

A man with dark skin, wearing large black headphones and glasses, is leaning over a desk. He is looking down at an open book. His hands are clasped together near the book. On the desk, there is a spiral-bound notebook with a black pen resting on it. To the right of the notebook is a clear glass filled with water. The background is a plain, light-colored wall.

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TITLE I FOR HIGH SCHOOL – HIGHER ED

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EXECUTIVE SUMMARY

The Biden administration and Democrats in Congress are proposing nothing less than a paradigm shift in how the federal government supports Americans in pursuit of postsecondary degrees. In the past, federal support for students was aimed at increasing access and affordability through individualized student grants and loans. The federal government did little, however, to address the success of those students once they got to campus.

The Biden American Families Plan and several Congressional bills aim to redress that shortcoming not just by expanding access to higher education through tuition- and fee-free community college but also by meaningfully addressing America's college graduation crisis by providing additional support directly to the institutions of higher education that enroll low-income and working-class students. The college completion fund proposals advanced by the Biden administration and in several bills in Congress will allow colleges to implement, improve, and expand evidence-based programs proven to increase retention and degree completion. Much like the federal Title I program for K-12 schools, a college completion fund will drive aid to institutions to help them generate more equitable outcomes among students.

Decades of research into higher education provide evidence of successful pathways to rectifying this injustice. Well-trained high school counselors, dual enrollment and early college high school, postsecondary remedial education course reform, mentors, and wrap-around students services are just some of the measures that high schools and colleges have used in recent years to increase retention and completion rates in higher education. The existing proposals for a new federal college completion fund have many strengths, but they also miss out on several opportunities to increase the transformative potential of a federal-state partnership that increases not just access and affordability but retention and completion. In order to maximize the investment in free college and a college completion fund, four additions to existing proposals should be included:

- **Recommendation 1:** Eligibility to participate in a federal-state partnership for free college should be tightly paired with eligibility to participate in a federal-state partnership for college completion, and vice versa.
- **Recommendation 2:** The distribution formula for a college completion fund or what we call a Title I for High School - Higher Education program should include incentives to states and colleges to more equitably distribute their own higher education funding.
- **Recommendation 3:** A portion of college completion funds should be dispersed through competitive grants available to community-based organizations and partnerships between local education and agencies of higher education.
- **Recommendation 4:** A federal-state free college and college completion fund partnership should contain accountability measures, including rewards and punishments, to ensure that both programs are actually increasing college completion overall and among disaggregated subgroups.

I. INTRODUCTION

We are on the cusp of a large moment in higher education policy. For the first time since the early years of the Obama administration, the federal government is seriously considering programs to increase the number and diversity of people enrolling in higher education and the rate at which students earn college credentials.¹ President Obama's initiative to increase college completion alongside college-going largely failed for a variety of reasons, most significantly Congressional intransigence.²

The Biden administration has a second chance to do this transformative work—transformative not just for American students but for the nation and its economy—but in order to do so, it must get resources to the high schools, institutions of higher education, and community-based organizations that serve the majority of low-and middle-income students, push them to implement programs and services proven to increase success in college, and hold them accountable when they fail to increase completion rates among students of all races, ethnicities, genders, and income brackets.

President Biden's American Families Plan and similar proposals in Congress rightly recognize that free college should be accompanied with an investment in improving college-completion, but they all continue to neglect a crucial pain point driving the graduation crisis in American higher education: the passage from high school to and through college. This report fills in the gap with the current proposals, revealing why any higher education initiative aimed at increasing graduation must begin in high schools and demand more of colleges that receive heightened taxpayer aid.

The six-year graduation rate of students who began seeking a bachelor's degree at a public four-year institution between 1996 and 2013 improved almost 10 percentage points, but even with that improvement only 62% of full-time, first-time students earned a degree.³ Outcomes are even worse for part-time students at four-year public institutions; not even 20% go on to earn a degree in eight years.⁴ Completion rates are dismal at two-year community colleges, where only 28% of full-time, first-time students earn a degree from the same institution within three years of initial enrollment and just 16% of part-time, first-time students earn a degree from the first two-year public college in which they enrolled, measured over a period of eight years from initial enrollment.⁵ These outcomes are all worse yet for students from low-income backgrounds and students of color, and they are compounded by the fact that many students—a near majority of Black student loan borrowers—will leave college with debt and no degree.

