

KEY FINDINGS:

- Student debt is a growing issue throughout the country. Only 4 of 36 respondents said students in their states could work their way through to a baccalaureate without incurring debt.
- Just half (18 of 36) of the respondents said students in their states could earn an associates degree without incurring debt.
- Alignment of higher education policy is low. 31 of 36 states say that policies for operating budgets, tuition, and state financial aid are not aligned.
- Nearly half (17 of 36) agree that maintenance of effort should be included in the next Higher Education Act reauthorization. (5 of the 8 responding battleground states agree)
- If students from families making less than \$125,000 could attend 4-year colleges tuition- free, only 15 of 36 states said this proposal would increase completion rates at insitutions in their states.
- 11 of 36 respondents indicate that their institutions do not have the capacity to serve the number of students a free-community college proposal would bring if implemented.

The 2016 Proposals for Higher Education: A View from the States

A Preliminary Report from a Special Section of the 2016 National Survey of Access and Finance Issues

By Stephen G. Katsinas and J. Lucas Adair, with Fei Qiao

INTRODUCTION

This report is based upon the first 36 responses received from the 2016 National Survey of Access and Finance Issues conducted by the Education Policy Center (EPC) at the University of Alabama. Since 2007, the EPC has conducted annual surveys of members of the National Council of State Directors of Community Colleges (NCSDDCC). At least 49 of 51 possible responses have been obtained each year. NCSDDCC member's knowledge of higher education access and finance issues extends well beyond their own sector. Community colleges are a portal for millions of academically-talented, first-generation, minority, and low-income high school graduates to higher education and the American dream.

This report examines federal issues in higher education, including specific issues in the battleground states of the 2016 election (the 14 states defined by Real Clear Politics). This analysis contains 8 of the 14 battleground states. Further analysis of all 14-battleground states is forthcoming.

The 2016 election will have important implications for the financing of access to higher education, which has traditionally been a shared responsibility of the federal and state governments. What do state-level leaders think about the policy positions of the two major party candidates on higher education? To answer this, a list of survey items taken directly from the two major party platforms, campaign books, interviews with education campaign advisors, and experts associated with the political process were created.

“High-tuition/high aid doesn’t work because states don’t match the tuition increases with state-funded need based student aid.”

–Stephen G. Katsinas, Director, EPC



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Part I: Student Debt and Affordability

Both major candidates recognize the student loan crisis and affordability are two big problems the 45th President of the United States will have to address. Each has their own ideas of dealing with it.

Republican Nominee Donald Trump said:

“Instead of making it easier for more of our young people to get the education they need, we’re making it harder to access, and thus available to only the wealthier families” (*Great Again*, p. 58).¹

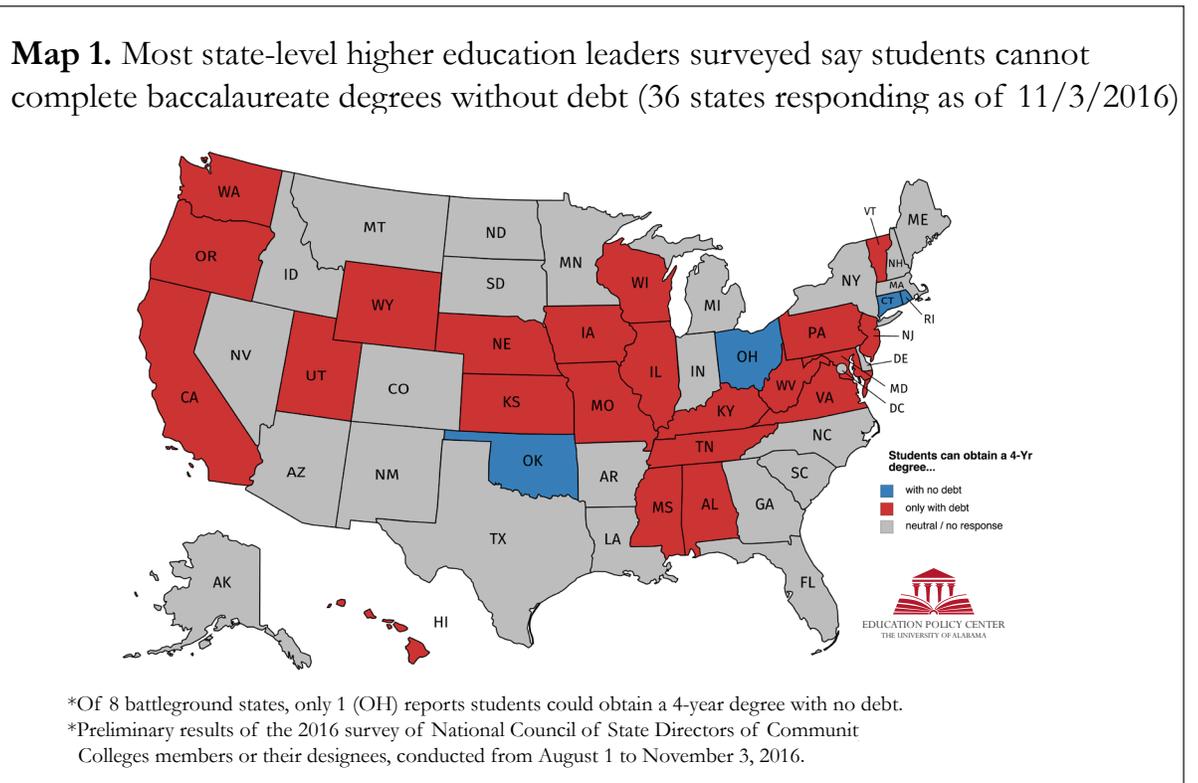
Democratic Nominee Hillary Clinton said:

