

## The False Promise of Free College

Progressives intend to resurrect the bad idea  
of “Free Community College for All”

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## Key Takeaways

The concept of a federal “free community college” program has not died, as Progressives continue to lobby and plan for it.

Federally funded “free community college” proposals are built on several falsehoods. Such proposals will *not* lead to better student outcomes or a more productive workforce. The cost to taxpayers would be significant while the benefits would go to a few special interests. In particular, President Biden’s “free community college” plan:

- Imposes heavy financial obligations on states while interfering with state-based programs and limiting the ability of community colleges to address local needs.
- Ignores the low graduation rates at community colleges and the lack of preparedness of high school graduates.
- Overlooks existing state and federal programs that already help needy students obtain a free postsecondary education. Enhancements to these existing programs would benefit students and taxpayers far more than the Biden “free” proposal.



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## Executive Summary

For more than a century, community colleges have played a vital role in America’s higher education system. About one-third of America’s post-secondary students rely on community colleges for credit-bearing classes.<sup>1</sup> Millions of others rely on them for non-credit programs that lead to better jobs and lives.<sup>2</sup>

With its “Free Community College for All” proposal, the Biden Administration proposed a new federal entitlement: two more years of “free” public education. The plan sought two fundamental changes to the relationship between the federal government and state-supported community colleges. First, the proposal would dramatically increase the flow of federal funding to community colleges, increasing their total revenue by nearly 40 percent each year and undoubtedly bringing new requirements and regulations for participants.<sup>3</sup>

Second, the feds would massively invest *directly* in community colleges, in contrast to the historical approach where federal aid goes to students, who can then choose to direct that aid to a community college or a variety of other options. This aspect of the Biden “free college” proposal would create perverse incentives. It would, for example, substantially shift the focus of community colleges away from attracting and keeping students—and toward attracting and keeping federal funds. Over time, this shift in funding would create a strong probability that community colleges will become less student- and community-centric.

When the “free” proposal re-emerges, Congress should think clearly about whether to use federal funds to, as President Biden says, “add two more years to public education.”<sup>4</sup> Here are a few more points to consider:

- The “free” proposal’s focus on one type of institution—two-year public colleges—might be warranted if those schools produced better than average student outcomes. Unfortunately, community colleges have embarrassingly low completion, or graduation, rates. According to the latest available data,



only 17 percent of first-time, full-time associate-degree students graduate in two years.<sup>5</sup> After six years, just 35 percent of these students graduate.<sup>6</sup>

- The “free” proposal all but ignores the connection between successful degree completion and life outcomes. *Attending* community college is far less impactful than *completing* community college.
- Its advocates seem to rationalize this “free” taxpayer investment with the questionable notion that all children should be induced to attend public school until they are at least 21 years old. The political faction in America that is committed to everyone having a “good union job” finds this plan attractive, because it would create a spike in the number of public-sector union jobs.
- The “free” proposal is built on several faulty assumptions:
  - **Falsehood #1:** *A college degree is essential for today’s labor market. College is not a great fit for everyone. Sometimes, college is just an expensive detour.*
  - **Falsehood #2:** *All high school graduates are prepared to succeed in college.*  
Unfortunately, most high-school graduates are not college-ready.
  - **Falsehood #3:** *With massive federal funding, America’s community colleges will be able to improve their poor graduation rates while incorporating an influx of new students.*  
Community colleges have not improved their completion rates in spite of substantial investments, and they have limited capacity to expand current enrollment.
  - **Falsehood #4:** *A federal “free” plan is needed to make postsecondary education financially attainable for today’s students.*  
In fact, the good news is that students can already take advantage of a robust set of opportunities to cover community college tuition and



fees, including state-sponsored student aid plans and federal Pell Grants.

- **Falsehood #5:** *A massive federal investment in community colleges will cause no harm to other types of higher education institutions.*

For colleges and universities that rely on student enrollments to survive, Biden’s “free” proposal would likely lead to financial distress and, in some cases, closure.

These falsehoods have led to a policy that is ill-conceived and not in the best interest of the American public or American students. Congress should resist the temptation to fund and shape community colleges and instead reform existing programs so they are more effective and enable states to improve postsecondary education.



## Introduction

Community colleges are a uniquely American invention.<sup>7</sup> Although it took decades for these institutions to shed the ill-fitting moniker of “junior colleges,” local communities have relied on them to bolster the local workforce, enhance the quality of life, and provide short-term credentials and two-year associate degrees. More recently, community colleges have become central to higher education policy debates because of the concept of “free community college for all,” or “adding two years of free public education.”

Democrats originally included the Biden administration’s “free community college” plan in the Build Back Better Act of 2021. Although Congress eventually shed the proposal during its months-long negotiations over the bill, President Biden has not abandoned the effort. At a townhall in the fall of 2021, he announced, “I promise you—I guarantee it—we’re going to get free community college in the next several years, across the board.”<sup>8</sup>

In his first address to Congress in April 2021, President Biden announced that First Lady Dr. Jill Biden—an active, unionized college professor—would “be deeply involved in leading” the campaign to achieve universal community college. Less than a year later, in a speech to the Community College National Legislative Summit in Washington, DC, the First Lady had to acknowledge that “free community college is no longer a part of [the Build Back Better Act].”<sup>9</sup> But she also made clear that she and the President saw this as a temporary setback. She ended her prepared statement as follows:

Joe doesn’t quit. He doesn’t give up. He is keeping his promise to rebuild our middle class and he knows that community colleges do just that. . . . He will keep fighting for us. . . . This is how we move forward, step by step. . . . With work and persistence, we will win the progress our students deserve.

Joe and I are with you. We will continue to work as hard for your community as you do. We are not giving up.<sup>10</sup>



We should take Jill Biden at her word. The “Free Community College for All” plan will re-emerge, and the policy battle over whether federal taxpayers should directly fund community colleges will continue.