In 2009, the Obama administration attempted to address completion rates at community colleges through its proposed American Graduation Initiative (AGI). AGI would have invested \$12 billion in community colleges over ten years through a competitive grant program providing resources, incentivizing reform, and establishing practices to increase completion.⁶ The Obama administration's goal was to generate 5 million more degrees by 2020. AGI was paired with an increase in Pell Grant aid, with the idea that greater support to students would make community college more affordable and direct support to institutions would make that affordable education more successful. A wall of

Republican opposition in Congress and filibuster-proof budget reconciliation process restrictions thwarted AGI's legislative acceptance.⁷

Even though AGI was not realized, it reflected a major program design shift for the federal government, from a near singular focus on funding student access through voucher programs (e.g. Pell Grants and federal student loans) and post-secondary enrollment programs (e.g., TRIO and GEAR UP) to a broader vision that included boosting degree completion—the reason, after all, most people enroll in college—via direct institutional aid.

President Biden's American Families Plan restores the game-changing perspective that the Obama administration attempted to make national policy: college access and success are necessary partners. It, too, pairs a significant increase in Pell Grant aid with a \$62 billion college completion program that would send funds directly to colleges and universities that serve high numbers of low-income students, particularly community colleges and Minority Serving Institutions in order to drive completion rates by investing in innovative, proven solutions for student success, including wraparound services ranging from child care and mental health services to faculty and peer mentoring; emergency basic need student grants; practices that recruit and retain diverse faculty; improved transfer agreements among public colleges; and evidence-based remediation programs.⁸

This direct funding to institutions is vitally important, but the American Families Plan and similar proposals in Congress are missing out on a significant opportunity: including high schools in what amounts to a Title I program for higher education. One of the largest flaws in American education is that it does not build a strong enough bridge from high school to and through higher education in terms of preparation, guidance, support services, data-tracking, and accountability. As a result, too many students arrive at college unprepared, poorly matched, and underfunded—that is when they arrive at all, since there are many students who enroll in college but never show up in the fall. And at too many colleges students leave with debt and no degree. This report calls on Congress and the Biden administration to fill out the higher education policy paradigm even more to include high schools, community-based organizations, and colleges so they can form a coalition dedicated to access and success.

It also renews the call for accountability. One of the great, if incomplete, successes of the Obama administration was holding the for-profit higher education sector more responsible for student outcomes in terms of completion and earnings. These efforts helped boost graduation rates at for-profit colleges, but the Obama administration had much less impact on boosting completion at the public and non-profit private colleges that serve almost 90% of all students.⁹ The Trump-DeVos administration rolled back many of the for-profit higher education sector accountability measures, most notably the gainful employment rule, opting for transparency rather than regulation.¹⁰ It is past time to bring accountability back into the picture and extend it to the not-for-profit and public sector.

With the promise of huge increased federal investments in higher education that the Biden presidency and a Democratic party controlled Congress portend, American students and taxpayers deserve a better return on their investment. That means creating clear expectations for progress and improvement in retention and completion rates over time.

II. WHAT WE KNOW

Access, affordability, and completion are all components of one single project: equitably increasing the number and percentage of Americans with college degrees that lead to higher paying jobs and a highly trained workforce. In order to reach this goal, the Biden administration and Congress need to take an evidence-based approach to identifying the barriers to access, persistence, and completion and to supporting solutions that have been proven to work in lowering these barriers. Here is what we know.

Access Is Not Equitable

While the Biden administration's and Congressional Democrats' college completion fund proposals are aimed at open-access institutions (community colleges) and institutions that admit the great majority of applicants (many of the minority-serving institutions that would be included in the free college proposal), access is not merely a matter of whether students apply to and enroll in college, but where they apply and enroll and how they fare on campus.

Since 2000, across demographic groups the college enrollment rate of 18- to 24-year-olds has improved and racial and ethnic gaps in enrollment among those groups have diminished.¹¹ They have not gone away, however. Socioeconomic gaps in college-going remain very large.