“Student debt has surpassed credit card debt, car loan debt, and home equity lines of credit to be the second largest source of consumer

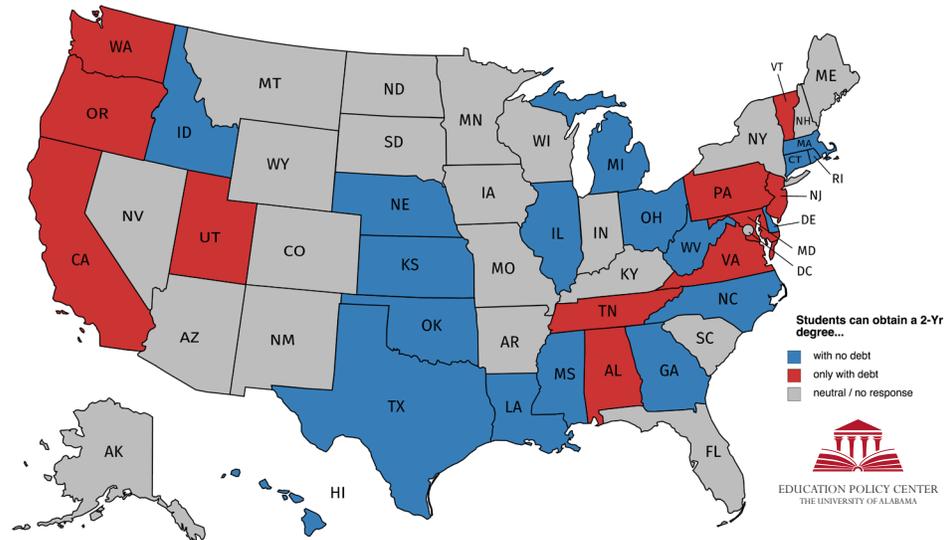
debt. This is not just an issue for borrowers: It’s hurting our entire economy. Student debt prevents Americans from starting families, buying homes, and launching small businesses” (*Stronger Together*, p.37).²

Not surprisingly, the 36 state-level leaders we surveyed also report student debt as a major issue:

- Among 36 state-level leaders surveyed, just 4 said students could work their way through to the baccalaureate degree without incurring debt (see Map 1); among 8 battleground states, 7 said their students could not do so (just one said they could).
- Just half (18) said students could work their way through their state’s community colleges without incurring debt (see Map 2); among 8 battleground states, 5 said they could not do so.



Map 2. Half of state-level higher education leaders surveyed say students cannot complete associate's degrees without debt (36 states responding as of 11/3/2016)



*Of 8 battleground states, only 1 (OH) reports students could obtain an associate's degree with no debt.

*Preliminary results of the 2016 survey of National Council of State Directors of Community Colleges members or their designees, conducted from August 1 to November 3, 2016.

This strongly suggests college affordability will continue as a major issue in the next four years. Our survey found 10 of 36 respondents indicating agreement with the statement “The cost of higher education is skyrocketing, making it so far out of reach that many potential students either can’t afford it, or take out huge loans to pay tuition” (3 of 8 battleground states report this).

Part II: Federal and State Partnership for Access

From 1960 to 1980, U.S. higher education enrollments tripled from 3.5 million students in 1960 to 11.5 million students in 1980. This represents one of the most successful public policy partnerships between the federal and state governments in American history. Starting with the GI Bill (1944), the Truman Commission (1947), the National Defense Education Act (1958), the

Higher Education Facilities Act (1963), the Higher Education Act (1965), and the landmark Education Amendments (1972) that created the Pell Grant program, federal policy combined with state commitment to fund operating budgets allowed millions more to achieve the American dream of a college degree while working one’s way through school with no debt.

