

Department of Education
FREE COMMUNITY COLLEGE
Fiscal Year 2025 Budget Proposal
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FREE COMMUNITY COLLEGE

Free Community College

(Proposed legislation)

(dollars in thousands)

FY 2025 Authorization: To be determined

Mandatory Budget Authority:¹

2024 Annualized CR	2025 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. Sustained economic growth, 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 all students, including Dreamers. The COVID-19 crisis led to a steep community college enrollment decline, particularly for students from low-income backgrounds and students of color. Since 2022, enrollment has started to rebound. But even before the 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 Tribal Colleges and Universities (TCUs) 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’ other financial responsibilities can make full-time enrollment cost prohibitive.

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 TCU 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, and 90 percent for TCUs. States and TCUs must invest the remaining share of the cost but can use relevant state financial aid toward the match. 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.

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alignment between their secondary, 2-year, and 4-year postsecondary education systems, including to help facilitate transfers between schools. 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 2025 BUDGET PROPOSAL

For fiscal year 2025, the Administration requests \$90.0 billion over 10 years in mandatory budget authority to support Free Community College. In 2025, 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 TCUs 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 2025 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 2025 Authorization: To be determined

Mandatory Budget Authority:¹

2024 Annualized CR	2025 Request	Change
\$0	\$30,000,000	+\$30,000,000

PROGRAM DESCRIPTION

Historically Black Colleges and Universities (HBCUs), Minority-Serving Institutions (MSIs), and TCUs 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, MSI, or TCU. 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, MSI, or TCU. 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, MSI, or TCU 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 opportunities and outcomes.

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

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

FREE COMMUNITY COLLEGE

Advancing Affordability for Students

FY 2025 BUDGET PROPOSAL

For fiscal year 2025, the Administration requests \$30.0 billion over 10 years in mandatory budget authority to support Advancing Affordability for Students. In 2025, the Department would 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, MSIs, or TCUs 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 2025 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.