

Discussion Paper

Making Free Community College a Reality

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PHENOM was founded in February 2007, and has been mobilizing and advocating for affordable, accessible, democratic, and well-funded public higher education since then. PHENOM understands that our ability to create the kind of public higher education system Massachusetts deserves depends on bringing students, faculty, staff, alumni and other stakeholders from all our public college and university campuses together around basic principles. PHENOM promotes its goals through grassroots mobilization, legislative action, research, and education – focusing on both short-term goals such as improvements to the financial aid system and broader more ambitious goals such as making two free years of college available to all Massachusetts residents.

Executive Summary

Discussion Paper

Making Free Community College a Reality

Governor Deval Patrick has stated his wish for the Commonwealth to provide free community college, and his Readiness Commission reaffirmed that commitment. Neither, however, has proposed concrete steps to achieve the objective. This report endorses the idea, assesses its advantages, considers the mechanics, and suggests ways that the rollout process could begin next year.

Free community college involves modest immediate costs, but will bring substantial long-range benefits. The FY 2011 initial stage would cost about \$40 million, and free community college for all would cost about \$200 million a year – or about seven-tenths of one percent of the state budget of \$28 billion.

Introducing free community college would once again make Massachusetts a leader in public education, and would send a message to the world at large – and to the business community in particular – that we are determined to remain at the forefront of the knowledge economy.

Today, a majority of the U.S. population goes to college. As Margaret Spellings, President George W. Bush's Secretary of Education, recently noted, "What a high-school diploma was in the '50s is akin, more and more, to at least two years of postsecondary education today."

Increasing access to higher education, important in the whole country, is particularly critical for Massachusetts. Our state has few natural resources and relies heavily on brain power to produce a vibrant economy. Investing in our residents' education will ensure continued viability. Failure to do so will mean decline.

Community college is particularly important, enrolling as many students as the state colleges and UMass combined. It is a major route into the middle class since, on average, earning an Associate's Degree increases a person's income by \$8,072 a year; that increased income generates increased tax revenues.

But community college does much more than raise residents' incomes. It provides the skilled and trained workers that businesses, hospitals, laboratories, childcare centers, nursing homes, and social service agencies need, and by doing so it stimulates economic development. It provides a pathway to a bachelor's degree and beyond. More important still, it opens students' minds to a world of new possibilities and experiences, and fosters citizenship and community participation.

In Massachusetts, as throughout the nation, it is the less-privileged who are most likely to attend community colleges. 25.2 percent of the students in a recent graduating class are students of

color. A majority of community college students are adult learners (58 percent are over 22) rather than traditional age students.

Today many working and middle class students are priced out of higher education; others can attend only by taking on massive amounts of debt. Free community college, and eventually two free years of higher education at any public college, is an ambitious but realistic step that Massachusetts can take to ensure a better future for our youth and our state.

The net additional cost required in order to make community college free is the amount of tuition and fees actually paid by students, over and above the scholarships received. In FY 2007 this was \$150.5 million.

We propose choosing three or four of the existing fifteen community colleges, and making them free beginning in the fall of 2010, adding additional colleges each of the next few years. Depending on the colleges chosen, the FY2011 cost would be \$40 million, or even less. This rollout procedure would both make it possible to identify and address transition issues, and would be likely to build political support, as each college and area clamored to be included soon.

The current economic crisis is a time to build for the future, to lay a foundation that will make the Commonwealth a leader, and to signal our commitment to supporting a knowledge economy.

Making Free Community College a Reality

Community college should be free for all, and the rollout process should begin immediately. Governor Deval Patrick has endorsed free community college as a goal, and his Readiness Commission reaffirmed that commitment. Yet neither has proposed concrete steps to achieve the objective.

This report explains why community college should be free, assesses the costs of implementing such a plan, and proposes steps to make that happen, not in some distant future, but beginning next year. Our initial goal is to introduce free community college but later we seek to make the first two years of public higher education free at state colleges and the University of Massachusetts. Soon thereafter the intent is to make *all* Massachusetts public higher education free – just as high school is free.

Free community college involves modest immediate costs, but will bring substantial long-range benefits. Free community college for all would cost about \$200 million a year – or about seven-tenths of one percent of the state budget of \$28 billion. The immediate cost to begin rolling out free community college in Massachusetts next year would be about \$40 million. Introducing free community college would once again make Massachusetts a leader in public education, and would send a message to the world at large – and to the business community in particular – that we are determined to remain at the forefront of the knowledge economy.

Historical Overview

Massachusetts has long been a leader in education, at least since the 1837 creation of the Board of Education and Horace Mann’s nationally visible crusade for better schools.

More people attend college today (54.1%) than graduated from high school in 1940 (50.81%), and far more than the six percent who did so at the turn of the 20th century.¹ In today’s world, two years of college is as much of a necessity as high school graduation was in 1940. Many factors contributed to this change, but perhaps the most important was a self-conscious campaign, the “high school movement,” to expand the number of public high schools and to encourage students to attend.² The twentieth century public high schools were free, even when relatively few attended them.

¹ Historical high school graduation data from *Historical Statistics of the United States* table Bc264 etc., “Public and private high school graduates, by sex and as a percentage of all 17-year-olds: 1870–1997,” available at <http://hsus.cambridge.org.silk.library.umass.edu:2048/HSUSWeb/table/jumpby.do?id=Bc737-792> and accessed on December 31, 2008. Roughly as many people *graduate* from college today (28.8%) as graduated from high school in 1930 (29.05%). Educational attainment today data from *2009 Statistical Abstract of the United States* Table 219.

