

For Immediate Release

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## **FACT SHEET - White House Unveils America's College Promise Proposal: Tuition-Free Community College for Responsible Students**

Nearly a century ago, a movement that made high school widely available helped lead to rapid growth in the education and skills training of Americans, driving decades of economic growth and prosperity. America thrived in the 20<sup>th</sup> century in large part because we had the most educated workforce in the world. But other nations have matched or exceeded the secret to our success. Today, more than ever, Americans need more knowledge and skills to meet the demands of a growing global economy without having to take on decades of debt before they even embark on their career.

Today the President is unveiling the America's College Promise proposal to make two years of community college free for responsible students, letting students earn the first half of a bachelor's degree and earn skills needed in the workforce at no cost. This proposal will require everyone to do their part: community colleges must strengthen their programs and increase the number of students who graduate, states must invest more in higher education and training, and students must take responsibility for their education, earn good grades, and stay on track to graduate. The program would be undertaken in partnership with states and is inspired by new programs in Tennessee and Chicago. If all states participate, an estimated 9 million students could benefit. A full-time community college student could save an average of \$3,800 in tuition per year.

In addition, today the President will propose a new American Technical Training Fund to expand innovative, high-quality technical training programs similar to Tennessee Tech Centers that meet employer needs and help prepare more Americans for better paying jobs. These proposals build on a number of historic investments the President has made in college affordability and quality since taking office, including a \$1,000 increase in the maximum Pell Grant award to help working and middle class families, the creation of the \$2,500 American Opportunity Tax Credit, reforming student loans to eliminate subsidies to banks to invest in making college more affordable and keeping student debt manageable, and making available over \$2 billion in grants to connect community colleges with employers to develop programs that are designed to get hard-working students good jobs.

### **The President's Plan: Make Two Years of College as Free and Universal as High School**

By 2020, an estimated 35 percent of job openings will require at least a bachelor's degree and 30 percent will require some college or an associate's degree. Forty percent of college students are enrolled at one of America's more than 1,100 community colleges, which offer students affordable tuition, open admission policies, and convenient locations. They are particularly important for students who are older, working, need remedial classes, or can only take classes part-time. For many students, they offer academic programs and an affordable route to a four-year college degree. They are also uniquely positioned to partner with employers to create tailored training programs to meet economic needs within their communities such as nursing, health information technology, and advanced manufacturing.

The America's College Promise proposal would create a new partnership with states to help them waive tuition in high-quality programs for responsible students, while promoting key reforms to help more students complete at least two years of college. Restructuring the community college experience, coupled with free tuition, can lead to gains in student enrollment, persistence, and completion transfer, and employment. Specifically, here is what the initiative will mean:

**Enhancing Student Responsibility and Cutting the Cost of College for All Americans:** Students who attend at least half-time, maintain a 2.5 GPA while in college, and make steady progress toward completing their program will have their tuition eliminated. These students will be able to earn half of the academic credit they need for a four-year degree or earn a certificate or two-year degree to prepare them for a good job.

**Building High-Quality Community Colleges:** Community colleges will be expected to offer programs that either (1) are academic programs that fully transfer to local public four-year colleges and universities, giving students a chance to earn half of the credit they need for a four-year degree, or (2) are occupational training programs with high graduation rates and that lead to degrees and certificates that are in demand among

employers. Other types of programs will not be eligible for free tuition. Colleges must also adopt promising and evidence-based institutional reforms to improve student outcomes, such as the effective Accelerated Study in Associate Programs (ASAP) programs at the City University of New York which waive tuition, help students pay for books and transit costs, and provide academic advising and supportive scheduling programs to better meet the needs of participating students, resulting in greater gains in college persistence and degree completion.

**Ensuring Shared Responsibility with States:** Federal funding will cover three-quarters of the average cost of community college. States that choose to participate will be expected to contribute the remaining funds necessary to eliminate community college tuition for eligible students. States that already invest more and charge students less can make smaller contributions, though all participating states will be required to put up some matching funds. States must also commit to continue existing investments in higher education; coordinate high schools, community colleges, and four-year institutions to reduce the need for remediation and repeated courses; and allocate a significant portion of funding based on performance, not enrollment alone. States will have flexibility to use some resources to expand quality community college offerings, improve affordability at four-year public universities, and improve college readiness, through outreach and early intervention.