## President Biden’s “Free Community College for All” Proposal

The Biden administration’s “Free Community College for All” proposal is, at the very least, ambitious. Federal funds would cover tuition and fees for community college students for six semesters (often described by its proponents and the media as two years). Students enrolled at least half-time would benefit, regardless of income level, age, or immigration status.<sup>11</sup> The State Higher Education Executive Officers (SHEEO) Association estimates that 9.4 million students in the fifty states would become eligible.<sup>12</sup>

Biden’s “Free Community College for All,” which is modeled on earlier efforts in Tennessee and the Obama White House, would ostensibly create new federal and state partnerships. Initially, the federal government would contribute 100 percent of the median national tuition of community colleges for each enrolled student. That projected amount stands at \$5,162 (currently \$4,586), according to an analysis from SHEEO.<sup>13</sup> Estimated taxpayer exposure equals 9.4 million eligible students multiplied by \$5,162, or about \$48.5 billion, a number that could be expected to rise over time as tuitions increase and more students exploit “free” college. Fortunately, no one thinks every eligible student would take advantage of Biden’s offer.

The 100 percent federal contribution in the first year would be reduced by five percentage points each subsequent year until it levels off at 80 percent in the fifth year, unless changed by a future Congress. So, starting in the fifth year, states would need to additionally contribute more than \$1,000 to each community college student’s tuition. States would be required to cover the non-federal portion, even if their tuition and fees fall below the national median.



**Summary of Major Provisions of America's College Promise Program (the Biden “Free Community College for All” Plan) in September 2021 House Version of Reconciliation Bill**

Feature	Description
Eligible students	<ul style="list-style-type: none"> <li>• A student who does not have the equivalent of an associate degree and is enrolled in an eligible program at a participating institution at least half-time.</li> <li>• Students must complete a FAFSA and qualify for in-district or in-state tuition (or would qualify if not for immigration status).</li> <li>• Students remain eligible for six semesters or the equivalent, but it is not clear how this will be measured for transfer students.</li> </ul>
Eligible programs	<ul style="list-style-type: none"> <li>• Undergraduate certificate- and associate degree-granting programs at eligible institutions can be eligible as long as the program meets the requirements for Title IV aid.</li> </ul>
Community college definition	<ul style="list-style-type: none"> <li>• The highest degree awarded is an associate degree (including technical colleges with associate degrees, but excluding two-year institutions that only offer certificates) OR</li> <li>• An associate degree is the predominant degree awarded (including institutions that are predominantly two-year but also offer baccalaureate degrees).</li> <li>• Branch campuses of four-year institutions are included if they meet either of the above criteria.</li> <li>• If the state does not operate or control any institutions that meet these criteria, a preexisting college or "similarly structured academic entity" within a four-year institution that meets the above criteria can count as a community college. Under this rule, the community and technical colleges within the University of Alaska campuses and the University of the District of Columbia Community College could qualify for the program, for example.</li> </ul>
Federal subsidy	<p>The federal contribution or match is based on the U.S. median published in-state tuition and fees per full-time equivalent (FTE) student across eligible institutions, unweighted for enrollment. In 2023–24, the federal match is 100 percent of median tuition. This decreases by five percentage points each year, reaching an 80 percent federal contribution in 2027–28.</p>



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<b>Feature</b>	<b>Description</b>
State match requirements	<p>The state contribution or match is a minimum contribution that slowly increases over time. In 2023–24, the minimum state match is 0 percent. The state match begins at 5 percent in 2024–25 and increases in five-point intervals to reach 20 percent by 2027–28. States must meet the minimum match even if they are able to waive tuition and fees with the federal contribution.</p> <p>In addition to satisfying the minimum match, states must eliminate tuition and required fees at eligible institutions. States with above-median tuition will either need to provide an additional contribution to offset the reduction in tuition revenue or eliminate tuition without providing additional funding (thereby reducing total revenue). Local funding and non-tuition need-based financial aid can only be used toward the minimum contribution if states maintain total revenue, thereby incentivizing states to increase funding and avoid a reduction in total revenues.</p>
Maintenance of effort (MOE) requirements	<p>The maintenance of effort (MOE) requirement has three parts, all of which must be met by a participating state:</p> <ol style="list-style-type: none"> <li>1. Total state support per FTE must be equal to or above the average for the previous three years. This appears to include all state funding, including that used for research, non-credit and continuing education, financial aid, and general operating appropriations for two- and four-year public and private institutions.</li> <li>2. Public four-year operating funding must be equal to or above the average for the last three years. This part excludes funding for two-year institutions, private institutions, financial aid, research, and capital and does not specify a per-FTE component.</li> <li>3. Need-based aid must be equal to or above the average for the last three years. This part appears to include public and private two- and four-year institutions and does not specify a per-FTE component.</li> </ol> <p>Local funding is not included in the MOE.</p>
MOE and state contributions	<p>There is MOE and state-match relief if states experience economic downturns as measured by state or national unemployment rates. Tuition and fees would still be required to stay at zero.</p>