² Goldin, Claudia, “Education” in chapter Bc of *Historical Statistics of the United States, Earliest Times to the Present: Millennial Edition*, edited by Susan B. Carter, Scott Sigmund Gartner, Michael R. Haines, Alan L. Olmstead, Richard Sutch, and Gavin Wright. New York: Cambridge University Press, 2006. <http://dx.doi.org/10.1017/ISBN-9780511132971.Bc.ESS.01>

Today, shortly past the turn of the 21st century, a majority of the U.S. population goes to college. As Margaret Spellings, President George W. Bush's Secretary of Education, recently noted, "What a high-school diploma was in the '50s is akin, more and more, to at least two years of postsecondary education today."³ The key difference is that throughout the 1900s public high school was free; today, even so-called "public" colleges and universities charge tuition and fees, often amounting to many thousands of dollars.

Increasing access to higher education, important in the whole country, is particularly critical for Massachusetts. Our state, containing few natural resources, relies heavily on brain power to produce a vibrant economy. Investing in our residents' education will ensure continued viability. Failure to do so will mean decline.

The Importance of Community College

Community colleges are vital not only to the students for whom they are the best hope of economic advance, but for businesses that rely on a skilled workforce and a knowledge economy. In 2007, when the Boston Foundation released its report on community colleges⁴, it noted that "There are now 75,000 unfilled jobs in the state, many of which require at least a community college certificate or Associate's Degree. At the same time, there are over 170,000 people in the state unemployed." A report prepared for CEOs for Cities found that "educational levels were the single biggest driver of economic growth," but high school degrees were not enough.⁵

Community college students are especially important economically because they stay in Massachusetts. One year after graduation, 75 percent of them were in-state residents and part of the Massachusetts workforce.⁶

From the perspective of the individual hoping to be able to attend community college, the most easily quantified benefit is the increased income. On average, earning an Associate's Degree increases a person's income by \$8,072 a year (from \$28,290 for a high school graduate to \$36,362 for someone with an Associate's Degree).⁷ At a current Massachusetts income tax rate

³ Basken, Paul. "Spellings Sees Her Legacy Centering on 'Long Overdue' Assessment of Colleges," Chronicle of Higher Education <http://chronicle.com/daily/2008/12/8390n.htm>. Accessed December 12, 2008.

⁴ Lassen, Mary M. *Massachusetts Community Colleges: The Potential for Improving College Attainment*. The Boston Foundation. February 2007. http://www.tbf.org/uploadedFiles/tbforg/Utility_Navigation/Multimedia_Library/Reports/CommunityCollege.pdf. Accessed December 31, 2008. p. 7

⁵ Weissbourd, Robert *The Changing Dynamics of Urban America*, RW Ventures, March 2004. http://www.ceosforcities.org/files/Changing_Dynamics-Full_Report.pdf. Accessed December 31, 2008. P. 32.

⁶ Coelen, Stephen P. Joseph B. Berger, Rebecca L. Forest, and Elaine Smith *Massachusetts Public Higher Education: A Shrewd Investment with Significant Returns*. (2002). <http://www.umass.edu/miser/news/MassPublicHigherEd.pdf>. Accessed January 1, 2009. P. 17.

⁷ Median incomes for 2007, based on Current Population Reports table PINC-03, accessed on January 1, 2009, at http://pubdb3.census.gov/macro/032008/perinc/new03_001.htm

of 5.3 percent, an average community college graduate will pay an additional \$427.82 per year in income taxes, and will continue to pay more for the remainder of their working lives.

But community college does much more than raise residents' income prospects. It provides the skilled and trained workers that accounting firms, manufacturers, hospitals, laboratories, software companies, and social service agencies need, and by doing so it stimulates economic development. It provides a pathway to a bachelor's degree and beyond – as community college graduates Jimmy Carter, Tom Hanks, and Ross Perot can attest. More important still, it opens students' minds to a world of new possibilities and experiences, and fosters citizenship and community participation.

Effects of High College Costs

Public high schools are free, and thus accessible to all. No one proposes that high school students (or their parents) should have to pay thousands of dollars in order to gain entry to public high schools. "Public" colleges and universities, however, charge substantial amounts for tuition and fees: they range from \$4,080 per year for a full-time in-state community college student⁸, to \$10,232 per year to attend the University of Massachusetts Amherst. The apparent rationale is that high school is a necessity, while college is a luxury. But public high schools were free even in 1910, when less than 10 percent of the population graduated from high school, and college today -- or at least two years of college -- is increasingly a necessity.

In the past two decades, the proportion of college operating budgets funded by the state has steadily declined, and students have been forced to pay a higher and higher share of total costs. Put another way, Massachusetts (like much of the rest of the nation) has been privatizing public education. What was once a public system is increasingly a mixed system. Early indications are that the Fiscal Year 2010 budget will again call for significant reductions in state appropriations for public higher education, leading again to significant increases in student fees and tuitions.

Not surprisingly, the tuition and fees imposed at public colleges and universities have consequences. Despite the best efforts of the financial aid apparatus, many students are unable to afford to attend college, even "public" college. Nationally, well-off students with low grades attend college at the same rate (77%) as poor students with high grades (78%).⁹ To make this concrete and specific to Massachusetts, of 36 valedictorians in the Boston Public School District, 20 did not have the necessary financial means to go to college in 2007 even after factoring in scholarships and loans.¹⁰

⁸ The cost varies slightly among the 15 community colleges. This figure is for Cape Cod Community College; other colleges are a bit higher or a bit lower.

