income students, by \$1,400 to nearly \$8,000 a year.

"It's difficult for those of us who have resources to understand why \$1,200 or \$1,500 would be a barrier, but for a family that is living paycheck to paycheck that's a significant amount of money," said Eloy Ortiz Oakley, chancellor of California Community Colleges.

Research on free-college programs that have cropped up in dozens of states in recent years shows that the programs boost enrollment.

Mr. Biden's plan could ease reliance on student debt, though it wouldn't eliminate the need for loans entirely. Nearly one in five students at public two-year colleges take out loans, Education Department data show, and about 15 percent of borrowers who left community college in 2017 defaulted on their loans within three years. That is above the average default rate of about 10 percent among all types of colleges.

A high share of student borrowers drop out, leaving them carrying student debt without the credential that many employers require for jobs that would allow them to pay it off.

High dropout rates are a significant affliction for community colleges and a problem that the current Biden plan doesn't sufficiently tackle, policy researchers and some Republicans say.

"The biggest barrier is not that they needed another \$1,000," said Sandy Baum, senior fellow at the Urban Institute, a left-leaning think tank. "The biggest barrier is they're totally unprepared to do college-level work."

Roughly two in three community-college students take at least one high-school level class, often referred to as a remedial course, because of low placement-test scores, according to a 2018 report by the Brookings Institution. Nationally, only about four in ten community-college students earn a certificate or degree within six years of enrolling.

"Dumping money into community colleges, where students have the lowest odds of completing their program within six years, is a recipe for disaster," said Rep. Virginia Foxx of North Carolina, the top Republican on the House Education and Labor Committee, which will review the plan once it is formally introduced.

The White House said its assistance to improve tutoring and one-on-one counseling is aimed at helping students stay in school and graduate. It also said community college is one component of a broader education strategy in the \$1.8 trillion families plan that includes new spending on prekindergarten and primary and secondary schools to prepare students for college.