In 2018,

- 41% of all 18- to 24-year olds were enrolled in college, up from 35% in 2000. 44% of female 18- to 24-year olds were in college, compared to 38% of their male peers.¹²
- College enrollment was highest among Asian-Americans at 59%, followed by multi-racial students at 44% and white students at 42%, but only 37% of Black 18- to 24-year olds were enrolled in college. The largest improvement since 2000 occurred among Hispanic students (+14 percentage points), but their enrollment rate of 36% was still lower than that of all demographic groups except Native Americans' 24%.¹³
- Among wealthy students, 78% of students who were ninth graders in 2009 and from families in and from the highest income quintile went on to enroll in college, while only 28% of those from families in the lowest income quintile and 35% of those from the second lowest quintile did. In other words, students that come from wealthy households are more than twice as likely to enroll in college than students that come from low-income homes.¹⁴

The Sources of Inequitable Access

There are several reasons access to the institutions of higher education that propel students into financial security is not distributed equitably, some which lie in the secondary school sector and some of which lie in the postsecondary sector. That is why a successful approach to increasing the number of Americans with college degrees requires programs directed at high school, higher education, and the space between the two. It must also approach every aspect of the process, from

access and affordability to support services and completion. While tuition- and fee-free community college and an increased Pell Grant aid will make college more (but not completely) affordable for many, the Biden administration's and Congress's higher education proposals must address access, student support, and completion as well, or risk failing of their own weight.

Beyond net price, consider the other factors keeping students from enrolling in and succeeding in college:

- Too many students are academically unprepared for college.
 - The SAT and ACT are not perfect measures, but they indicate a majority of American students are arriving on campus not ready to do college-level work.
 - Just 45% of the high school class of 2020 demonstrated college readiness by meeting both the Math and Evidence-Based Reading and Writing benchmarks on the SAT. Only 20% of Black students met both benchmarks.¹⁵
 - Just 26% of the high school class of 2020 met the English, Math, Reading and Science Benchmarks on the ACT. Only 6% of Black students met all four benchmarks.¹⁶
 - ACT survey data showed that students who took a college preparatory curriculum in high school were much more likely to meet college readiness benchmarks than those who did not.¹⁷ Indeed, successfully completing a college preparatory curriculum in high school is one of the best predictors of ultimate college completion—a higher correlation than that associated with race or income.¹⁸ Yet in 2020, only 56% of students who took the ACT exam took a college preparatory curriculum in high school.¹⁹
 - In 2011, over half a million rising college freshmen—approximately one in four students entering college the fall after high school graduation—had to enroll in remedial coursework during their first year of enrollment in an institution of higher education.²⁰ Contrary to conventional belief, nearly half came from middle-income households and nearly half were enrolled in four-year colleges.²¹
- Many of the wealthiest and most selective schools in the nation with the highest completion rates provide an unfair leg up in admissions to wealthy, white students who are provided further advantages through legacy preferences, binding early decision practices, and cozy relationships with high-priced private high schools and wealthy public high schools, all of which lead to lower rates of enrollment of students with Pell Grants and historically underrepresented minorities.²²
- Sticker shock and a lack of access to school counselors who are highly trained in college advising lead qualified low-income, middle-income, and minority students to enroll in less affordable colleges with weaker outcomes compared to institutions to which they would likely be admitted had they applied.²³
- At many high schools, school counselors have much larger student loads than the 250 students to 1 counselor ratio recommended by the American School Counselor Association. The national average for high schools is 311-to-1.²⁴ Much of the work counselors do is not directly related to

college and career counseling and few master programs in counseling require a course in college counseling.

- State disinvestment in higher education and has pushed the cost of attendance onto students, diminished the percentage of need-based financial aid available to families, and pushed public colleges to pursue wealthier students with so-called merit aid, which is in fact a coupon to attract students who can pay a larger share of tuition than a low- or middle-income student can. As a result, fears of heightened student loan debt and published price sticker shock lead working class and low-income students to “undermatch.”²⁵
- The transfer process from community colleges to four-year public colleges and private colleges is inefficient and overly complex. The United States Government Accountability Office has estimated that, on average, transfer students lose 43% of their credits, thus increasing the time to completion and cost of attendance as well as decreasing their chance of completing.²⁶ Even when credits do transfer, pathways for major and degree completion are often poorly laid out for students, delaying time to degree and too often thwarting completion.²⁷

Persistence Requires Support Services Students Deserve

Increasing the number of students who enroll in college is arguably pointless if, when they get there, they do not get the academic and social supports needed—and provided at wealthy institutions of higher education—to complete a degree. A Biden administration and Congressional plan to increase college completion should address these factors:

