

Department of Education
FREE COMMUNITY COLLEGE
Fiscal Year 2024 Budget Proposal

CONTENTS

	<u>Page</u>
Free Community College.....	1
Advancing Affordability for Students.....	3
Accelerated Success: Free Community College	5

FREE COMMUNITY COLLEGE

Free Community College

(Proposed legislation)

(dollars in thousands)

FY 2024 Authorization: To be determined

Mandatory Budget Authority:¹

	2023 Appropriation	2024 Request	Change
	\$0	\$90,000,000	+\$90,000,000

PROGRAM DESCRIPTION

Early in the 20th century, the expansion of access to free public high school in the United States set a new global standard. Direct public investment in our children’s future propelled the Nation’s economic growth and enhanced our global competitiveness. Now, mounting evidence suggests that 13 years of school is no longer sufficient to prepare our students for success in today’s economy. The number of jobs requiring some level of education beyond high school is expected to grow more rapidly in the next decade than those that do not. Global competitiveness and our students’ economic security require that we provide every student the opportunity to obtain a postsecondary degree or certificate.

The Administration’s Free Community College proposal will offer two years of free community college to students, including DREAMers. The COVID-19 crisis has led to a steep college enrollment decline, particularly for low-income students and students of color. From 2019 to 2021, public 2-year community colleges saw a 16.5 percent decline in enrollment. But even before the COVID-19 pandemic, cost was a barrier to attending and completing community college for many Americans.

Free Community College is a proposed mandatory grant program for States, territories, and Tribes that would ensure eligible first-time students and workers wanting to reskill can enroll in a community college to earn a degree or credential for free. Students enrolled in a degree or certificate program, attending at least half-time, and making satisfactory academic progress will have tuition and fees eliminated. Students can use the benefit over three years and, if circumstances warrant, up to four years, with the recognition that many students’ lives and other responsibilities can make full-time enrollment difficult.

This proposal would create a new partnership with States to help them waive tuition for students, while promoting key reforms to help more students complete at least two years of college and help meet the demands of a growing global economy. To participate in the program, a State, Territory, or Tribe must waive tuition and fees at community colleges on a first dollar basis for eligible students. The Federal government will provide at least 75 percent of the cost, but can use relevant state financial aid toward the match, and 90 percent for Tribes. States and Tribes must invest the remaining share of the cost. States receiving a grant must promote

¹ The request is \$90.0 billion over 10 years in mandatory budget authority to support Free Community College.

FREE COMMUNITY COLLEGE

Free Community College

alignment between their secondary, 2-year, and 4-year postsecondary education systems. States must also pursue promising and evidence-based institutional reforms at community colleges to improve student outcomes. States may retain a small portion of their allocation for state-wide quality improvements that help advance program completion and improve student outcomes. States must commit to conducting an equity audit on State higher education financing, strengthening longitudinal data systems, including the integration of data from 2-year and 4-year institutions with postsecondary employment and wage data, and maintaining state fiscal support for higher education.

FY 2024 BUDGET REQUEST

For fiscal year 2024, the Administration requests \$90.0 billion over 10 years in mandatory budget authority to support Free Community College. In 2024, the Administration, States, and institutions would begin preparing to implement this new mandatory program, with the program officially launching the next year. Funds are provided to create a new partnership with States, territories, and Tribes to make two years of community college free for eligible first-time students and workers wanting to reskill. The program would operate as a first-dollar program, in order to allow students to use Pell Grants and other Federal, State, and institutional aid to help them cover expenses beyond tuition and fees. Students can use the benefit over three years and, if circumstances warrant, up to four years, recognizing that many students' lives and other responsibilities can make full-time enrollment difficult.

PROGRAM PERFORMANCE INFORMATION

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of results is based on the resources requested in fiscal year 2024 and future years, as well as the resources and efforts invested by those served by this program. Free Community College has not yet been funded and therefore program performance information is not available.

FREE COMMUNITY COLLEGE

Advancing Affordability for Students

(Proposed legislation)

(dollars in thousands)

FY 2024 Authorization: To be determined

Mandatory Budget Authority:¹

2023 Appropriation	2024 Request	Change
\$0	\$30,000,000	+\$30,000,000

PROGRAM DESCRIPTION

Historically Black Colleges and Universities (HBCUs), Tribally Controlled Colleges and Universities (TCCUs), and Minority-Serving Institutions (MSIs) play a unique role in creating and advancing educational and economic opportunities for many of our nation’s first-generation, low-income, and underrepresented students. Their role is essential to building our economy and strengthening the American middle class. Yet costs continue to be a barrier to attending and completing college for many of the students these institutions serve. The Administration’s Advancing Affordability for Students program will make a historic investment in students being able to access and complete their education at an HBCU, TCCU, or MSI. Specifically, it will provide two years of subsidized tuition for students from families earning less than \$125,000 enrolled in a participating 4-year HBCU, TCCU, or MSI. Institutions will receive an annual grant based on the cost of reducing tuition and fees and the number of eligible students. This investment, along with the Administration’s other affordability and completion proposals, will encourage more students to successfully complete a bachelor’s degree by enrolling as new students (direct pathways) or transferring from community college (transfer pathways).

Public and private, non-profit 4-year institutions can participate in this program. To be eligible, an institution must meet the statutory definition of an HBCU, TCCU, or MSI type and must be designated by the Secretary as such. An eligible institution would also need to serve a significant share of Pell students (at least 35 percent share of enrollment) and commit to maintaining or adopting evidence-based institutional reforms designed to improve student outcomes.

Eligible students are those who are enrolled at an eligible HBCU, TCCU, or MSI on at least a half-time basis, who maintain satisfactory academic progress, and who have an annual family income below \$125,000, including DREAMers.