The primary responsibility to finance operating budgets for public flagships, regional universities, and community colleges has traditionally been borne by state governments. In contrast, responsibility to finance access has been shouldered by both the federal and state governments. From WWII until the post-Vietnam years, states maintained operating budget subsidies that allowed their public institutions to make very low tuition charges. This in turn allowed generous federal student aid (GI Bill, NDEA, Pell Grants, etc.) to cover the vast bulk of key components of college cost (tuition and fees, books and supplies, and housing).

The situation changed dramatically after the Vietnam War. Two-thirds of the cost of attendance—tuition and fees, books and supplies, and housing—at public universities was covered by Pell Grants in the late 1970s. In 1980-81, 55% of U.S. community college students were

“The big problem is the federal government. There is no reason the federal government should profit from student loans. This only makes an already difficult problem worse.”

**–Donald J. Trump
(*Great Again*, p.58)**

enrolled at an institution that received more than half of total revenues from their states; by 2000-01, it was down to 8% enrolled in just 7 states.³ In 2003, our Center survey of state community college leaders found 34 states took mid-year budget cuts of existing appropriations. Thirty-four again reported mid-year cuts in 2009.⁴ And research consistently shows the recovery time for state support for public higher education operating budgets has lengthened in each recession since the Vietnam War. In February 2016, the Education Policy Center found the state share of total revenues to be 15% or less at 159 community colleges—and 5% or less at 59 community colleges.⁵

Not surprisingly, after decades of deep cuts in state support, respondents from just 5 of 36 states report their policies for operating budgets, tuition, and state student financial aid (merit and/or need-based) are closely aligned. States continue to divest in higher education, trimming appropriations from operating budgets and forcing institutions to raise tuition to offset the state cuts.

Our survey results document broad agreement that financing access is a challenge, even as we document the significant disagreement as to what to do about it. Republican Nominee Donald Trump suggests banks should become

involved again in the student loan programs, and colleges should have “skin the game” and be more responsible to control the loan debt of their students. However, when state higher education leaders were asked to respond to the item, “Federal student loans should be a partnership with students, local banks, and colleges,” just 6 were in agreement. When asked to respond to the item, “Colleges and universities should be penalized if they fail to realistically assess students’ ability to complete degrees/get jobs to pay loans back prior to admitting,” just 5 of 36 were in agreement. It is clear state higher education leaders do not agree with the position advocated by former Trump campaign co-chair Sam Clovis, who said “no institution should be exempt from the risk, even schools with histories of educating many students from low-income families.” If elected, Mr. Trump may be challenged to bring state-level leaders fully on board with his policy proposals.

Democratic Nominee Hillary Clinton has suggested that maintenance of effort provisions, to force/incent states to maintain their investment in public higher education operating budgets, should be included, if states are to receive federal student aid as part of the next Higher Education Act reauthorization, slated for 2017. About half—17 of 36—agree that maintenance of effort should be included in the next Higher Education Act reauthorization, and 5 of 8 battleground states. There is clearly more bipartisan support for this position, however if elected Ms. Clinton too will be challenged to bring all state-level leaders on board with her proposals.

“Education is the key to so much we want to achieve as a country: A stronger, more equitable economy; a healthier, more vibrant democracy; a future in which we meet challenges with ingenuity and skill.”

**–Hillary R. Clinton
(*Stronger Together*, p.36)**

More popular among state leaders are the Clinton proposals for matching grants for on-campus child care and transportation/emergency loans. A strong majority of respondents—25 of 36, including 5 of 8 responding battleground states—agree that federal matching grant funds for community colleges to expand their on-campus child care programs would increase their state’s degree completion rates. Similarly, there was near unanimous support—33 of 36 respondents, including all 8 responding battleground states—that scholarships of up to \$1,500 per year for transportation, childcare, and emergency financial aid costs for students who are parents would improve completion rates.

Of course, the devil is in the details, as state-level responses to items regarding free college tuition indicate. Ms. Clinton’s tuition-free college proposal suggests students from families making less than \$125,000 could attend in-state 4-year college tuition-free. When asked if this would increase completion rates in their states and institutions, under half, 15 of 36 respondents are in agreement, including just 2 of 8 from battleground states. When asked if their state’s community colleges possessed the capacity to serve the increasing number of students if a “debt-free” college degree policy was implemented, 25 indicated that their states had the capacity at present, while 11 did not including 3 of 8 responding battleground states. The 11 with capacity issues include California, Illinois, Ohio, and Pennsylvania, some of our largest states.

