



IS “FREE COLLEGE” REALLY FREE?

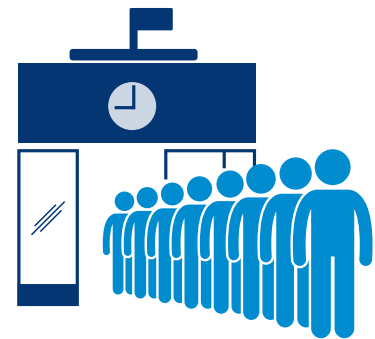
Lessons Learned from Initiatives in Four States

It's an essential national goal to help more Americans enroll in college and earn degrees. “Free college” has become a popular catch phrase for a variety of policy proposals intended to support this national priority. Most free college proposals share important goals: to reduce costs to students and families, to increase the number of college graduates, and to help students acquire skills needed in the workforce.

But the term “free college” is misleading. Everyone knows higher education isn't really free—and that it can't be! The real question is: Who pays for students to go to college and which students do they pay for?

Free college proposals typically shift the costs of some forms of higher education from some students and their families to taxpayers. Specific proposals differ on who qualifies, where students can enroll, and how financial support is delivered.

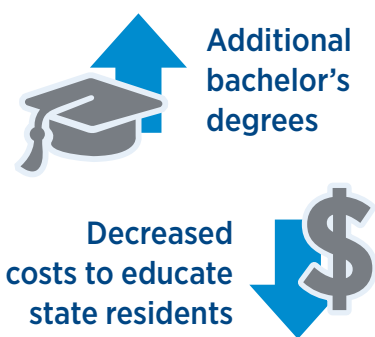
Early free college initiatives are underway in several states. CIC commissioned researchers William Zumeta and Nick Huntington-Klein to assess the effectiveness to date of initiatives in New York, Tennessee, Oregon, and Washington State. (See [State “Free College” Programs: Implications for States and Independent Higher Education and Alternative Policy Approaches](#) for their full findings.) Their work offers useful insight into how free college programs are actually working.



This study shows that, despite concerns, free college programs have not meaningfully affected enrollments at private four-year colleges and universities in two states.

“In general, we find that the early effects of the Tennessee and Oregon tuition-free community college programs have been to increase community college enrollments significantly.”

» [See full report for more information.](#)



Models

The four models studied have different features:

- Tennessee and Oregon are similar. Both states make public two-year colleges tuition-free for resident undergraduates enrolled in qualified certificate or associate's degree programs, although eligibility requirements to participate differ.
- New York makes both two-year and four-year public colleges and universities tuition-free for eligible resident undergraduates. New York also awards modest "Enhanced Tuition Awards" to eligible residents who enroll in private colleges and universities. The New York program has additional requirements, such as a post-graduation residency requirement.
- Washington State provides two forms of assistance. College Bound Scholarships support tuition, required fees, and book grants through funds awarded to qualified low-income resident undergraduates to use at either public or private colleges and universities. In addition, College Grants, which are also available to students in both public and private sectors, were recently enhanced to provide more need-based aid and to serve a broader income range of students.

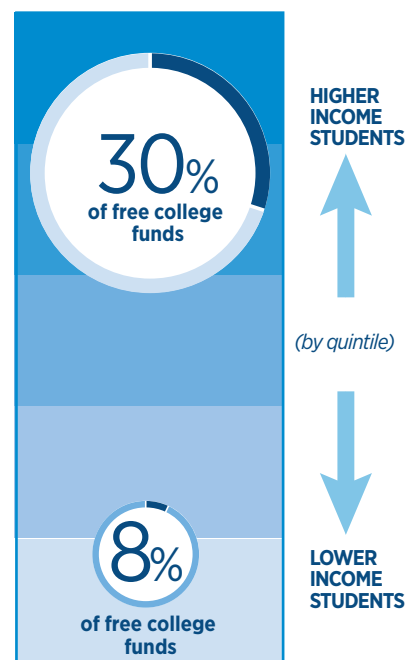
As the authors discuss in this report, additional state grants that students use at private colleges would save states more than they spend on the grants and would also, in most cases, gain additional bachelor's degrees for their labor force.

Early findings

Experience to date in these four states suggests some important considerations:

- Making community college free delivered more benefits to higher-income Promise recipients than to lower-income recipients in Oregon. About 30% of students in the Oregon Promise program were in the top quintile of family income, while 8% were in the bottom quintile.
- Complex and stringent program requirements depressed overall participation in the case of New York State. Initial projections were that 940,000 New York State families would qualify for free college; by 2018–2019 the actual number was only projected to reach 30,000.

Who is using Oregon Promise funding?