⁹ *Access Denied: Restoring the Nation's Commitment to Equal Educational Opportunity*. Advisory Committee on Student Financial Assistance. 2001. http://www.ed.gov/about/bdscomm/list/acsfa/access_denied.pdf. Accessed January 1, 2009. P. 13.

¹⁰ "Sending Our Kids to College," Boston Globe, May 11, 2007, http://www.boston.com/news/globe/editorial_opinion/oped/articles/2007/05/11/sending_our_kids_to_college/

Many working and middle class students are increasingly priced out of higher education; others can attend only by taking on massive amounts of debt. Many students in fact accumulate significant loan debt, but eventually drop out of college due to the cost, therefore leaving them with college debt but without a college degree to pay off their debt. The accumulation of debt has consequences for what students can do when they graduate, and serves to push working-class students away from lives of public service, causing them to focus on earning as much money as possible. In this way public service itself becomes a class privilege (with obvious class consequences for what gets defined as “public service”). According to a recent report, 37 percent of public four-year college graduates would face serious financial hardship if they attempted to work as social workers while repaying their loan debts.¹¹

During previous economic downturns, the state reduced appropriations for public higher education, and institutions raised tuition and fees, by an average of about 40 percent at community colleges. The combination of less public support and higher student costs restricts the ability of students, especially those from less affluent backgrounds, to attend college. A short-term budget “solution” thus creates long-term problems and undercuts the Commonwealth’s ability to develop economically, socially, or culturally. As the Boston Foundation notes, “Higher tuition and fees are linked to the need for students to work longer hours, which has a negative impact on retention and graduation.”¹²

Other countries have taken a very different approach. Many public universities in Europe do not charge their students any tuition or fees at all. This is the case in France, Ireland, Poland, and all of the Scandinavian countries. In Germany, fees have just been introduced at some universities, but they are not allowed to exceed 500 Euros¹³ (or about \$750).

The current economic crisis is the most severe since the Great Depression of the 1930s. The easy solution would be to once again slash the state appropriations and again raise tuition and fees, based on the very plausible argument that “there is no money; we regret doing so but it is financially necessary.” But we can go another way. In the Great Depression, 1 out of 3 people were without work, wages were slashed for those who did have jobs, business profits plummeted, and money was not circulating. Nonetheless, this was the period when the most important government social spending programs were introduced: Social Security, unemployment compensation, the beginnings of a welfare system, government-backed mortgages, and much more. The current economic crisis is a time to build for the future, to lay a foundation that will make the Commonwealth a leader and signal our commitment to supporting a knowledge economy. This is the time to introduce free community college as part of a long-

¹¹ Swarthout, Luke. “Paying Back Not Giving Back: Student Debt’s Negative Impact on Public Service Career Opportunities.” *State PIRGs’ Higher Education Project*. 2006. Public Interest Research Group. 23 November 2006. <http://www.pirg.org/highered/payingback.pdf>. Accessed January 1, 2009.

¹² Lassen, p. 26.

¹³ Neuhaus, Carla. Most European colleges still tuition-free. *The Eagle* [American University, Washington, DC], 9/15/08. [http://media.www.theeagleonline.com/media/storage/paper666/news/2008/09/15/News/Most-European.Colleges.Still.TuitionFree-3430364.shtml](http://media.www.theeagleonline.com/media/storage/paper666/news/2008/09/15/News/Most-European-Colleges.Still.TuitionFree-3430364.shtml). Accessed January 1, 2009. The article cites a 2008 study by the CESifo Group, an Oxford University research group.

range step-by-step plan to make all public higher education free. Doing so is surprisingly low-cost. The potential benefits are enormous.

Community Colleges in Massachusetts: Basic Background

The 15 public community colleges in Massachusetts enrolled 151,551 students in Fiscal Year 2005. A little over half of those (81,412) are in credit-bearing courses, and a little under half (70,139) are in non-credit workforce development courses -- for example courses such as English as a second language, financial services, and electronics.¹⁴

Almost a third of the credits earned in credit-bearing courses are for developmental courses to remedy math and other deficiencies from high school. These courses allow students to qualify for financial aid but the credits earned are not applied toward graduation. “Massachusetts, by law, does not provide state funding to support non-credit continuing education or workforce development programs.”¹⁵

In Massachusetts, as throughout the nation, it is the less-privileged who are most likely to attend community colleges. Students from the highest socio-economic status quintile are four times as likely to begin college at a four-year college as at a community college; students from the lowest socio-economic status quintile are almost twice as likely to begin at a community college as at a four-year college.¹⁶

Similarly, students of color are more likely to attend community colleges. 28% of community college students are students of color¹⁷; at the University of Massachusetts Amherst only 9.2 percent of the undergraduates are Black or Latino/a.¹⁸ A majority of community college students are adult learners (58 percent are over 22 years of age) rather than traditional age students.¹⁹

¹⁴ Lassen, p. 7, 23-24. Community college enrollment figures are complex. For example, statistics reported by Massachusetts Board of Higher Education in “Massachusetts Community Colleges Key Performance Indicators: Linear Trends.” found at <http://www.mass.edu/library/Reports/CCLinearTrend2007.pdf> indicate that the “Annual Unduplicated Credit Headcount” in FY 2007 was 118,363; that same year the “Annual FTE Enrollment” was 52,164.9 and the “Annual Enrollment in Not-for-Credit Workforce Development Courses” was 92,345. Different figures are appropriate for different purposes, and any comparison needs to specify what sort of count is at issue.