**Expanding Technical Training for Middle Class Jobs.** Additionally, in order to spread the availability of high-quality and innovative programs like those in Tennessee and Texas, which achieve better than average completion and employment outcomes, the President is also proposing the American Technical Training Fund. This fund will award programs that have strong employer partnerships and include work-based learning opportunities, provide accelerated training, and are scheduled to accommodate part-time work. Programs could be created within current community colleges or other training institutions. The focus of the discretionary budget proposal would be to help high-potential, low-wage workers gain the skills to work into growing fields with significant numbers of middle-class jobs that local employers are trying to fill such as energy, IT, and advanced manufacturing. This program will fund the start-up of 100 centers and scale those efforts in succeeding years. Smaller grants would help to bring together partners and start a pilot program. Larger grants would be used for expanding programs based on evidence of effectiveness, which could include past performance on graduation rates, job placement rates and placement wages. Building on the President's community college initiative, known as the Trade Adjustment Assistance Community College and Career Training Grants and for which 2014 was the final year of funding, these funds will help community colleges become more job-driven.

**Building on State and Local Programs.** In the past year, Tennessee and the City of Chicago initiated free community college programs. In the first year of the Tennessee program, 57,000 students representing almost 90 percent of the state's high school graduating class applied for the program. The scholarship is coupled with college counseling, mentorship, and community service that early evidence suggests supports greater enrollment, persistence and college completion. This is coupled with efforts to spur innovation and improvement by funding colleges using performance outcomes based on student success and an innovative approach to career and technical education through the Tennessee Colleges of Applied Technology. These Tennessee Tech Centers have a graduation rate of 80 percent and a job placement rate of 85 percent.

**Building on a Record of Progress.** Since taking office, President Obama has taken steps to expand federal support to help more students afford college, while calling for a shared responsibility in tackling rising college costs. Key achievements include:

- **Doubling the Investment in Pell Grants:** The President has raised the maximum Pell Grant award to \$5,730 for the 2014-15 award year — a nearly \$1,000 increase since 2008. The number of Pell Grant recipients has expanded by 50 percent over that same time.
- **Expanding Education Tax Credits:** President Obama established the American Opportunity Tax Credit in 2009 to assist families with the costs of college, providing up to \$10,000 for four years of college tuition.
- **Pay-As-You-Earn Loans:** All new borrowers can now cap loan payments at 10 percent of their incomes. The Department of Education has begun the process to amend its regulations and will make the new plan available on all direct loans by December 2015. We expect it to benefit up to 5 million borrowers.
- **First in the World Grants:** In September, the Department of Education awarded \$75 million to 24 colleges and universities under the new First in the World grant program to expand college access and improve student learning while reducing costs.
- **College Ratings Program:** The Department of Education continues to develop a college ratings system by the 2015-2015 school year that will recognize institutions that excel at enrolling students from all backgrounds; focus on maintaining affordability; and succeed at helping all students graduate with a degree or certificate of value.
- **Job-Driven Training Grants:** Through the Trade Adjustment Community College and Career Training program more than 1,000 institutions have received \$2 billion in federal funding to design education and training programs, working closely with employers and industry that prepare workers for jobs in-demand in their regional economies, such as health care, information technology and energy. These programs have shown early success -- through the end of FY2013, among the nearly 164,000 individuals who had

enrolled in these programs 88 percent either completed a program or continued the program into a second year.

- **White House Summit on Community Colleges:** In October 2010, the President convened community college leaders, faculty and students; business leaders; philanthropic organizations; and other workforce development experts for the first White House summit dedicated to the role that community colleges play in our efforts to increase the number of college graduates and prepare those graduates to lead the 21<sup>st</sup> century workforce.
- **Center for the Analysis of Postsecondary Readiness:** Last August, the Department of Education launched a new \$10 million Institute for Education Sciences-funded Center for the Analysis of Postsecondary Readiness (CAPR) that is working to strengthen the research, evaluation, and support of college readiness efforts across the nation. CAPR is documenting current practices in developmental English and math education to identify innovative instructional practices that improve student success.
- **Call to Action on College Opportunity:** Last December, the President, Vice President, and First Lady joined college presidents and leaders of non-profits, foundations, and other organizations to announce over 600 new commitments to produce more college graduates. Community colleges made commitments individually, and in partnership with neighboring school districts and four-year institutions, to build seamless transitions among institutions, develop clear educational and career pathways, implement strategies to increase student completion of STEM programs, and establish more accurate measures of student progress and success.