- State higher education appropriations per full-time equivalent student (FTE) are down historically, in part because expenditures have not kept pace with increased enrollment, thus denying the current generation of college students the level of support their predecessors had. Using constant dollars, appropriations per FTE in 2020 were 14.6% below what they were in 2001.²⁸
- State higher education school finance inequity is a disgrace. Most states fund community colleges inequitably. On average, four-year public institutions received 48% more per FTE in state general operating appropriations (\$7,352) than did two-year institutions (\$4,969).²⁹ This funding gap is actually worse than it first appears because measuring funding by FTE obscures the large portion of community college students who attend part-time. Many of those students—a significant number of whom are parents, returning to college, living in poverty, and/or working full-time—need as much if not more support services as full-time students.
- State disinvestment in higher education has made it more difficult for public two- and four-year colleges to provide the range of services, including but not limited to academic advising, mental health support, child care, food pantries, that increase retention and timely completion of a degree.³⁰
- Most community colleges and Minority Serving Institutions lack the institutional wealth of flagship public highly selective colleges and universities, which makes it difficult for the former to provide the level of financial aid and support services the low- and middle-income students are more likely to need compared to their counterparts from the top income quintile.

- Community colleges receive \$8,800 less in education revenue per student enrolled than do four-year institutions, due to receiving smaller appropriations per full time equivalent student in most states than four-year institutions receive and charging much less in tuition and fees.³¹
- The average expenditure per student at public colleges universities is 59% higher than at public Historically Black Colleges and Universities (HBCUs). The average expenditure per student at private colleges and universities is 58% higher than at private HBCUs.³²

The Result: A College Completion Crisis

Too many students begin college and never finish, often leaving with debt that they struggle to pay given their lack of access to higher-paying jobs that require a degree.

- Nationally, 64% of white and 74% of Asian-American first-time, full-time bachelor's degree-seeking students graduate within six years, but only 54% of their Hispanic and only 40% of their Black peers do so.³³
 - Within many institutions, there are significant racial and ethnic graduation gaps. An analysis of data collected by the U.S. Department of Education revealed that there are more than 1,100 two- and four-year institutions where Black graduation rates are more than 10 percentage points below the institution's overall graduation rate, and more than 500 two- and four-year institutions where Hispanic graduation rates are more than 10 percentage points below the institution's overall graduation rate.³⁴
- There is less racial and ethnic disparity in the graduation rates of community college students, but that is due in part to the low three-year completion rate (24%) across the board. Still, in this sector too Black first-time, full-time students (13% completion rate) complete at significantly lower rate than the average.³⁵
- There are significant disparities in completion rates associated with socioeconomic status as well.
 - At four-year public institutions, degree-seeking students with Pell Grants completed a degree within six-years of entering an institution 44% of the time, while students without Pell Grants did so 50% of the time. At four-year private not-for-profit institutions, degree-seeking students with Pell Grants completed a degree within 6-years of entering an institution 48% of the time, while students without Pell Grants did so 64% of the time.³⁶
 - Some of the largest Pell graduation gaps are at selective and highly selective colleges (those that accept 25-50% of applicants and those that accept less than 25%, respectively). At selective schools, 43% of students with Pell Grants complete a bachelor's degree within six years, while 59% of those without a Pell Grant do so. At highly selective schools, 56% of students with Pell Grants complete a bachelor's degree within six years, while 78% of those without a Pell Grant do so.³⁷
- There are also significantly different completion outcomes at institutions that serve similar students. High performing colleges, like Western Kentucky University (graduation rate 7 percentage points better than comparable institutions), that enroll large numbers of low-income

students should be rewarded for their success and provide a model for institutions that lag behind, like the University of Nevada, Las Vegas (graduation rate 17 percentage points lower than comparable peers).³⁸

What Works to Increase College Completion

There is good news in the college completion area. There is a growing body of research into practices aimed at increasing college completion and empirical evidence of which practices work (and which do not). Here are some of the most promising approaches:

- A college preparatory curriculum that is not just accessible to all high school students but the default high school curriculum. Students who take a rigorous curriculum are six percentage points more likely to enroll in college than those who do not.³⁹
- Supplemental academic help at the secondary school level.
 - Community based organizations like College Track and Thrive Scholars provide admissions test preparation, academic tutoring, study skills workshops, and other academic supports for students who are almost exclusively first-generation. Students who work with College Track graduate from college at twice the national rate of first-generation students from low-income communities.⁴⁰ Thrive Scholars provides a Summer Academy program of college-level offerings for high school students or students who just graduated from high school in order to get ready for college; their scholars persist in STEM majors at three times the average for low-income students of color.⁴¹
- Advising on admissions and financial aid by school counselors and community-based organizations trained to provide this guidance.
 - A study of the effects of school counseling using data from students randomly assigned to counselors showed that effective counselors boost high school graduation (+2 percentage points), college enrollment (+1.5 percentage points), and persistence in college (+1.4 percentage points). These effects are even larger for low-income students and for students of color who had counselors of color (+3.8 percentage points for high school graduation and college attendance).⁴² Effective college counselors provide guidance on course selection, testing, applications, financial aid, and enrollment.
- Bridge programs that provide advising from high school through to graduation.
 - When students move from high school to college, they remain the same people, with the same challenges they faced in high school. A bridge program, like Bottom Line or College Match, provides continuous support through high school and college. In a randomized controlled trial, researchers determined that students who received Bottom Line advising were 14% more likely to enroll at a 4-year institution and attended institutions with higher mean graduation rates and lower cohort default rates.⁴³ A multi-cohort randomized controlled trial of the advising organization College Forward, which provides individualized advising from junior year of high school through college for a majority Hispanic student population in Texas, showed that the program leads to a 7.5 percentage point increase in enrollment in college, driven entirely by increased enrollment at four-year universities, and that students who receive College Forward advising are nearly 12 percentage points more likely to persist to a third year of college.⁴⁴
- Wrap around student services, including academic, personal, and financial supports, for low-income students in college

- The Accelerated Study to Associate Program (ASAP) has raised completion rates significantly at the City University of New York and Ohio community colleges by insuring that students receive sufficient financial aid to attend full-time, get individually tailored mentoring and college advising, emergency aid for unexpected family needs, transportation aid, books, special registration priority, community interaction, and enhanced career supports.⁴⁵ Tarrant County (Fort Worth), Texas' Stay the Course program assigns each student a trained social worker who develops a comprehensive social services and academic support plan designed to help the student achieve his or her education goals. A recent National Bureau of Economic Research published study estimates the intervention increases the likelihood of a student receiving an associate's degree by 16 percentage points.⁴⁶
- Increased grant aid, including completion grants and emergency grants
 - In a survey of students who left college, the top two reasons given for stopping out were the difficulty of balancing work and school and financial pressure.⁴⁷ A meta-analysis of 43 studies estimates that grant aid increases the probability of degree completion by 3 percentage points.⁴⁸ Georgia State University's Panther Retention Grants provide automatic completion grants to juniors and seniors who could not register due to unpaid bills. One year after receiving the grant, 82% either had graduated or were still enrolled.⁴⁹
- Replacing dead-end remedial courses with corequisite remediation
 - Corequisite remediation assigns students to college-level, credit-bearing courses with additional, modular academic support, often aligned to a student's major. Research has shown that students are more likely to finish these courses than traditional remedial classes and go on to stronger academic results.⁵⁰ Remedial course reform in California led completion of transfer-level courses at community colleges to rise by 20 to 25 percentage points.⁵¹



III. WHAT IS PROPOSED

Free College and College Completion Proposals

There are currently four main tuition- and fee-free college and college completion fund proposals in Congress in addition to the much less detailed proposal of the latter in the Biden administration's American Families Plan. The proposals in Congress have much in common with each other and with the Biden administration's proposal, including perhaps the most important element: an understanding that increased enrollment and affordability must be accompanied by a large investment in completion.⁵²

- American Families Plan
 - Proposed by the Biden Administration
- America's College Promise Act of 2021
 - Sponsors: Rep. Andy Levin (D-MI) and Sen. Tammy Baldwin (D-WI)
- College for All Act of 2021
 - Sponsors: Rep. Pramila Jayapal (D-WA) and Sen. Bernie Sanders (I-VT)
- Community College Student Success Act
 - Sponsors: Sen. Brian Schatz (D-HI) and Sen. Sherrod Brown (D-OH)
- Debt-Free College Act of 2021
 - Sponsors: Rep. Mark Pocan (D-WI) and Sen. Brian Schatz (D-HI)

There is much that is good in these proposals. They all complement an upfront college access guarantee to families with direct aid to colleges to boost completion. They all deliver on the promise of at least tuition- and fee-free community college, including funding for dual enrollment and early college in high school, reform of postsecondary education remedial instruction, and improved transfer pathways. There is considerable variation in the size of the financial commitment each makes to a college completion fund, ranging from \$28 billion over ten years in The America's College Promise Act to \$62 billion over the same in the American Families' Plan (the total appropriation for the other plans is unclear).