¹⁵ Lassen, p. 27; information about credits and financial aid versus graduation is on pages 24-25.

¹⁶ Lassen pp. 16-17; identical table on the two pages, the first citing Adelman 2005 and the second Horn and Griffith 2006; Adelman’s is a US Dept of Education study *Moving Into Town – and Moving on etc.* and there is no Horn and Griffith study, but the Horn and Neville study is NCES 2006-184 *Profile of Undergraduates in U.S. Postsecondary Education Institutions*]

¹⁷ Massachusetts Department of Higher Education, FY 2010 Budget Request; <http://www.mass.edu/aboutus/documents/FAAP09-11.pdf>

¹⁸ University of Massachusetts Amherst Office of Institutional Research, at http://www.umass.edu/oapa/publications/factsheets/race_ethnicity/FS_rac_01_f08.pdf

¹⁹ Lassen, p. 7

How to Pay for Free Community College

There is no question that free community college would have enormous benefits for economic development, for the state's image as a leader in the knowledge economy, and for students themselves. To take but one instance: a study cited in the Board of Higher Education's Task Force for Student Financial Aid Final Report found that nearly half of students who do not attend college or drop out of college cite financial constraints as a key obstacle. Making community college free would remove that obstacle.

The Commonwealth already invests a large sum of money into community colleges. In FY2007 it directly appropriated \$297 million to the community colleges.²⁰ State support includes general appropriations to the institutions from the Commonwealth's General Fund, fringe benefits paid on behalf of college personnel on the state payroll, supplemental appropriations, earmarks, and tuition remitted to the state (this is a credit, an offset to state support).

Other sources of revenue are \$14.7 million in auxiliary and \$16.4 million in other operating revenue (this includes cafeterias, bookstores, etc.), \$127.4 million in grants and contracts (research grants), and tuition and fees charged to students.

Community College	Enrollment (annual FTE 07)	Net Student Fees, in \$1,000s	State Appropriation, in \$1,000s
Berkshire	1316.6	3,627	11,689
Bristol	4185.7	12,210	19,980
Bunker Hill	5202.6	15,878	25,831
Cape Cod	2510.5	7,169	14,000
Greenfield	1326.3	5,427	11,480
Holyoke	4252.2	10,230	22,946
Mass Bay	3421.9	11,745	17,314
Massasoit	4465.8	13,379	24,698
Middlesex	5048.5	16,615	25,380
Mt. Wachusett	2521.5	8,535	15,770
North Shore	4479.5	12,077	26,149
Northern Essex	3921.8	6,400	20,160
Quinsigamond	3996.3	13,001	19,369
Roxbury	1518.2	3,641	14,052
Springfield Technical	3997.5	10,599	28,593
Totals	52,164.9	150,533	297,420

²⁰ Source: Massachusetts Board of Higher Education. "State Colleges Community Colleges Financial Statement Summaries: FY2007." (November 2007). http://www.mass.edu/forinstitutions/fiscal/documents/FSS_FY07.pdf. Accessed January 1, 2009

Table Source: Massachusetts Board of Higher Education, "State Colleges, Community Colleges Financial Statement Summaries: FY 2007 (November 2007)".

In order to make community college free to students, the state would need to continue to pay the costs it is currently paying, and the other sources of community college revenue would also need to continue. Assuming that happened, the net additional cost required in order to make community college free is the amount of tuition and fees actually paid by students, over and above the scholarship allowances received. As shown in the chart above, this was \$150.5 million in FY 2007.²¹ This is the additional cost of making community college free for those already attending.

Although one hundred fifty million dollars is not trivial, it is also not a huge amount compared to other sums being spent; for example, it is about one-half of one percent of the state budget. In terms of national figures, one-tenth of one percent of the federal stimulus package would replace more than five years of the tuition and fees paid by all Massachusetts public community college students.

This is *not*, however, the full cost of making community college free. Rather, it is the cost of paying the tuition and fees for all courses for all students currently attending. Part of the purpose of free community college, however, would be to expand the number of people who attend college. It would be important to expand funding proportionate to this expansion in enrollments.²² Our suggested roll-out plan (see below) would provide a basis for estimating the amount necessary to do so. As an initial (we believe cautious) estimate, we are projecting that the full cost of free community college would be one-third more than the amount students currently pay in tuition and fees, that is an additional \$50 million a year, for a total cost of \$200 million a year. This figure could decrease significantly if federal Pell grants are increased, as proposed by President Obama and passed by the House of Representatives.²³

Note that we are proposing that *all* community college courses be free – credit bearing degree courses, developmental courses, and non-credit courses. All these courses provide important benefits to students, businesses, social service agencies, and the Commonwealth. If developmental courses continued to charge tuition and fees, that burden would fall disproportionately on the poorest and most disadvantaged students. If some courses are free and others charge tuition, that is likely to create bureaucratic hurdles to which students will respond

²¹ Massachusetts Board of Higher Education, "State Colleges, Community Colleges Financial Statement Summaries: FY 2007" (November 2007).

²² Enrollments are already increasing dramatically as the scarcity of jobs and the high cost of private colleges leads more people to apply to public college. At a time of decreasing state support, applications to community colleges are skyrocketing – up 25% at Bunker Hill Community College for example. (Schworm, Peter. "Applications Soar at Public Colleges", *Boston Globe*, December 23, 2008.

http://www.boston.com/news/education/higher/articles/2008/12/23/applications_soar_at_public_colleges/

²³ The legislation passed by the House would add \$15.6 billion to the Pell grant program, increasing individual awards by \$500.

with attempts to game the system. We are proposing that the state move to an entirely new model rather than introduce small pockets of free courses within a basically unaltered system.