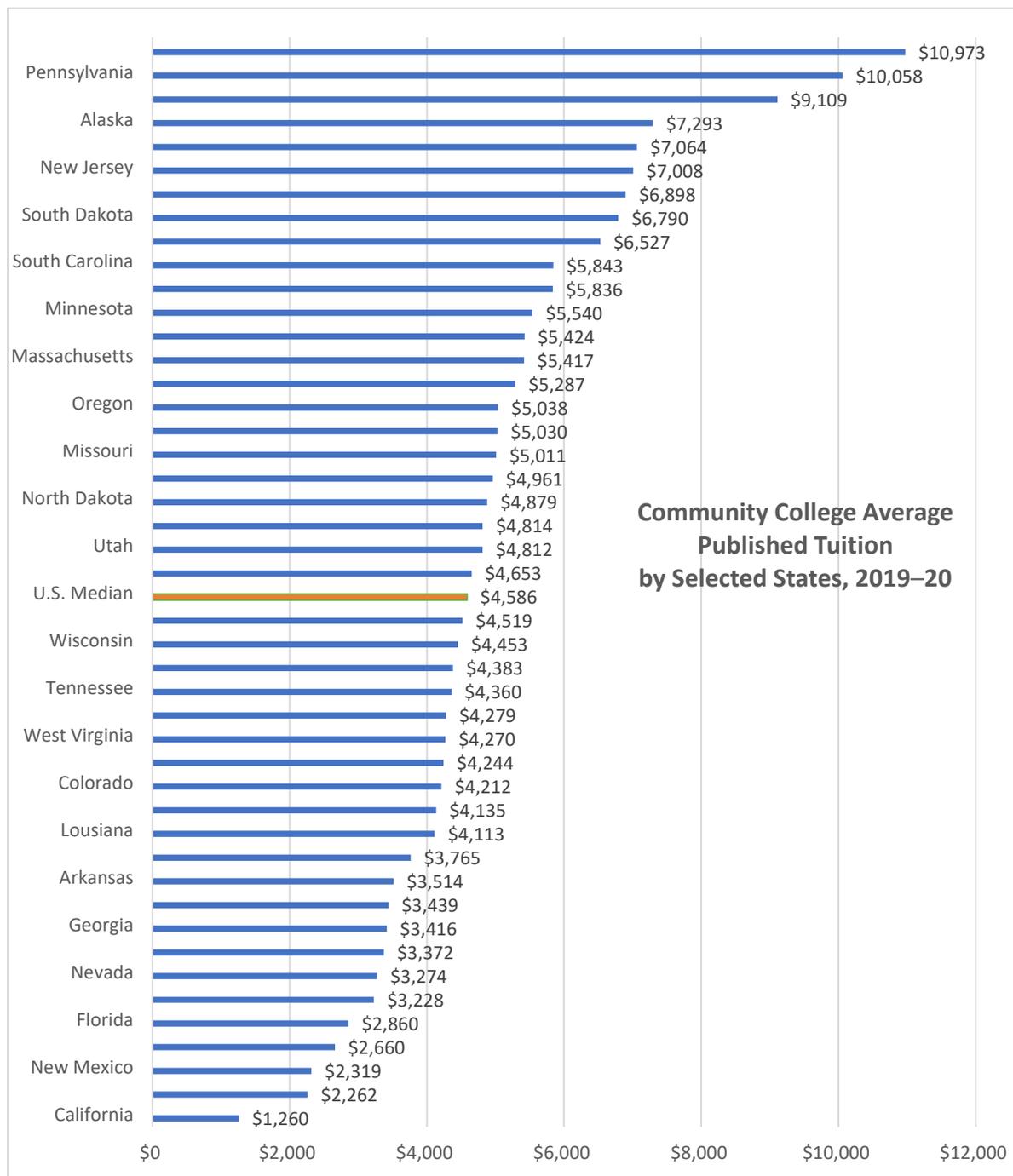
**Summary of Major Provisions of America's College Promise Program (the Biden “Free Community College for All” Plan) in September 2021 House Version of Reconciliation Bill**

<b>Feature</b>	<b>Description</b>
Use of funds	States are not permitted to use any of the federal-state partnership funds for administration.

**Biden’s “free” proposal places an ever-increasing burden on state budgets to fund the federal initiative.**

*Source: SHEEO Analysis of President Biden’s “Free Community College for All” Initiative, 2021*

By setting the federal contribution at the national median, the proposal creates issues for participating states that are above or below that national median (which is all of them). States with higher-than-median tuition and fees would be required to fund the amount over that national median because the law obliges them to set tuition and fees at zero for their community college students. States with lower-than-median tuition would not fully benefit from the federal subsidy unless they raise their tuitions to match the national median. Then, over time, they would be obliged to cover the 20% match at the new, higher amount. In either scenario, tuition and fees cover only about one-third of the cost of serving a full-time student, and states would be obliged to cover the other two-thirds for the increasing number of students attending “free” college.



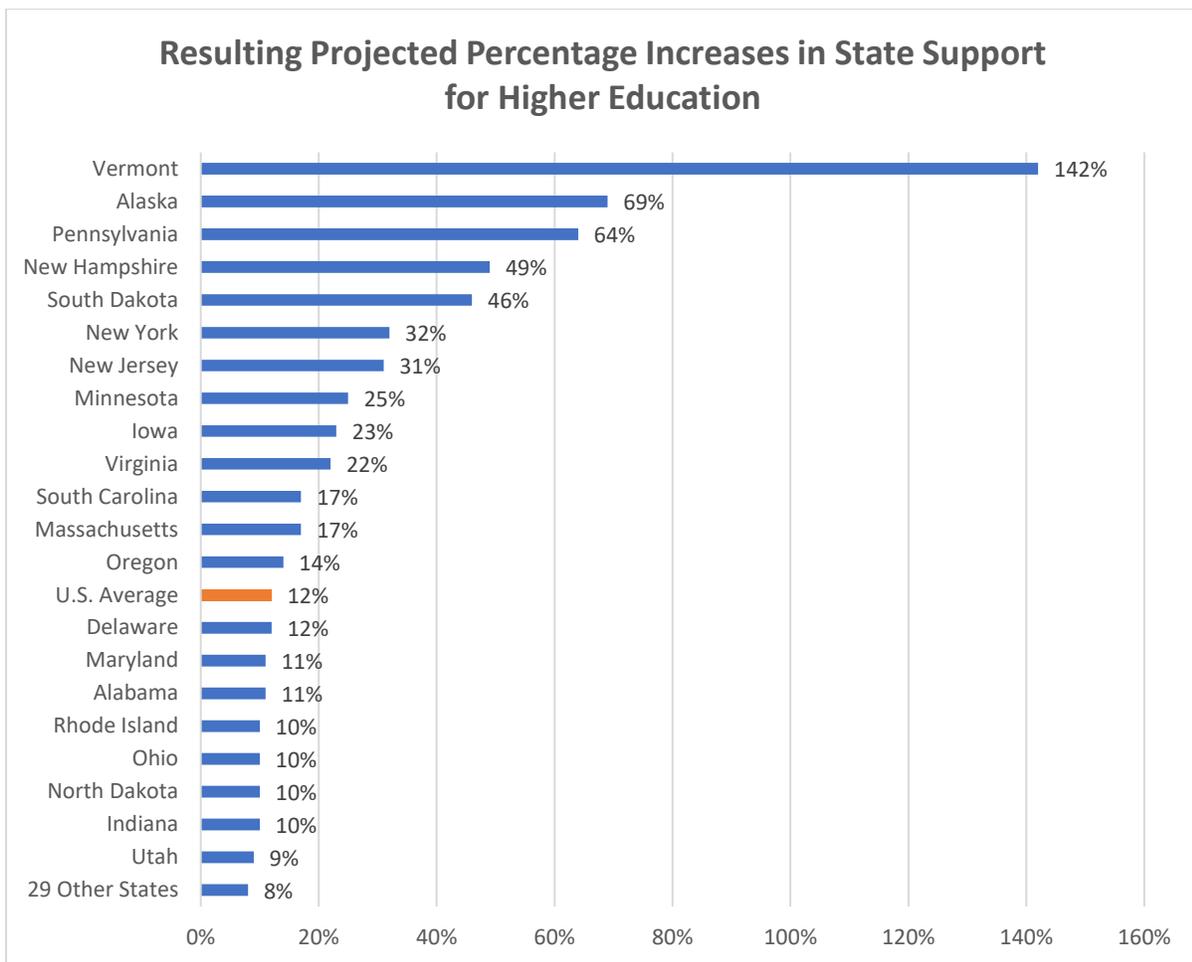
Community College Average  
Published Tuition  
by Selected States, 2019–20