There are, however, overlapping weaknesses that any final Congressional-Administration agreement on college access and completion should address:

1. None of the proposals strengthens the connection between secondary schools and higher education. A robust college completion program needs to create a stronger bridge from high school to and through college. The America's College Promise Act (Levin-Baldwin) and the College For All Act (Jayapal-Sanders) both allow states to use the college completion funds for early college and dual enrollment programs, which can increase both college readiness and reduce time to degree, but a federal-state college completion policy should require and simultaneously fund secondary school programs that increase academic preparation, provide highly trained college admissions advising, and mentoring for students from high school to graduation from college.
2. High schools and community-based organizations are not explicitly designated as eligible recipients of college completion funds, cutting off partners well-suited to improve readiness for college, student matching with colleges that are the best fit for them, and heighten

postsecondary completion. Allowing community-based organizations like College Track and as in Tarrant County, Texas, Catholic Charities, with a record of increasing enrollment and completion to apply for new grant aid at the federal or state level would help them increase provision of services like academic tutoring, financial aid advising, and assistance with course selections and more at a much larger scale.

3. While some of the proposals push states to increase their investment in services and reforms that can boost college completion and require the maintenance of current levels of investment in financial aid and enrollment of low-income students, none push states or institutions to improve higher education school finance equity or disaggregated student outcomes. There is no incentive to reduce the gap in state funding in Illinois, for example, where four year colleges receive 65% more per FTE student than two-year colleges do.⁵³ Nor is there any incentive to push the seven states that have no colleges with an above-average share of students with Pell and a graduation rate over 50% to look more like California, which has 37 of them.⁵⁴
4. The America's College Promise Act (Levin-Baldwin) is the only plan that suggests that only those institutions that join the federal-state free college partnership will receive funds from that bill's college completion fund. We endorse this approach. Free college and a college completion fund should not be implemented as distinct programs; they should be joined together rather than risk under delivery of each. One of the nation's most promising college completion programs, CUNY and now Ohio's ASAP program, combines a free college guarantee with augmented completion services. A federal-state partnership should support all community colleges at the least in implementing a variation of ASAP.
5. Outside of reporting requirements and the ability to revoke funding from recipients who misuse funding, there is little in any of the pending proposals to hold states or institution leaders accountable for ineffective or unequal student services as reflected in student outcomes. A historic opportunity to couple increased resources for higher education with a scaling of proven reforms needed to generate much better results should not be missed.
6. The funding for a college completion fund in the Baldwin-Levin bill begins at \$1 billion per year. The Schatz-Brown bill appropriates \$1.5 billion per year. These amounts are likely inadequate. The ASAP program costs \$3,440 (above usual CUNY FTE allocations) per student per year.⁵⁵ Bottom Line's annual cost per student was approximately \$1,500 in 2017.⁵⁶ Both programs deliver a strong return on investment given the economic outcomes of students who participate in them and the return to local, state, and federal taxes. There were approximately 3.7 million Pell Grant recipients enrolled in public colleges and universities. A college completion fund that provides an adequate amount of funding per student, which we set at \$2,000 based on comparison to the cost of existing programs, would amount to \$7.4 billion annually.⁵⁷



IV. RECOMMENDATIONS

The most important point to make about a Title I for High School - Higher Education program is that it must be part of any federal free college program, and that it must be funded at a level that will allow it to make an impact. The age of funding access without funding success should be over.

Creating a free college program and a college completion fund that works well will require more than funds however. Investments should increase completion not just through the direct programs supported by the Completion Fund but by addressing underlying secondary school, state, and institution of higher education-driven conditions that contribute to racial, ethnic, and socioeconomic enrollment and completion gaps.

Recommendation 1: A federal-state partnership for free college must be paired with a federal-state partnership for a college completion fund, and vice versa.