Part III: Research and Facilities

The funding of America’s public higher education physical infrastructure—its facilities and research equipment—is a major issue for all levels of higher education. In our past reports, we found many reporting their institutions were forced to defer maintenance due to drastic budget cuts incurred during, and especially after the Great Recession of 2008.

Again this year, a strong majority, 24 of 36 respondents were in agreement that federal aid for facilities (new construction, renovation) is needed. We note that any federal proposal supporting free community college or free in-state tuition at four-year colleges would necessarily require, first, incenting states to first reinvest in the institutions via operating budget support, and second, addressing physical infrastructure funding, including deferred maintenance.

The Association of Public and Land-grant Universities along with many higher education organizations, advocates consistent long-term funding for research to maintain America as a global innovation leader. When asked if a sustained four-percent annual real growth in federal research funding is needed to keep the United States as the global innovation leader, 13 of 36 respondents were in agreement (2 of 8 respondents in battleground states). When asked if the federal government should nurture American homegrown talent, particularly in STEM fields, and reform immigration laws to attract and keep top international talent, 21 of 33 respondents were in agreement. Half of respondents were in agreement that the federal government should reduce costly, duplicative regulation of higher education research activities (18 of 36).

Part IV: Conclusion

Next year, 2017, will mark the 70th anniversary of the Truman Commission report, “Higher Education and American Democracy,” which first popularized the term “community colleges.” It is troublesome, to say the least, that the state-level leaders we surveyed suggest baccalaureate degree completion without debt is not possible—and half indicate this is the case to obtain associate’s degrees at their community colleges.

As the price of college climbs, students and families are pressed to take out more loans. Our business and industries need a well-educated workforce to compete in the global economy. Educating the greatest number of students possible—helping them to obtain high quality degrees and certificates at the graduate, baccalaureate, and sub-baccalaureate levels—has never been more important. Yet it appears that students and families are increasingly squeezed, such that many may be deferring the idea of enrolling in college altogether.

We do see hope in two specific areas: First, the ever-greater interest found in the federal policy vehicle of maintenance of effort provisions to maintain state investment is heartening. Second, we note the unanimous, bipartisan support in the United States Senate Appropriations Committee last June to reinstate the year-round Pell Grant. These are policy areas ripe for progress as advocates work to restore the bipartisan coalition to fund higher education access with excellence.

We are also heartened by the focus that the 2016 campaign has placed on student debt, and appreciate the attention paid by many of our nation’s leading philanthropic foundations on expanding degree completion. But the general disagreement on what to do about the problem means higher education advocates have their work cut out in the next Congress to achieve broad-based solutions. As the positions advocated by the presidential candidates in this 2016 election will clearly influence Congress, we urge our readers to “stay tuned.”

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About the Education Policy Center

The College of Education's Education Policy Center seeks to inform and improve education policy-making and practice, and our understanding of the roles education plays in a free and equitable society, through a coordinated program of research, topical and historical analyses of education-related issues, and services for education practitioners and policy-makers in Alabama and the nation.

On-Going Center Projects Include:

Annual Surveys of the National Council of State Directors of Community Colleges on finance and access issues: see www.uaedpolicy.ua.edu/access--funding-surveys.html.

Rural community colleges: The Center hosts the Rural Community College Alliance's webpage, as it fulfills its role as RCCA's research arm.

History of education research: More Than Science or Sputnik, the National Defense Education Act, by Center Associate Director Wayne J. Urban, was published in 2010. Urban is now completing a biography on former Harvard University President James Bryant Conant.

Student access research: Since 2010, the Center has published over 20 studies on Pell Grants.

The University of Alabama Superintendent's Academy, a partnership with the Alabama State Department of Education, broadens the pool of diverse, well-prepared district leaders.

Public access colleges research: The Center's work on Associate's Colleges classifications is included in the 2005 & 2010 Basic Classification published by the Carnegie Foundation for the Advancement of Teaching, included in all federal education data sets.

Director: Stephen G. Katsinas, Ph.D.

Associate Director: Wayne J. Urban, Ph.D.

Research Associates: J. Lucas Adair, Michael S. Malley, Fei Qiao, and Jake Warner.

Senior Fellows: Mary Allen Jolley, Vincent A. Lacey, John Petrovic, R. Frank Mensel, Pat Moeck, David S. Murphy, Robert Pedersen, James "Skip" Dotherow, Mark M. D'Amico, Janice N. Friedel, James E. Davis, Arthur Dunning, and Linda Serra Hagedorn.

Research Fellows: John Petrovic, Delphine Harris, Michael A. Kennamer, John Clinton Kinkead, Kristie R Rankin, Melissa P. Tarrant, Anne Williamson, and Brian Johnson.



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