**Community college tuition varies widely across the country, so a policy based on the national median creates problems and perverse incentives.**

*Source: SHEEO Analysis of President Biden’s “Free Community College for All” Initiative, 2021*



These state budget dynamics discourage voluntary participation, and SHEEO projects that 21 states would not participate in the Biden “free” plan because of the drastic increase in higher education costs for those states.<sup>14</sup> An analysis from SHEEO projects that the Biden proposal would require states to increase their funding for higher education by anywhere from 8 percent to an astounding 142 percent.<sup>15</sup>



**SHEEO projects that under the Biden “free” proposal, states would have to increase their support for community colleges between 8 percent and 142 percent.**

*Source: SHEEO Analysis of President Biden’s “Free Community College for All” Initiative, 2021*



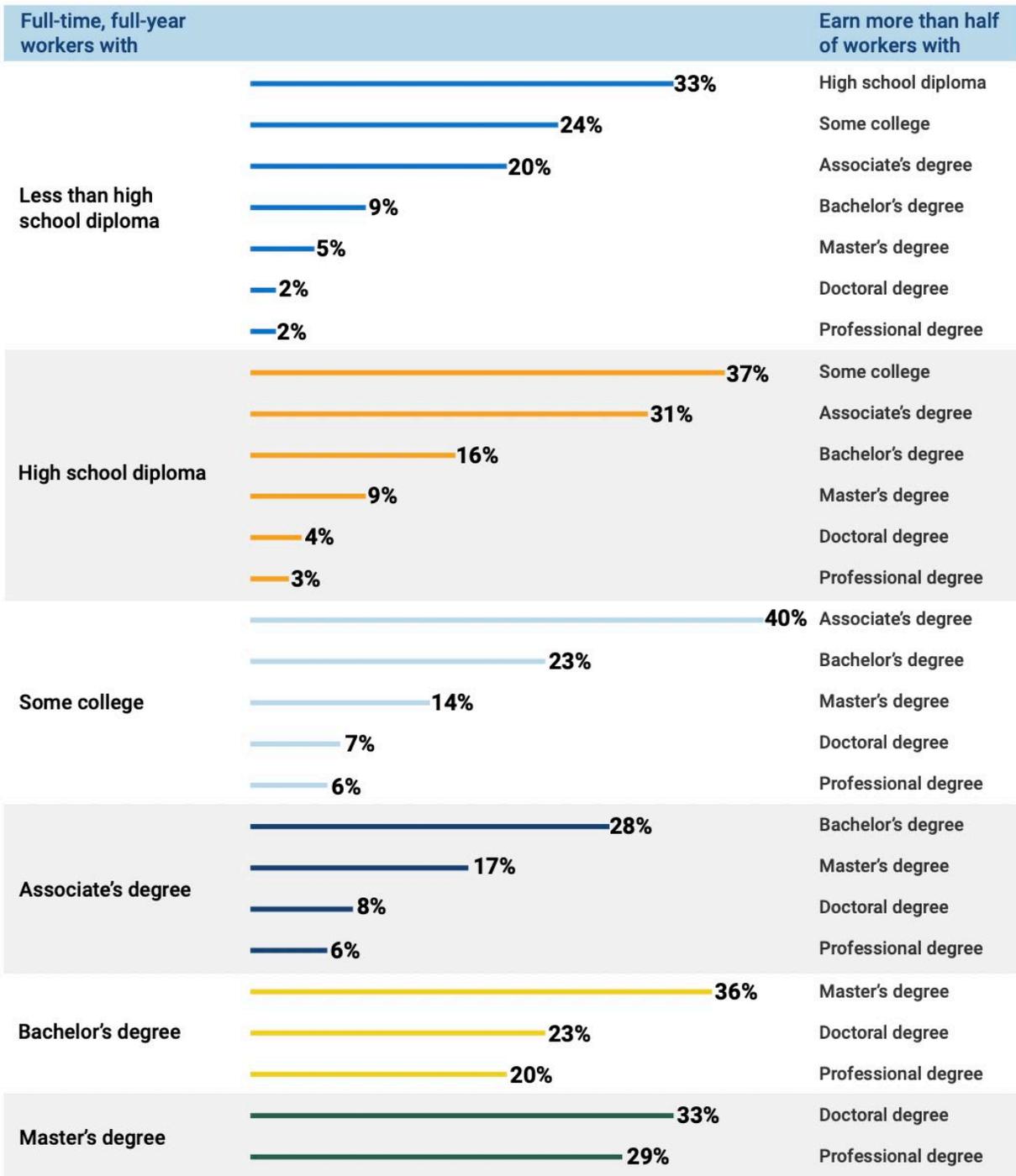
The Biden “free” plan also includes “maintenance of effort” (MOE) requirements that preclude states from using federal funds to supplant state revenues. On average, states will have to increase their investments in community colleges by 12 percent, or \$387 per full-time equivalent (FTE) student.<sup>16</sup> Seven states would need to increase per-student funding by more than 25 percent.<sup>17</sup> With inflation at a forty-year high, many states will find themselves contributing greater and greater amounts of taxpayer dollars to comply with the MOE mandates.<sup>18</sup> For state lawmakers, this is what “free” looks like.