The evidence is in. Making college more affordable by itself does have some impact on college completion and persistence (the boost from grant aid is about 2-3 percentage points); a \$1,000 increase in grant aid is associated with a 1.2 percentage point increase in persistence.⁵⁸ Politically, an investment the size of the Biden administration's tuition- and fee-free college plan requires a larger return than that. What's needed to deliver on the investment in free college, particularly at the community college level, where tuition and fees tend to be relatively low, is access to the resources and support services needed by many students to complete a degree. Much larger effects on completion have been produced by the ASAP program at community colleges (completion rate 27.4 percentage points higher than comparison group) and the One Million Degrees program in Chicago, which also offers wrap-around support to community college students and has seen significant improvements in outcomes for participants (35 percent increase in full-time enrollment and a 47 percent increase in full-time persistence).⁵⁹ These programs pair increased financial aid with wrap-around support for students. Free college and a college completion fund should be paired together to ensure that states make a commitment to improving affordability and quality.

Recommendation 2: The funding formula for free college and Title I for High School - Higher Education federal-state partnership should include incentives for more equitable state and institution funding of higher education.

Ninety percent of state funding for public higher education comes through direct appropriations to colleges.⁶⁰ For four-year colleges, that funding is increasingly based on a combination of factors, including enrollment, performance, and prior-year allocations. For two-year colleges, funding is still predominantly based on enrollment. Just fourteen four-year and thirteen two-year state higher education finance systems included a separate equity provision for the distribution of general state postsecondary institution funding in fiscal year 2021.⁶¹ In almost every state, funding per FTE student is higher at four-year colleges, even though those institutions bring in more revenue from tuition, fees, and other sources and serve a less needy population. On average, four-year public institutions received 48% more per FTE in state general operating appropriations (\$7,352) than did two-year institutions (\$4,969).⁶² The funding formula for a free college and college completion fund federal-state partnership should provide incentives to reduce this gap and gaps in net price that often exist within institutions of higher education that serve large numbers and shares of low-

income students and students of color. Federal funding should be greater to states that include an equity component in funding higher education with their own funds and substantially more targeted to needy institutions of higher education in states that do not.⁶³

Recommendation 3: A portion of the college completion fund should be dispersed through competitive grants available to community-based organizations and partnerships between local education agencies and institutions of higher education.

Every proposal for a college completion fund disperses money to states to disperse to community colleges and Minority Serving Institutions, except the Schatz-Brown plan, which allows funds to go directly to community colleges and the non-profit organizations that provide their support services. The proposals leave out two important players in college success: high schools and community-based organizations. They fail to tap the potential of programs, like College Track, Bottom Line or Early College partnerships between high schools and institutions of higher education, that increase enrollment and retention with curriculum alignments, dual enrollment, high school transition instruction, long-term mentors, tutors, and other innovative approaches that link high school and college more closely together and create shared accountability.⁶⁴ In order to encourage innovation and scale up innovative programs with a proven track record, a minimum of ten percent of the college completion fund appropriations for each state should be dedicated to competitive grants for community-based organizations and partnerships between local education agencies (i.e. K-12 school districts and public charter schools) and institutions of higher education. Community-based organizations and partnerships should, just like states, enter into a partnership in which they commit to maintaining their current funding for college access and completion programs. An additional 0.5% of the college completion fund should be used to evaluate existing and new initiatives to ensure that they are improving outcomes in an equitable manner.

Recommendation 4: A free college plan and college completion fund must contain accountability measures, including rewards and punishments, to ensure that both programs are increasing college completion equitably.

None of the current proposals contain any accountability measures beyond the bare minimum requirement that states and/or institutions report on the usage of funds and outcomes. The proposals do not indicate what the consequences will be for institutions or states that do not equitably improve access or completion or for those that prove highly successful at doing so. We recommend the following:

- Include incentives to institutions of higher education (e.g., a boost in grant dollars, relaxed reporting requirements for schools meeting a very high graduation threshold across demographics) that at least maintain enrollment numbers and shares of students with Pell Grants and students who are underrepresented minorities and increase completion rate. President Obama championed a similar idea in his “College and Opportunity Graduation Bonus” over a decade ago.⁶⁵
- States that fail to distribute funds equitably and/or fail to see equitable improvement in outcomes should be subject to the Department of Education determining the distribution of funds among institutions within that state and redirecting funds to institutions that serve large numbers and shares of low-income students and are making progress on completion rates.