Partial Models Already Introduced Elsewhere

As we and others in Massachusetts consider how best to move toward a program of free community college, it is helpful to look at other models. What have other states and the federal government done or tried to do?

The GI Bills, both the one passed in 1944 and the one passed in June 2008, provide free community college to many veterans. The original Bill provided \$500 a year to returning veterans to use for tuition at a time “even Harvard University did not charge that much”.²⁴ According to the Department of Veterans Affairs’ history of the GI Bill,²⁵ the program was designed in part to prevent the sort of social unrest among veterans that followed World War I. The program is estimated to have returned economic benefits of \$6.90 for each dollar that the program initially cost.²⁶ At the peak of their enrollment in 1947, veterans made up half of the student body at four-year institutions. But as tuition increased and the benefits under the GI Bill didn’t, more and more veterans turned to community colleges. By 2007 the top 500 institutions enrolling students using GI bill benefits included only three private, nonprofit research universities.²⁷ In contrast, more than 200 of these institutions were community colleges. The majority of veterans today use their GI benefits to attend institutions that offer two-year degrees or emphasize vocational training.

Various states have implemented or tried to implement programs that would make community college free for some or all.

In Michigan, the Governor wanted to offer two years of free tuition at any public college to laid off and low paid workers. Called “No Worker Left Behind”, the program could retrain 100,000 people in high-demand fields by 2010. While not fully funded by the legislature (\$15 million out of \$40 million), funds from the Federal Workforce Investment Act were injected into the program so that 31,000 people have participated in the program since August 2007.²⁸

²⁴ Greenberg, Milton. "The New GI Bill Is No Match for the Original.(Post-9/11 Veterans Educational Assistance Act)." *The Chronicle of Higher Education* 54.46 (July 25, 2008) para.8

²⁵ http://www.gibill.va.gov/GI_Bill_Info/history.htm

²⁶ Subcommittee on Education and Health of the Joint Economic Committee, "A Cost-Benefit Analysis of Government in Postsecondary Education under the World War II G.I. Bill," December 14, 1988, cited in numerous sources such as Smith II, Preston H. and Szymanski, Sharon, “Why Political Scientists Should Support Free Public Higher Education”, *PS, Political Science & Politics*, Oct 2003. Vol. 36, Iss. 4

²⁷ Field, Kelly. "Cost, Convenience Drive Veterans' College Choices." *Chronicle of Higher Education* 54, no. 46 (July 25, 2008): . *ERIC*, EBSCOhost (accessed January 31, 2009).

²⁸ Mccandlish, Laura. "Community Colleges Are Key to 'Green' Jobs, Activist Says.(Van Jones)." *The Chronicle of Higher Education* 55.10 (Oct 31, 2008).

The state of Washington began a pilot program of two free years of community college for low-income students preparing for careers in fields facing work-force shortages. Books and childcare are covered in addition to tuition and fees. \$4.1 million was allocated for the program in 2006. Supporters of the program hope to eventually expand the program to provide two years of free tuition to all state residents.²⁹

According to the Chronicle of Higher Education, "New Jersey covers community college tuition for students who graduate in the top 20 percent of their high-school classes, maintain a grade-point average of 3.0 or higher in college, and graduate within five semesters."³⁰

In Tennessee, a proposal for free community college for any high school student graduating with a C average or better was defeated in the legislature in 2008. Governor Phil Bredesen says he remains committed to programs that improve access³¹. Meanwhile, mayors in some of Tennessee's largest cities want to make community college free by combining public and private funds with existing scholarships under the auspices of the Tennessee Urban Mayors Forum.³²

Among the best-known programs is Georgia's H.O.P.E. (Helping Outstanding Pupils Educationally) program which has supported more than 1,100,000 students in Georgia's public colleges at a cost of over \$3.8 billion since 1993. Any student with a B average or better in high school is eligible for free tuition not just at community colleges but at any public or private 2- or 4-year college in Georgia. Georgia residents enrolling in a technical certificate or diploma program at a public college in Georgia may be eligible for the HOPE Grant regardless of grade point average. The HOPE Grant covers tuition, mandatory fees, and a book allowance.³³

The city of Kalamazoo, Michigan instituted the Kalamazoo Promise program that provides scholarships for all graduating high school students from the city, for use at community colleges and state universities. The amount of tuition assistance is based on the length of time the student was enrolled in Kalamazoo public schools; students attending schools from kindergarten through 12th grade receive the full benefit. The program is funded by private donors, so cannot be considered a model applicable to a whole state.³⁴

This listing would not be complete without mentioning the City University of New York (CUNY) which was free for qualified New York residents for 100 years (and free to all applicants for a few years in the early 1970's). Starting in the mid-1970's, during New York City's fiscal crisis, students had to pay tuition -- now \$3,200 a year for in-state students at the

²⁹ "State News in Brief." The Chronicle of Higher Education 52.31 (April 7, 2006)

³⁰ Ashburn, Elyse. "Massachusetts Plan for Free Community Colleges Meets With Skepticism." The Chronicle of Higher Education 53.41 (June 15, 2007): .