## Free College is a False Promise

“Free Community College For All” is merely a false promise. It would help institutions, not most students, and at great cost to taxpayers. Biden’s “free” plan is built on at least five faulty assumptions:

**Falsehood #1:** A college degree is essential for today’s labor markets

Current data consistently demonstrates that, for many Americans, a college degree is simply not the best economic investment or path to prosperity. A recent study from Georgetown University’s Center on Education and the Workforce found that a substantial and growing number of people *without* a bachelor’s degree are out-earning those with such a degree.<sup>19</sup> Many careers that do not require a bachelor’s degree—including air traffic controllers, construction contractors, welders, and many healthcare auxiliaries—provide robust economic opportunity and earnings at or above the median for four-year degree holders.<sup>20</sup> For most students, their chosen field of study is a more accurate indicator of future earnings than the type of credential. For example, jobs in health services, on average, earn more than similarly credentialed jobs in hospitality and service.<sup>21</sup>



Although college can be a financially attractive investment, nearly a third of high school graduates earn more than what the median community college graduate earns.

Source: Georgetown University Center's on Education and the Workforce, 2021



Students can already access robust funding for apprenticeships and workforce training, which do not require college degrees, through several programs offered by companies and state and federal governments, including those managed by the U.S. Departments of Labor and Commerce. Corporations such as Google and Microsoft are beginning to jettison degree requirements in favor of discipline-specific and intensive certificate training programs (many of which are authored or sponsored by the companies themselves).<sup>22</sup> These overlooked components of American higher education provide students with low investment/high return opportunities without creating another expensive federal program.<sup>23</sup>

#### **Falsehood #2:** Most high school graduates are “college ready”

Much of the “Free Community College for All” plan is built not only on the false assumption that all students should go to college, but also on the assumption that all high-school students are ready for college. Sadly, this is not the case. We know from national tests and remediation rates at community colleges that most high school graduates are unprepared for postsecondary academics.

The SAT, the standardized college admissions test, starkly demonstrates the lack of college readiness across the country. The SAT is designed to predict a student’s likelihood of collegiate success. Specifically, the exam’s benchmarks are designed to indicate a 75 percent likelihood that a student will achieve a “C” or better in first-semester college courses. According to the latest data from the College Board, only 43 percent of those taking the SAT achieved those minimal benchmarks, suggesting that nearly 60 percent of test-takers are not minimally prepared to be successful in a college environment.<sup>24</sup>

Pass rates on the military entrance exam, known as the Armed Services Vocational Aptitude Battery (ASVAB), also paint a gloomy portrait of high school graduates’ college readiness. This test is designed to discern whether the potential volunteer is likely to have a successful career in the U.S. military. According to The



Education Trust, a survey of nearly 350,000 recent high school graduates who sat for the ASVAB found that nearly one in four (23 percent) failed to obtain a passing score.<sup>25</sup> Most of the questions on the ASVAB would not be judged as overly difficult. For example, one question asks the test-taker to answer the following: "If 2 plus x equals 4, what is the value of x?"<sup>26</sup>

These results are not surprising to anyone who tracks the achievement levels reflected on the National Assessment of Educational Progress (NAEP), often described as the Nation's Report Card. According to the latest results from 2019 (pre-pandemic) reading tests, only 34 percent of 8th graders scored at levels (proficient or advanced) indicating they were on track to succeed in college.<sup>27</sup> Another 39 percent received "basic" scores, suggesting they could read a basic, grade-level passage of text.<sup>28</sup> The balance of students, 27 percent, scored "below basic," meaning they could not comprehend a basic, grade-level passage.<sup>29</sup>

Unfortunately, students too often learn they are not prepared for college-level work only when they get to college and receive their placement-exam results. Sixty percent of community college students have to enroll in English and math remediation classes, which do not typically earn credits toward a degree, to pick up what they should have learned in high school.<sup>30</sup>

**Falsehood #3:** With massive federal funding, our community colleges will be able to improve *and* incorporate an influx of new students

Many of the higher education policy conversations start (and too frequently stop) with the issue of accessibility—that is, the opportunity to enroll in some form of postsecondary education. Historically, America's 1,000 or so community colleges have proven to be a financially attractive access point for high school graduates. In fact, they enroll more than 30 percent of the nation's undergraduate students.<sup>31</sup>

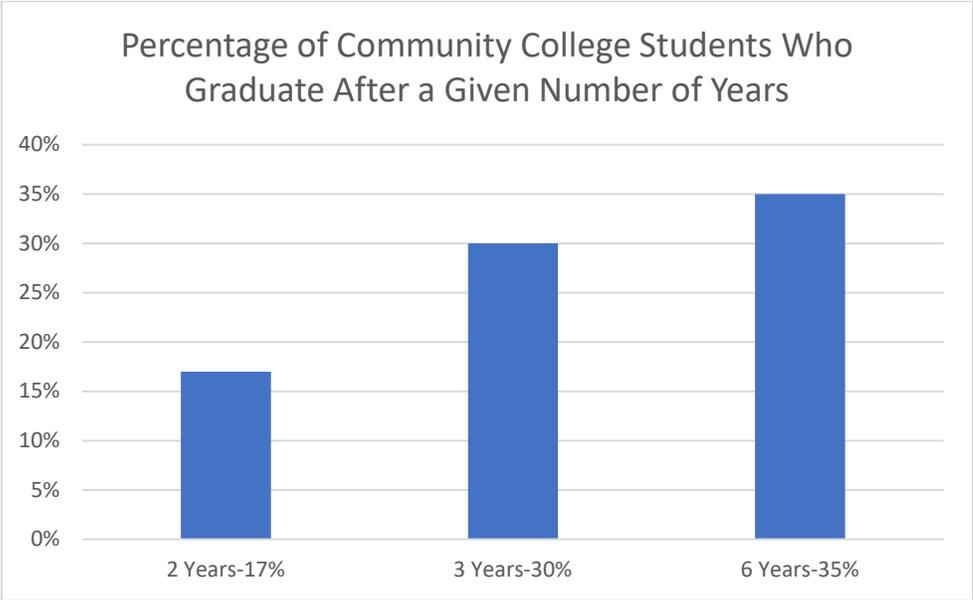
Even if officials take the extreme position that universal and free college is critical to America's ongoing prosperity, they still have to acknowledge that "access" is only a first step. Prosperity and individual financial success come not



from enrolling in college, but rather from completing it. Any policy that provides access without encouraging completion will end in failure and unnecessary expense to the student and taxpayers. Unfortunately, at a very high cost, the Biden “Free Community College for All” plan encourages access to institutions that do not, by and large, get students to complete and graduate.