- Institutions that misuse their funds or fail to see improvements in outcomes after five years will be subject to diminishment or loss of the funds.
- Presidents of institutions of higher education that misuse their funds or fail to see improvements in outcomes after five years should be subject to termination; likewise, presidents of institutions that equitably improve outcomes should be considered for contract extension and additional remuneration.
- Institutions and states should report on how funds were used and outcomes reached; all reports should be disaggregated by race, ethnicity, and socioeconomic status; and all reports should be made publicly available on the Department of Education website and prominently featured on relevant institution websites.
- Funds should be limited to implementation or expansion of well-designed, evidence-based programs that have been empirically validated. The funds may be used to improve student outcomes, including transfer and completion rates, improve academic and occupational skills training programs, improve college readiness and reduce the need for remediation through concurrent enrollment and other reforms, increase the number of school counselors trained in college guidance, and expand access to dual enrollment and other early college programs. Failure to use funds in said manner should result in required return of funds.
- The bottom five percent of eligible institutions based on percentages of Pell Grant recipients should be given at least four years to improve access, or risk paying a public service fee in order to continue participating in the federal student loan program. Collected fee amounts should then be used to fund completion efforts.⁶⁶

CONCLUSION

The nation has an opportunity to provide a massive boost to the economy by investing in millions of Americans who deserve a high-quality education that will make them ready for the modern workplace and the workplace of tomorrow. Making good on that opportunity will entail not just getting more students into colleges but getting them into colleges that can change their lives for the better. Increasing the number of college degrees among all races and incomes is a matter not only of social mobility but of social justice. The time for change, the time to couple an infusion of additional resources and needed reform, is now.



ENDNOTES

¹ We use the term “college” to refer to any accredited postsecondary institution, including four-year, two-year, and less-than-two-year institutions.

² Graduation rate improvements during the Obama Administration were about equal in terms of percentage points to those during the Bush Administration. National Center for Education Statistics, Table 326.10, *Digest of Education Statistics* (2020). For a fuller review of the Obama higher education record, see Mary Nguyen Barry and Michael Dannenberg, *Resources and Reform: The Obama Administration’s Higher Education Legacy And The 45th President’s Challenge*, Education Reform Now (July 2015).

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⁴ National Center for Education Statistics, “Postsecondary Outcomes for Nontraditional Undergraduate Students” (2019).

⁵ National Center for Education Statistics, “Undergraduate Retention and Graduation Rates” (2021). Part-time completion rates for 2017 appear in “Postsecondary Outcomes for Nontraditional Undergraduate Students” (2019). It is important to note that significant numbers of students at community colleges do transfer to two- and four-year institutions. Additionally, there is a very small increase in the percentage of students that complete a degree after eight years versus six. For the entering cohort of 2012, 58.3% of all undergraduates graduated in six years, while 61.3% graduated in eight years. See National Student Clearinghouse, *Completing College: National and State Reports* (December 2020).

⁶ For a complete description of the American Graduation Initiative, see H.R.3221 - Student Aid and Fiscal Responsibility Act of 2009.

⁷ The Obama administration did secure approximately \$2 billion for the Trade Adjustment Assistance Community College and Career Training (TAACCCT) grant program through the 2010 Health Care and Education Budget Reconciliation Act. The program, administered by the Department of Labor, was intended to help community colleges design programs that build workforce skills. Between 2012 and 2016, 2,600 programs of study were developed under TAACCCT at 729 colleges and universities (including 630 community colleges) to work with employers and train workers for in-demand jobs. Nearly 500,000 individuals enrolled in programs supported through TAACCCT and earned more than 320,000 credentials in manufacturing, healthcare, information technology, energy, transportation and other industries, according to a 2019 congressional report. Grant Blume, Elizabeth Meza, Debra Bragg, and Ivy Love, “Estimating the Impact of Nation’s Largest Single Investment in Community Colleges: Lessons and Limitations of a Meta-Analysis of TAACCCT Evaluations,” *New America* (October 2019).

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¹⁶ ACT, The ACT Profile Report-National: Graduating Class of 2020.

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¹⁸ Jacob Jackson and Michal Kurlaender, “College Readiness and College Completion at Broad Access Four-Year Institutions,” *American Behavioral Scientist* 58:8 (2014). See also, Mark C. Long, Dylan Conger, and Patrice Iatarola, “Effects of High School Course-Taking on Secondary and Postsecondary Success,” *American Educational Research Journal* 49: 2 (2012).

¹⁹ The ACT Profile Report-National: Graduating Class of 2020.

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²¹ The Editorial Board, “Guess Who’s Taking Remedial Classes?” *New York Times* (May 10, 2016).

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