³¹ "Despite setback, Tennessee governor remains committed to free tuition plan.(around the nation)." Community College Week 19.23 (July 30, 2007): 5 Accessed 28 Jan. 2009 7

³² Tennessee Counties Help Students Pay Tuition The Knoxville News-Sentinel July 24, 2008

³³ <http://www.gacollege411.org/finaid/scholarshipsandgrants/hopescholarship/default.asp>

³⁴ Kalamazoo Promise Program website, <https://www.kalamazoopromise.com/>

four-year colleges. But in 1992, CUNY adopted a policy that gave students on the verge of graduation their last semester free.³⁵

The idea of free community college is not new to Massachusetts either. James Carlin, chair of the state Board of Higher Education, proposed the idea to Acting Governor Paul Cellucci in 1997.³⁶ Carlin's plan would have phased out tuition and fees over a five year period. Cellucci asked the Board of Higher Education to study the idea. Naturally, there was a lot of opposition from private colleges in the state. The Boston Globe argued against the idea, saying that "knowledge that is paid for will be longer appreciated."³⁷

Some of the candidates in the 2008 presidential election put forward proposals for free community college. Sen. Christopher Dodd from Connecticut proposed that the federal government pay 50% of the costs so long as states funded the remaining 50%.³⁸ Candidate Obama proposed a \$4,000 tax credit that could be used toward tuition at any college. This would make community college free, but only for people who pay at least as much in federal tax as the cost of college.³⁹

None of these models accomplishes what Governor Patrick has stated as the long-term goal for Massachusetts: free community college for all. They are all more discriminating, either on the basis of income, field of study, grades, or veteran status. Each has merit, and each shows that some limited form of free community college is viable, but none has proven to be a real step toward *universal* free community college. When Massachusetts moves forward, we will be pioneers.

Expanding Financial Aid

Another approach of the "gradual and tentative" school is to expand financial aid. Within the bounds of the current system, expanding financial aid is well worthwhile. But the approach is patchwork, filled with bureaucratic hassles for both students and administrators, and not at all likely to fire the imagination. Incremental increases in financial aid are appealing since they are limited in cost and may seem politically feasible, but in practice are likely to be compromised to the point where they have a limited impact, and are perpetually vulnerable to the realities of next year's budget. For instance, Governor Patrick's proposed FY 2010 budget reduces the total amount of financial aid provided by the state. Even if financial aid remains a constant, tuition and fee costs may be raised, leaving students with a larger burden than before. The two main approaches to expanding financial aid are proposals based upon financial need, and field of study.

³⁵ "CUNY, Short on Faculty, Is to End Free Term for Seniors", New York Times, January 17, 2009

³⁶ "Tuition-Free Community Colleges Eyed", Boston Globe, August 1, 1997, p.A,1:5

³⁷ "Making College Affordable", Boston Globe, August 12, 1997, p.A,20:1

³⁸ The Common Iowan, August 22, 2007 at <http://commoniowan.blogspot.com/2007/08/dodd-calls-for-free-community-college.html>

³⁹ <http://www.barackobama.com/issues/education/>

Need Based Grants

Grants based on financial need are a critical component of current community college funding schemes. These programs allow students who would otherwise be unable to attend college to do so. PHENOM supports these programs, particularly MassGrant at the state level and Pell grants at the federal level. Funding for these programs should be increased to allow more students access to higher education. However, these programs are far from perfect.

President Obama has proposed a tax credit of \$4000 to defray the cost of college tuition. This proposal could ease the burden for some students and their families, but also has serious limitations. Many low-income individuals pay no federal income tax or less tax than the amount of the proposed tax credit. These students, who have the greatest need for financial aid, are essentially shut out of this proposal. This is a particular problem for community college students, many of whom, as noted previously, are low income working class individuals. It is also not clear if part time students will be eligible for this tax credit. Depending on the specifics ultimately enacted, this proposal might actually exacerbate disparities in access to higher education.⁴⁰

Job Skills Programs

Other financial aid proposals have been based upon area of study. One such proposal is part of the “Workers Pathway to Self-Sufficiency Act of 2009” proposed by the Crittenton Women’s Union. It would provide \$3 million in funding to the Educational Rewards program, providing grants for low-income people seeking education leading to jobs in high demand or under-enrolled occupations. The Act, supported by PHENOM, would also provide \$1.5 million for retention and mentoring programs for these students.⁴¹

None of these financial aid programs offer a clear path to free community college. These programs are designed to address a specific need. They are not based on a right to a comprehensive education.

Free Community College

The Readiness Project proposes, as a “first installment of free community college”, providing free community college to students seeking to become early childhood educators, current teachers, and low-income parents of public school students.⁴² Providing free Community College for these individuals is a laudable goal, and one that PHENOM supports, but it is not

⁴⁰ The House version of the stimulus package provides a lower tax credit but structures it in a way that people who don’t pay much taxes can still benefit to some extent.

⁴¹ “Workers Pathways to Self-Sufficiency Act of 2009” introduced by Senator Eldridge and Rep. Dorcena Forry. Information available at <http://www.liveworkthrive.org/legislation.php> accessed January 12, 2009.

⁴² “Readiness Finance Commission Report” pg. 18-19 available at <http://www.mass.gov/Eeoe/Readiness%20Finance%20Commission%20Final%20Report.pdf> and accessed January 17, 2009.

clear how these steps will lead to free Community College for all. These programs do not build the political will for free Community College and fail to provide tools for assessing how making Community College free will impact enrollment and retention.

Like the programs in other states, described above, all of the current or proposed programs in Massachusetts fall short of providing for free college for all. The goal of advocates for public higher education must be to make higher education a right, just as secondary education is today. Free community college is the first step in this process. There are a number of reasons why this approach makes sense.