Because these are two-year schools, one might expect that graduation rates would be based on two years of attendance, or perhaps the three years implied in the Biden plan’s six semesters of tuition support. For the record, those completion rates for first-time, full-time students stand at 17 percent after two years, and 30 percent after three years—meaning that 70 percent have not completed their programs after three years.<sup>32</sup>

Perhaps for obvious reasons, the higher education industry prefers to look at six-year graduation rates, and for America’s community colleges, that number currently stands at 35 percent.<sup>33,34</sup>



**Even after six years in two-year community college programs, less than half of students receive an associate’s degree.**

*Source: National Center for Education Statistics, cohort year 2016*



The very structure of most community colleges likely hinders significant improvement in these disappointing graduation rates. Most community colleges are mired in numerous regulations, saddled with fixed costs, and subjected to a politicized governance structure that inhibits change. Community colleges, particularly under a federalized model such as the Biden plan, will be unable to innovate and meaningfully improve their student outcomes.

Some argue that the increased enrollments and revenue anticipated from “free” college would help schools overcome their low rates of degree completion. Unfortunately, the plan’s design exacerbates the financial strain on community college systems. The Biden plan proposes to use the national median tuition and fees, about \$5,000, as the base for the per-student federal contribution. However, a public community college typically spends an average of \$17,950 per FTE student.<sup>35</sup> So, each additional student creates a financial burden of almost \$13,000. If more students are indeed lured by the promise of “free” college, institutions and states would be left to figure out how to raise revenue to serve existing and new students. In practice, the gap of \$13,000 or more per student would have to be filled by state and local taxpayers, because increases in tuition and fees are not permitted for states participating in Biden’s “free” plan.

Over time, the financial burden of the “free” plan on states and communities would increase even more as the federal subsidy drops to 80 percent of the national median tuition in the fifth year of the proposal. Community colleges will likely be severely challenged as they absorb the influx of “free” college students. It seems highly unlikely that they will be able to simultaneously take the needed steps to improve degree completion rates.

The Biden plan’s reliance on the national median of tuition and fees creates another problem. These standardized amounts often do not cover the full cost of helping low-income students complete their degrees. Community colleges almost always articulate a special mission to educate and provide opportunities for low-



income students. In fact, more than one-third of community college students come from families earning less than \$20,000 per year.<sup>36</sup> These economically disadvantaged students tend to require more resources to get to graduation—as much as 40 percent more (i.e., \$24,067 versus \$17,191).<sup>37</sup>

Many community colleges already assert that they are woefully lacking in the resources needed to support their low-income students, including academic support positions—professional staff such as academic success coaches, mental health counselors, career guidance counselors, and librarians—which research suggests are vital for success and graduation outcomes.<sup>38</sup> Because the Biden plan places a greater financial burden on states and community colleges, the chronic lack of resources and instructional capacity will be exacerbated, threatening to further erode already abysmal graduation rates. The “free” community college plan could perpetuate the very lack of opportunity that it was purportedly designed to address.

**Falsehood #4:** A federal “free” plan is needed to make postsecondary education financially attainable for today’s students

Proponents of the “Free Community College for All” plan would have you believe that there is no better alternative to helping students attain a postsecondary education. The truth is that many other federal, state, local, and corporate programs already exist to help students achieve a postsecondary education, most with more targeted and efficient approaches than Biden’s “free” plan. In fact, the majority of states already have such programs in place.

Currently, forty-six states and the District of Columbia have programs aligned with the College Promise for All initiative, which aims to make college more accessible and affordable, especially for low-income families.<sup>39</sup> Of these, twenty-six states and counting already have, or are working toward, their own state-wide “Free Community College for All” plans.<sup>40</sup>





community colleges might compromise the ability of state and local government to respond to local needs.

Importantly, Congress has already authorized a program for the nation's students with the most need. Initiated in 1972, the Pell Grant is a focused, taxpayer-sensitive program that provides non-debt resources for economically disadvantaged students to attend college and attain academic degrees. Under the program's parameters, the lowest-income students receive a maximum Pell benefit of \$6,895, more than enough to cover the published tuition and fee rates in the majority of states.<sup>42</sup> Only three states have community college tuition and fees that would not be fully covered by the current maximum Pell benefit: New Hampshire, Alaska, and Vermont.<sup>43</sup> In addition, the average net cost of tuition and fees in 2021—after applying applicable grants and scholarships at America's community colleges—was negative \$220.<sup>44</sup>

In addition, high schools across the nation encourage students to gain college credit at minimal or no expense to the student or their families through dual enrollment, Advanced Placement, and early college programs. In fact, more than 70 percent of U.S. high schools offer some type of college credit program.<sup>45</sup> Many students who take full advantage of their high school's offerings can earn up to 30 credits or more, allowing them to enter college as a sophomore and saving up to a year of standard college tuition.<sup>46</sup>

Military service is another avenue students may use to obtain their desired postsecondary education at little, or no, cost. The U.S. Department of Defense and the U.S. Department of Veterans Affairs provide very generous college education benefits to both active service members and veterans.<sup>47</sup> Used efficiently, these programs more than cover the cost at almost all two-year and many four-year higher education institutions. The Biden "free" plan could very well have the unintended consequence of steering individuals away from military service, risking the further depletion of new recruits to our Armed Forces.



Finally, a growing number of companies and corporations are adding college tuition assistance as part of their employee benefits packages. Starbucks and Walmart are perhaps among the best-known, but thousands of companies offer programs that will cover the cost of certificate training, two-year associates degrees, and four-year degrees.<sup>48</sup>

**Falsehood #5:** The feds can extend K–12 public education through community college without impacting other types of postsecondary schools

The Biden administration’s “free” plan would negatively impact other sectors of American postsecondary education, especially four-year public and private colleges and universities. While essentially appending community college to the K–12 public education system, Biden’s “free” plan will initially put strain on the recruitment and admissions efforts of the nation’s four-year degree-granting institutions, which are already dealing with historic declines in the number of high school graduates, predicted to only worsen over the next decade. Some of those institutions may not survive. Biden’s plan runs the very real risk of “crowding out” such alternatives for students.

