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Equity Analysis of Statewide Free College Programs



The Education Trust

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Why Examine Free College?

- Currently 200+ free college programs in 41 states
- In 2016-17 alone:
 - 50 new state and local programs
 - 42 unique proposals and EOs in 28 states related to state-wide programs
- Federal proposals: America's College Promise (Obama 2015), College for All Act (Sanders 2015 & 2017) Debt-Free College Act (Schatz 2018)
- Free college has the potential to join the GI Bill, Morrill Act, and Higher Ed Act of 1965 as a pivotal moment that drastically alters the course of higher education

WHAT DOES IT COVER?

- Living Costs for Low-Income Students
- Fees for All Recipients
- At Least 4 Years of College
- Tuition at 4-Year Colleges

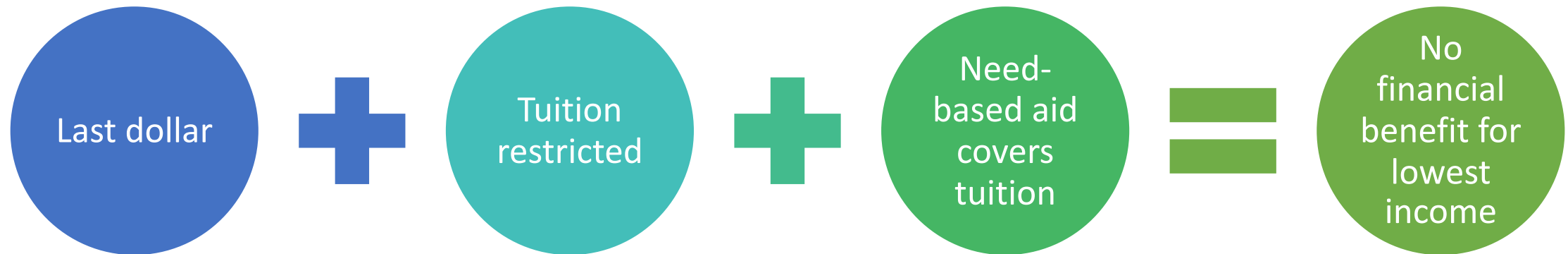
WHO DOES IT COVER?

- Adult and Returning Students
- Students with a 2.0 GPA
- Students Enrolling Half Time

DOES IT STAY A GRANT FOREVER?



Do Low-Income Students Benefit Financially?



- 8 of 13 active statewide programs use this model, which provides little to no financial benefit for low-income students
 - 7 are limited to community colleges (DE, HI, MO, NV, OR, RI, TN)
 - Avg CC tuition: \$3,570
 - Max Pell: \$6,095
 - NY Excelsior includes SUNY and CUNY, 2 and 4 year programs
 - SUNY tuition: \$6,870 (BA), \$4,680 (AA); CUNY tuition: \$6,730 (4 yr), \$4,800 (2 yr)
 - Pell (\$6,095) + TAP (\$5,165) = \$11,260
- 5 of 13 active programs did help low-income students cover living costs
 - 4 have income caps

Approaches to Helping Low-Income Students Cover Living Expenses

Approach	Existing	Proposed
Let awards be used for living costs if tuition is paid through other source: LA, OK, MD (covers CoA up to \$17,500)	3	1
Don't reduce awards based on other grants aka "first dollar": IN, WA	2	2
Provide tuition waivers or exemptions instead of direct aid: CA*	1	3
Provide minimum awards or cover select expenses (e.g. books and supplies) aka "last dollar plus": OR, HI, MT* <i>not sufficient to meet living cost criteria</i>	3	4

- Of the 5 active programs meeting this criteria, 4 have an income cap

*programs in CA and MT have been enacted but not implemented

What's Covered?

- 8 of 13 existing programs cover fees
 - Often just mandatory fees
 - Fees make up ~20% of tuition and fees at a typical 4-year public college
 - Average fees at 4 year publics went up from \$912 in 2000 to \$1,885 in 16-17, more rapid growth than tuition
- 6 of 13 existing programs enable students to earn a BA
 - 5 are first dollar (IN, LA, MD, OK, WA)
 - Of these, 4 are income capped (all but LA)
 - NY is the only last dollar program that covers BAs

Who's Eligible?

- Only 2 of 13 active programs benefit adult and returning students (TN and HI), both are last dollar, CC only
- 9 require students to enroll full time or earn 30 credits/year, often without providing sufficient aid for low-income students to forgo work
- 4 require students to earn higher than a 2.0 GPA in college to maintain eligibility

A Growing Trend– Penalizing Free College Aid Recipients for Moving Out of State

- **New York Excelsior:** recipients must repay aid if they don't live in the state for as many years as they received the award, and, if employed during that time, be employed in New York (no interest)
- **Rhode Island Promise:** recipients are asked to commit to staying in the state after college, but there's no penalty for leaving
- **Florida Sunshine Scholarship proposal:** require must repay aid plus interest (equal to the federal student loan interest rate) if they don't live and work in the state as long as they received the grant
- **Wisconsin Promise Program proposal:** recipients must repay aid plus 5% interest if they don't graduate with a 3.0 GPA and maintain continuous employment in the state for three years after graduation

Free College – Who Do Programs Benefit?

- Programs without income caps were less likely to benefit low-income students and students of color, e.g.:
 - 1/3 of Missouri A+ Grant recipients were from families earning over \$100k and 1/2 of the program’s funding was spent on families who earned over \$80k
 - Only 18% of Delaware SEED Grant recipients were Pell eligible in 2018
 - 78% of Oregon Promise funds went to non-Pell students (dropped to 69% w/ income cap)

State	% of Free College Participants : Black	% State Population : Black	% of Free College Participants : Hispanic	% State Population : Hispanic	Income cap?
Delaware	12%	23%	13%	9%	No
Indiana	15%	10%	10%	7%	Yes
Maryland	50%	31%	N/A ¹	N/A	Yes
Missouri	2%	12%	3%	4%	No
Oklahoma	9%	8%	13%	10%	Yes
Oregon	1%	2%	19%	13%	No ²
Tennessee ³	14%	17%	4%	5%	No
Washington	9%	4%	31%	12%	Yes

¹ Maryland disaggregated by Black and non-Black only

² Oregon had an income cap in 2017-2018 but that cap was not in effect when the demographic data above was collected

³ Includes Tennessee Promise only and includes students who qualified but did not receive aid because their tuition was paid for from other sources

Free College Approaches that Advance Equity

- Cover tuition and living expenses for low-income students
- Cover fees along with tuition
- Include four-year colleges and universities and provide enough aid to support students in earning bachelor's degrees
- Eliminate eligibility criteria that limit participation of students who stand to benefit the most
- Include data on program participation, experiences, and outcomes, disaggregated by race and income that is publicly available
- Incorporate, or implement alongside free college, strategic investments in to student supports, success, and completion