- The state's fifteen community colleges are based in communities across the state and allow easy geographic access to most students.
- Community colleges offer job skill oriented programs which facilitate socio-economic mobility.
- Community colleges are more affordable than state colleges and universities, providing the lowest cost of implementation.
- Governor Patrick supports free community college in principle, and the idea has begun to enter the public discourse.

Unfortunately, the timeline for implementation in Governor Patrick's proposal is between 2016 and 2020 or "beyond".⁴³ This is so far away as to not have much urgency or accountability. What is needed is a plan which guarantees access to free Community College on a timescale which allows for political accountability. Accordingly, PHENOM proposes two possible roll-out plans for free Community College: a step-by-step roll-out, or an economic stimulus immediate implementation.

Step-by-Step Roll-Out Plan

Truly free community college, free for all students attending, is qualitatively different from the current system. As such it is difficult to assess what the effects would be. Such a program would generate excitement and a significant increase in enrollments. But how significant? What practical difficulties would be encountered and what new rules would be necessary? The only way to truly answer these questions is to have a pilot program, and to use that program to work out the bugs prior to full-scale implementation.

Our first proposal is thus that in the fall of 2010 three of Massachusetts' fifteen Community Colleges should be chosen as pilots, and community college for students at those three institutions should be free. This would be a precursor for making community college free at all campuses in the state one or two years later (2011-2012).

⁴³ "Ready for 21st Century Success: The New Promise of Public Education" pg. 22 available at <http://www.mass.gov/Agov3/docs/Readiness%20Final%20Report.pdf> and accessed January 14, 2009.

The step-by-step roll-out plan has a number of advantages. The cost of implementation in the first year will be low. The cost of paying all student tuition and fees at the three community colleges with the smallest amounts in net student fees (Berkshire, Roxbury, and Greenfield) would have been only \$12,695,000 in FY 2007; the cost at the three community colleges with the largest amount in net student fees (Middlesex, Bunker Hill, and Massasoit) would have been \$45,872,000.⁴⁴ If this route were chosen, the Board of Higher Education or the legislature would need to choose which three schools should introduce free community college in the initial year.

The first wave of campuses will act as a test of free community college. Enrollment increases will be able to be measured, making it possible to calculate potential cost increases as well as the need for staffing increases. Retention programs (such as proposed by the Crittenton Women's Union⁴⁵) will be tested and improved prior to system-wide implementation of free Community College.

It is critical that as free Community College is implemented, the quality of a Community College education be maintained and improved. Funds must be provided to increase staffing *at least* proportional to the expected increase in enrollment, and to restore the levels of full-time tenure track faculty. Full-time faculty are more actively involved in curriculum development and the future of their departments and schools than adjunct faculty. A recent study⁴⁶ examined transcripts of about 30,000 students at 4 colleges between 2002 and 2005, looking particularly at first-year "gatekeeper" courses. It concluded that "as students' exposure to part-time faculty members increased, their likelihood of completing an associate's degree significantly decreased." Another study reinforces this point: It found that at community colleges, for every ten percent increase in the proportion of faculty who have tenure – that is, are full-time and long-term, selected and promoted through peer-review processes – the students were four percent more likely to complete community college and transfer to a four year college.⁴⁷ Students deserve to be taught by experienced faculty who are experts in their fields and full participants in the life of their college.

This plan will also create the political will for universal free Community College. By benefiting a broad-based group of students, it will gain support from students and their families of all class levels. Financial aid programs do not have this universal appeal and are thus more prone to

⁴⁴ See Massachusetts Board of Higher Education, "State Colleges, Community Colleges: Financial Statement Summaries FY2007" (November 2007). The data are presented in Appendix 1, together with enrollment data.

⁴⁵ The \$1.5 million proposed for programs such as "intensive advising and counseling, college and career success courses, work study jobs in the students' field of study, learning communities, curricular redesign to support blended or accelerated remediation, tutoring, child care and transportation assistance." in the Workers Pathways to Self-Sufficiency Act of 2009 provide a model for how to ensure that educational access leads to educational success. Without thoughtful and fully recognized retention programs student achievement will not meet its full potential.

⁴⁶ Jaeger, Audrey and Eagan, M. Kevin, "Unintended Consequences: Examining the Effect of Part-Time Faculty members on Associate's Degree Completion", *Community College Review*, vol. 36, no. 3, January 2009. See especially p. 186.

⁴⁷ Gross, Betheny and Dan Golhaber, "Community College Transfer and Articulation Policies: Looking Beneath the Surface." Center on Reinventing Public Education Working Paper #2009_1. Available at http://www.crpe.org/cs/crpe/view/csr_pubs/264

funding cuts. Legislators whose local school is not included in the initial pilot will be motivated to push for statewide implementation quickly.

A step-by-step roll-out plan will encounter one difficulty not encountered by an immediate universal program, and any free community college plan will encounter three other issues that need to be addressed.

The difficulty which is limited to this proposal is: How to prevent students from abandoning the other twelve community colleges in order to attend the three free community colleges? There are two possible ways to address this, each of which provides a limited fix, but one which should address a substantial part of the problem. The first means would be to implement the program regionally, at three schools whose catchment areas adjoin one another, and which are at least somewhat separated from the rest of the state. The second means would be to specify that community college would only be free to students with legal residences in Zip codes within a specified catchment area, or had attended the community college for at least one semester out of the previous four semesters. The catchment area could be defined as those Zip codes that together accounted for (say) 75 percent of the college's enrollment. In either case, the initial pilot would lead to an *overestimate* of the amount of increased enrollment to be expected from universal free community college because during the pilot some number of students not in any of the three community colleges' usual catchment area would find a way to get themselves enrolled.⁴⁸

Three Issues

The first issue is that under *any* system of free community college, in the first year or two there will probably be a pent-up demand; after that demand is addressed, enrollment will be higher than in the days when tuition and fees were charged, but not as high as during the transition bump.