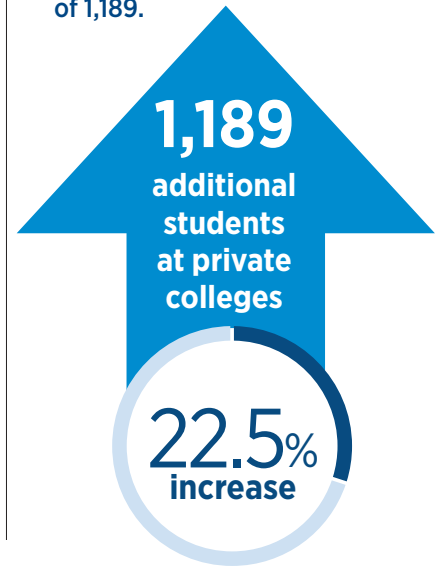


- The elimination of tuition increased enrollment at two-year colleges in Tennessee, significantly increasing the total number of high school graduates who attended college from 58.1% to 64%. But notably, after four years, all education sectors in Tennessee—including private four-year colleges and universities—had higher enrollments than before the program was launched.
- Tuition grants that students can use at the institution of their choice—two-year, four-year, public, private—encourage enrollment at all types of institutions at relatively low cost to states. When students can use state tuition grants to enroll in private four-year colleges, many choose to do so. Such tuition grants represent an important policy alternative to free college proposals directed only at the public sector (see box below).

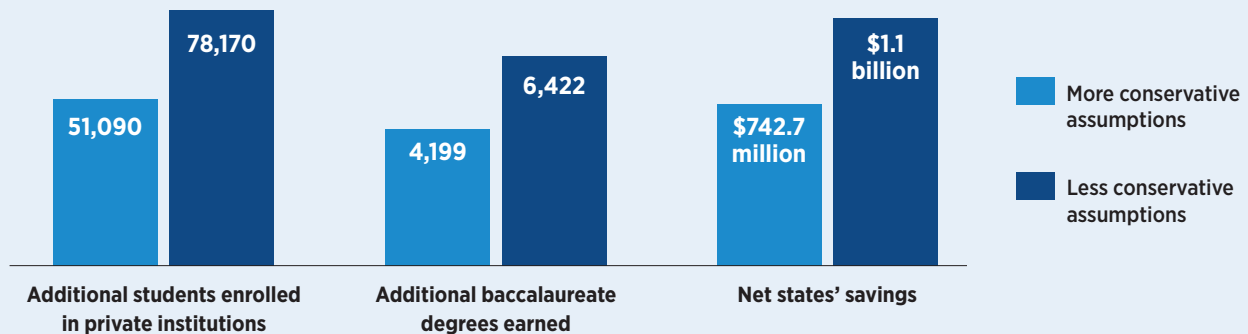
A better way?

Analysis by researchers Zumeta and Huntington-Klein suggests that for students, institutions, and states, strong and flexible tuition grant programs—rather than free college models limited to the public sector—may yield the most cost-effective results. Such policies increase college completion and reduce costs to taxpayers and promote student choice.

In Washington State, of new College Grant recipients, 6,478 were projected by the Caseload Forecast Council to enroll in private four-year colleges and universities in 2020–2021, an increase of 1,189.



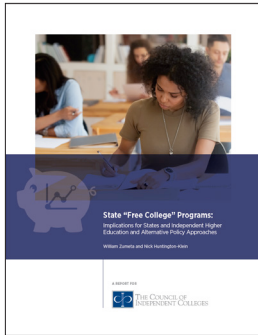
Simulated \$1,000 state incentive grants: Annual changes—all 24 states combined



An earlier research report by Zumeta and Huntington-Klein explores this approach in more detail. In [Utilizing Independent Colleges and Universities to Fulfill States' College Degree Attainment Goals](#) they study 24 states and find that awarding an additional \$1,000 to state-aided students who choose private over public colleges and universities results in increased degree completion in 19 of the 24 states and in decreased state higher education costs in 22 of the 24 states.



Next steps



State “Free College” Programs: Implications for States and Independent Higher Education and Alternative Policy Approaches, by William Zumeta, professor at the University of Washington’s Evans School of Public Policy and Governance and at its College of Education, and Nick Huntington-Klein, assistant professor at California State University, Fullerton’s Mihaylo College of Business and Economics

Access the full-length report at www.cic.edu/freecollege.

- Ask politicians who advance free college proposals for specific information about how their programs would work—and what results they would expect to see.
- If a free college proposal is being discussed in your state, let leaders know there may be better ways to increase access to college and degree completion.
- Encourage leaders to make sure that the needs of ALL students are being considered, and that both public and private colleges can contribute to your state’s higher education goals.
- Let your friends and neighbors know that “free college” is a lot more complicated than it sounds. Encourage them to look into the details.

Note: This report was written before COVID-19 appeared in the United States. The implications of the pandemic and its economic fallout for states and for U.S. higher education are still emerging.

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