FY 2024 BUDGET REQUEST

For fiscal year 2024, the Administration requests \$30.0 billion over 10 years in mandatory budget authority to support Advancing Affordability for Students. In 2024, the Department would

¹ The request is \$30.0 billion over 10 years in mandatory budget authority to support Advancing Affordability for Students.

FREE COMMUNITY COLLEGE

Accelerated Success: Free Community College

work with institutions to begin preparing to implement this new mandatory program, with the program officially launching the next year. Funds are provided to eligible 4-year HBCUs, TCCUs, or MSIs to provide two years of subsidized tuition up to \$4,500 per year for students from families earning less than \$125,000. The program would operate as a first-dollar program, in order to allow students to maximize use of Pell Grants and other Federal, State, and institutional aid for necessary expenses beyond tuition and fees.

PROGRAM PERFORMANCE INFORMATION

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of results is based on the resources requested in fiscal year 2024 and future years, as well as the resources and efforts invested by those served by this program. Advancing Affordability for Students has not yet been funded and therefore program performance information is not available.

FREE COMMUNITY COLLEGE

Accelerated Success: Free Community College

(Proposed legislation)

(dollars in thousands)

FY 2024 Authorization: To be determined

Budget Authority:

<u>2023 Appropriation</u>	<u>2024 Request</u>	<u>Change</u>
\$0	\$500,000	+\$500,000

PROGRAM DESCRIPTION

Promoting a free community college education is critical in helping to minimize the financial barriers to postsecondary education, facilitating the acquisition of essential skills and credentials, and creating new pathways to affordable 4-year degree programs. The Bipartisan Infrastructure Law, the CHIPS and Science Act, and the Inflation Reduction Act have created new demands for workers with critical skills in sectors such as manufacturing, infrastructure, and clean energy. Community colleges are equipped to meet this demand, serving as engines of economic development and connecting workers to high-quality jobs that improve economic mobility, meet future workforce needs, and improve the nation’s global competitiveness.

The Administration’s Accelerated Success: Free Community College discretionary grant program would allow grantees to offer up to two years of free community college to eligible students, including DREAMers, enrolled in eligible programs. The Accelerated Success: Free Community College program would complement the Administration’s mandatory free community college proposal by providing funding to quickly scale-up high-quality programs – for example, existing programs with demonstrated success that can be expanded immediately – or to support new and in-demand programs. Funding from this program would also assist community colleges in replicating programs with demonstrated success as States work to implement the State-Federal partnership for free community college.

This proposal would enable first-time students and workers wanting to reskill to enroll in a high-quality community college program to earn a degree or credential for free. Students enrolled in an eligible degree or certificate program, attending at least half-time, and making satisfactory academic progress would pay zero tuition and fees.

FY 2024 BUDGET REQUEST

For fiscal year 2024, the Administration requests \$500 million for a new discretionary Accelerated Success: Free Community College program. This investment is part of the President’s commitment to expand access to affordable postsecondary education, laying the groundwork for innovation and inclusive economic growth for all Americans.

The program would make competitive awards to community colleges, alone or in consortia, or to State systems of community colleges to enable institutions to offer eligible high-quality programs

FREE COMMUNITY COLLEGE

Accelerated Success: Free Community College

tuition free for eligible students. The program would operate as a first-dollar program, in order to allow students to maximize use of Pell Grants and other Federal, State, and institutional aid for necessary expenses beyond tuition and fees.

Programs must be offered by a community college, eligible for Federal student aid, and either (1) are fully articulated and provide for 100 percent, guaranteed credit transfer to State four-year baccalaureate institutions or (2) offer high-quality credit bearing career preparation for in-demand industries that meet benchmarks for wages and employment, particularly those in sectors such as manufacturing, infrastructure, and clean energy that we see growing as a result of new demands created by the Bipartisan Infrastructure Law, the CHIPS and Science Act, and the Inflation Reduction Act. Institutions must commit to maintaining current investments in participating programs and reducing tuition to zero for participating students.

Participating institutions may partner with 4-year institutions to ensure full articulation of 2- and 4-year programs. Participating institutions also must commit to maintaining or adopting evidence-based institutional reforms designed to improve student outcomes, such as intensive career advising, high-impact tutoring, and meaningful recognition of prior learning to accelerate credential or degree attainment across identified career paths. Grantees also would create a common data system for measuring programmatic outcomes, including submission to the Integrated Postsecondary Education Data System of data on non-credit and credit coursework attainment, retention, completion, job placement, and wages.

Grantees could use up to 10 percent of their awards to support program development, data collection, and evaluation. At least 90 percent of funds would be used to eliminate tuition and fees for participating students in eligible programs. The Department estimates that the request would support awards to as many as 100 community colleges or consortia that would provide free community college to an estimated 90,000 students annually.

PROGRAM OUTPUT MEASURES

(dollars in thousands)

<u>Output Measures</u>	<u>2024</u>
Amount for grants	\$499,500
Number of new awards	100
Average grant size	\$4,995
Amount reserved for institutional activities	\$49,950
Amount used to offset tuition and fees	\$449,550
Peer review of new award applications	\$500

FREE COMMUNITY COLLEGE

Accelerated Success: Free Community College

PROGRAM PERFORMANCE INFORMATION

Performance Measures

This section presents selected program performance information, including, for example, program goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the Federal resources provided for the program as well as the resources and efforts invested by those served by the program. Accelerated Success: Free Community College has not yet been funded and therefore program performance information is not available.

The Department will establish performance measures to assess the impact of the activities that receive support under this program. Such measures could include, for example, the numbers or percentages of student participants completing eligible programs, advancing to 4-year degree programs, and obtaining 4-year degrees, as well as completion, employment, and earnings data for career preparation programs.