The second issue will be to craft a system that enables students to qualify for all of the non-state financial aid they have been receiving. The costs we calculate for free community college are the net costs over and above the costs already incurred by the state. If students were to lose their Pell grants, for example, the program would cost an additional amount equal to the sum students currently receive in Pell grants. We believe that the technical means can be found to manage this problem, and that President Obama and the current Congress would be willing to adjust rules and regulations if necessary, but this issue would need to be addressed.

The third issue would be finding a way to limit frivolous enrollments. In a society where there is a charge for almost everything, anything that is a free good is potentially subject to abuse. If many people enrolled for courses, attended for two weeks, and then disappeared, it would be disruptive for other students, for faculty, and for administrative planning. It might be that free community colleges would need to charge a modest registration fee, perhaps twenty-five or fifty

⁴⁸ For example, if STCC were free, a student living in Worcester with an aunt in Springfield may find a way to make it look like Springfield were his official address.

dollars per semester, enough to make students take the commitment seriously but not enough to bar entry. This would be similar in theory and practice to a co-payment for medical care. (Financial aid could, of course, be offered to those unable to pay even this modest fee.)

An important advantage of a step-by-step roll-out plan would be the ability to run a true pilot that could test responses to these problems, and could develop practical means to make the system work. As with anything, it is likely that the new system would encounter at least some difficulties not now anticipated. The experience of the initial three schools would permit a far smoother implementation as additional schools became free in 2011 and 2012.

Free Community College as Economic Stimulus

A more dramatic alternative would be to use money from the expected federal economic stimulus package to immediately implement free Community College at all fifteen campuses in the fall of 2009. The proposed stimulus package provides a unique funding opportunity which could minimize initial costs to the Commonwealth. The portion needed would amount to a little over one percent of the Massachusetts share of President Obama's proposed economic stimulus package.⁴⁹ This would allow for the creation of new funding sources to support the program at the state level to be undertaken during a time of economic recovery instead of economic crisis.

Educational funding creates jobs. It also provides the next generation of workers with the skills which will fuel an economic recovery. This program would make Massachusetts a national leader in higher education policy and ensure that the state has the best educated workforce in the nation. Introducing free community college across the state in a matter of months would be a chaotic undertaking, but an exciting one that would fire the imaginations, and call forth the energy and enthusiasm, of faculty, students, staff, administrators, and legislators across the state.

Conclusion

The demand for education is high. Residents want it. Businesses need an educated workforce. Grade school is not enough. High school is not enough. For businesses to compete and for residents to achieve a middle-class lifestyle, the population of the state needs at least two years of college. When George W. Bush's Secretary of Education feels that "What a high-school diploma was in the '50s is akin, more and more, to at least two years of postsecondary education today"⁵⁰ then it is time for the Commonwealth of Massachusetts to provide truly public – that is free and universally available – community college to all residents.

⁴⁹ Calculated as 2.15% (the Massachusetts share of U.S. population) of an \$800 billion package. Our proposed expenditure for next year – \$40 million – is less than one-quarter of one-percent of Massachusetts' share of the stimulus package.

⁵⁰ In an interview with the Chronicle of Higher Education's Paul Basken, sent on-line on December 12, 2008.

In the long run, our society cannot continue to require more and more education, at the same time that it restricts truly public education to the minimal level of high school. Although we call the higher education system “public,” in fact it has evolved into a mixed, public-private system, that discriminates against the poor and is increasingly unaffordable even for the middle-class. A new study⁵¹ shows that nationally community college students are now paying about 30 percent of the cost of their education, up from 24 percent in 2002; in Massachusetts students paid 33.6 percent in FY2007,⁵² and absent some dramatic intervention, that share is sure to increase significantly in FY2010. If students pay 50, 60, or 70 percent of the cost, will we still call it a “public” system? Will we still believe that our educational system gives everyone in our society an equal chance to succeed?

Free community college is a valuable first step, but even that will not be enough in the long-run. In the long run – certainly by 2016 – we should move to making the first two years of college free at all institutions of public higher education in the state, including state colleges and the University of Massachusetts. And not long after that – by 2020 – the Commonwealth of Massachusetts should make all public higher education free, including students’ junior and senior years.

The situation begs for a dramatic intervention, a state that introduces a new paradigm, once again making public education *public*, that is, free. Governor Deval Patrick knows that this is the right thing to do, and has declared it as a goal. That goal cannot be postponed to the indefinite future. Justice delayed is justice denied. Introducing Free Community College now would be a bold step that would reverberate around the nation, attracting the attention of politicians, media, business, and education leaders everywhere. In the next few years some state is bound to take this step; enormous benefits of recognition and enthusiasm will accrue to those who are the first to introduce the program. Massachusetts can be and should be the leader.

⁵¹ By the Delta Project on Postsecondary Education Costs, Productivity and Accountability; cited January 16, 2009 in the *New York Times* (Kate Zernike, “Students Covering Bigger Share of Costs of College”).

⁵² In FY2007 net student fees were \$150,533,000 and the state appropriation was \$297,420,000. See chart on pages 6-7. This is the most recent data available to us, but student fees have increased and state appropriations have decreased since then.