Preliminary data from states that have adopted some form of free community college confirm these concerns. When Tennessee adopted a free community college initiative in 2015, the University of Tennessee (the state’s flagship institution) endured a 5.5 percent drop in its freshman class.<sup>49</sup> Similarly, public four-year institutions in Oregon saw a 2.9 percent decline in total enrollment in the first year after a free, statewide community college initiative was introduced.<sup>50</sup> These initial losses can translate to tens of millions of dollars in lost revenue each year—revenue that is most often replaced by increased state and local taxes or higher tuition at those four-year institutions.



## Recommendations

If the goal of federal postsecondary investments is to increase career opportunities and economic productivity (as opposed to enriching institutions), then postsecondary policy should recognize that:

- 1) Two-year and four-year degrees are not the only means by which career advancement can be achieved.** The federal government should expand support for non-degree credentials as a cost-effective postsecondary option. The nation's employers should reevaluate whether college-degree requirements are necessary for specific jobs and whether they would be better off preferencing industry-specific non-degree credentials. Congress and the U.S. Department of Education should revise existing Pell Grant laws and regulations that prevent students from using those funds for many career-enhancing but non-degree credentials. Opening the Pell Grant program to a larger variety of postsecondary education opportunities (including additional short-term and non-degree credentials) would immediately benefit the nation's neediest students, and it would more nimbly align student education options with the quickly evolving needs of America's workforce.
- 2) Existing programs already make college affordable, when two-year and four-year degrees are legitimately required for careers.** Biden's "Free Community College for All" plan should be abandoned in favor of these established programs that already accomplish the same goal in a more efficient and targeted way. Congress can productively consider reforming such programs as Pell Grants, veterans' benefits, and tax handling of business investments in postsecondary degrees.
- 3) A "free" college program that directly funds institutions, not students, creates dangerous disincentives.** The Biden "free" plan would waste taxpayer funds on uncompleted degrees, cause financial distress for non-



government schools, put enormous financial strain on participating states and schools, and attract only a few states to participate (burdening the rest). Moreover, the Biden plan threatens to undermine some of the greatest attributes of American higher education—namely consumer choice, diversity of supply, local control, and innovation. By centralizing responsibility in federal hands, the Biden plan will dramatically shift American postsecondary education from a student-demand model to a federal-compliance model, most likely resulting in fewer choices for students and increased barriers for innovation in the higher education marketplace. Congress should instead improve and expand existing programs that directly fund students, improve completion rates, and serve the interests of all types of students and institutions.

## Conclusion

Community colleges play an important role in postsecondary education, but they currently have a disappointing record serving their students—particularly low-income, vulnerable students. The Biden “free” plan might generate a new influx of students for community colleges, but those students would not likely be served effectively under a federally controlled community college system. Unless and until we improve the completion rates at community colleges, as well as the college readiness rates at their K–12 district feeders, Biden’s “Free Community College for All” plan would be costly and counterproductive

Proponents of “Free Community College for All” will predictably say that their critics are just trying to reduce federal expenditures and do not care as much as they do about disadvantaged students. The reality is we oppose the Biden “free” plan precisely because we care about such students and do not want them trapped in a system that, statistically, has such a low chance of promoting their success. It is also true that we do not want to waste federal dollars, and we believe the drive toward “free” and compulsory college is best managed and funded by states.



## The Defense of Freedom Institute for Policy Studies, Inc.

DFI is a nonpartisan, nonprofit organization focused on providing thoughtful, conservative solutions to challenges in the areas of education, workforce, labor, and employment policy.

Through a unique blend of policy and legal expertise, we fight to: expand school and work opportunities for all Americans; limit the power of federal agencies and government-sector unions; and defend the civil and constitutional rights of all Americans in the classroom and the workplace.

Among its initiatives, DFI reimagines the federal role in postsecondary education and workforce development, with the goals of making career preparation accessible and affordable for all students and productive for all taxpayers.

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## Endnotes

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<sup>1</sup> “Number of students enrolled in postsecondary institutions annually, by sector of institution: 2019-20,” National Center for Education Statistics. <https://nces.ed.gov/ipeds/TrendGenerator/app/build-table/2/2?cid=1>.

<sup>2</sup> Tamar Jacoby, “The Indispensable Institution: Taking the Measure of Community College Workforce Education,” Opportunity America, September 2021. <https://opportunityamericaonline.org/wp-content/uploads/2021/10/FINAL-survey-report.pdf>.

<sup>3</sup> 40% was calculated by dividing the total new investment detailed by the White House (<https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/28/fact-sheet-the-american-families-plan/>) by 5 years to obtain a per year investment (\$21,926,000,000), and dividing that number by the latest available total revenue for public community colleges (\$55,788,676,000) obtained from NCES ([https://nces.ed.gov/programs/digest/d21/tables/dt21\\_333.10.asp](https://nces.ed.gov/programs/digest/d21/tables/dt21_333.10.asp)).

<sup>4</sup> President Joe Biden 2021, “President Joe Biden Delivers Remarks at Tidewater Community College in Norfolk, VA,” May 3, 2021, CSPAN, transcript and video, 12:50, <https://www.c-span.org/video/?511434-1/president-biden-delivers-remarks-tidewater-community-college>.

<sup>5</sup> “Table 3. Graduation rates within 100, 150, and 200 percent of normal program completion time at Title IV institutions among the students who started as full-time, first-time degree/certificate-seeking undergraduate students, by control of institution, degree or certificate sought, and level of institution: United States, cohort years 2012 and 2016,” National Center for Education Statistics, <https://nces.ed.gov/ipeds/search/ViewTable?tableId=30450&returnUrl=%2Fipeds%2Fsearch>.

<sup>6</sup> *Ibid.*



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<sup>7</sup> Richard L. Drury, “Community Colleges in America: A Historical Perspective,” *Inquiry* 8, No. 1, (Spring 2003): 1, <https://files.eric.ed.gov/fulltext/EJ876835.pdf>.

<sup>8</sup> Joe Biden 2021, “Remarks by President Biden in a CNN Town Hall with Anderson Cooper,” October 21, 2021, The White House, transcript, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/10/22/remarks-by-president-biden-in-a-cnn-town-hall-with-anderson-cooper-2/>.

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<sup>10</sup> *Ibid.*

<sup>11</sup> “H.R.2861 - America’s College Promise Act of 2021”, Congress.gov, accessed July 21, 2022, <https://www.congress.gov/bill/117th-congress/house-bill/2861/text>.

<sup>12</sup> Sophia Laderman, Jenna R. Sablan, and Kelsey Kunkle, “Modeling State Investment in America’s College Promise,” State Higher Education Executive Officers Association, September 27, 2021, <https://sheeod.medium.com/modeling-state-investment-in-americas-college-promise-e3e65cafaafc>.

<sup>13</sup> *Ibid.*

<sup>14</sup> *Ibid.*

<sup>15</sup> *Ibid.*

<sup>16</sup> *Ibid.*

<sup>17</sup> *Ibid.*

<sup>18</sup> “Consumer Prices Up 8.6 percent Over Year Ended May 2022,” TED: The Economics Daily, Bureau of Labor Statistics, U.S. Department of Labor, June 14, 2022, <https://www.bls.gov/opub/ted/2022/consumer-prices-up-8-6-percent-over-year-ended-may-2022.htm>.

<sup>19</sup> Anthony P. Carnevale, Ban Cheah, and Emma Wenzinger, “The College Payoff: More Education Doesn’t Always Mean More Earnings,” Center on Education and the Workforce, Georgetown University, 2021, <https://files.eric.ed.gov/fulltext/ED615605.pdf>.

<sup>20</sup> *Ibid.*

<sup>21</sup> *Ibid.*

<sup>22</sup> Jim Lundy, “Tech Titans Dive Into Learning: Google and Microsoft,” Aragon Research, July 6, 2020, <https://aragonresearch.com/google-microsoft-learning/>.

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<sup>24</sup> CollegeBoard, “SAT Benchmark Results,” 2021, <https://satsuite.collegeboard.org/k12-educators/about/understand-scores-benchmarks/benchmarks>.



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<sup>25</sup> Christina Theokas, “Shut Out of the Military: Today’s High School Education Doesn’t Mean You’re Ready for Today’s Army,” The Education Trust, December 2010, [https://edtrust.org/wp-content/uploads/2013/10/ASVAB\\_4.pdf](https://edtrust.org/wp-content/uploads/2013/10/ASVAB_4.pdf).

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<sup>29</sup> *Ibid.*

<sup>30</sup> T. Bailey, “Challenge and Opportunity: Rethinking the Role and Function of Developmental Education in Community College,” *New Directions for Community Colleges*, 145, 11-30, 2009, <https://ccrc.tc.columbia.edu/publications/challenge-and-opportunity.html>.

<sup>31</sup> “Table 6. Unduplicated headcount enrollment and percentage distribution at Title IV institutions, by control of institution, student level, level of institution, gender, and race/ethnicity: United States, 2019–20,” National Center for Education Statistics, <https://nces.ed.gov/ipeds/search/ViewTable?tableId=28462&returnUrl=%2Fipeds%2Fsearch%3FresultType%3Dtable%26sortBy%3Drelevance%26query%3D%26query2%3D%26surveyComponents%3D12-month%2BEnrollment%2B%2528E12%2529%26surveyComponents%3DCompletions%2B%2528C%2529>.

<sup>32</sup> “Table 3. Graduation rates within 100, 150, and 200 percent of normal program completion time at Title IV institutions among the students who started as full-time, first-time degree/certificate-seeking undergraduate students, by control of institution, degree or certificate sought, and level of institution: United States, cohort years 2012 and 2016,” National Center for Education Statistics, <https://nces.ed.gov/ipeds/search/ViewTable?tableId=30450&returnUrl=%2Fipeds%2Fsearch>.

<sup>33</sup> *Ibid.*

<sup>34</sup> For context, the standard measure of graduation persistence includes only first-time, full-time students—an approach that favors traditional four-year colleges. Community colleges overwhelmingly enroll the nation’s non-traditional students, who are returning to college after substantial time away, want to gain some specific career-oriented skills, and have no intention of graduating. Future policy discussions should incorporate an analysis of how to more fairly apply graduation measurements to community colleges; still, the historic graduation numbers from community colleges indicate that persistence and graduation rates are declining and not improving for community colleges.

<sup>35</sup> “Expenses per full-time-equivalent (FTE) student at degree-granting postsecondary institutions, by level and control of institution: 2019-20,” National Center for Education Statistics, <https://nces.ed.gov/programs/coe/indicator/cue/postsecondary-institution-expense>.

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<sup>37</sup> David J. Deming and Christopher R. Walters, “The Impact of Price Caps and Spending Cuts On U.S. Postsecondary Attainment,” National Bureau of Economic Research, August 2017, <https://www.nber.org/papers/w23736>.

<sup>38</sup> *Ibid.*

<sup>39</sup> College Promise for All. [Collegepromise.org](http://Collegepromise.org).

<sup>40</sup> “Public Colleges & Universities Should Be Tuition Free,” Campaign for Free Community College, <https://www.freecollegenow.org/>.

<sup>41</sup> Joel Anderson, “The Most Wanted Jobs in Every State [Analysis of U.S. Bureau of Labor Statistics],” *GoBankingRate.com*. February 8, 2021, [https://www.gobankingrates.com/money/jobs/most-wanted-jobs-every-state/?utm\\_campaign=987927&utm\\_source=yahoo.com&utm\\_content=12](https://www.gobankingrates.com/money/jobs/most-wanted-jobs-every-state/?utm_campaign=987927&utm_source=yahoo.com&utm_content=12).

<sup>42</sup> Jennifer Ma and Matea Pender. “Trends in College Pricing and Student Aid 2021,” CollegeBoard, <https://research.collegeboard.org/media/pdf/trends-college-pricing-student-aid-2021.pdf>.

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<sup>45</sup> Kelly Field, “The Rise Of Dual Credit,” *Education Next* 21, No. 1. (September 2020): 56-62, <https://www.educationnext.org/rise-dual-credit-more-students-take-college-classes-high-school-degree-attainment-rigor/>.

<sup>46</sup> Josh Moody, “How To Earn College Credit Through Dual Enrollment,” *U.S. News and World Report*, February 10, 2021, <https://www.usnews.com/education/best-colleges/articles/how-to-earn-college-credit-through-dual-enrollment>.

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