

Department of Education
REDUCING THE COSTS OF COLLEGE FUND

Fiscal Year 2025 Budget Proposal

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REDUCING THE COSTS OF COLLEGE FUND

Reducing the Costs of College Fund

(Proposed Legislation)

(dollars in thousands)

FY 2025 Authorization: To be determined¹

Mandatory Budget Authority:

<u>2024 Annualized CR</u>	<u>2025 Request</u>	<u>Change</u>
\$0	\$12,000,000	+\$12,000,000

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 with recent research pointing to 71% of jobs by 2030.² Unfortunately, nearly 80 percent of students in community colleges intend to transfer and earn a bachelor’s degree, but the loss of credits can make this cost and time prohibitive.

Global competitiveness and our students’ economic security require that we provide every student the best opportunity to obtain a quality, affordable postsecondary degree or certificate. At the same time, the costs of college have increased, potentially discouraging students from enrolling in postsecondary education or completing a degree or credential. Although the rate of this increase has slowed in recent years, postsecondary institutions and states need to do more to provide an affordable, high-quality education to students.

The Administration proposes the following programs to help address this identified need.

Classroom to Career: Providing Access to 12 College Credits for Free

Dual enrollment (DE) is one of several terms used to describe a program that permits high school students to take college courses and earn both high school and college credit, while reducing the cost of completing a college degree. However, access to college-level classes while in high school is not just about college credit. DE can also give students a jumpstart on learning about and preparing for careers.

¹ The request is \$12.0 billion over 10 years in mandatory budget authority to support three programs: the Classroom to Career: Providing Access to 12 College Credits for Free program; the Incentivizing Excellence program; and the Scaling Evidence-Based Strategies program.

² <https://cew.georgetown.edu/cew-reports/projections2031/>

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When done well, high-quality DE programs improve both high school and postsecondary education outcomes. Recent research on North Carolina's Career and Technical Education (CTE) DE program found that students were more likely to graduate high school and more likely to enroll in college than their peers. These positive impacts were particularly strong for student groups that are underrepresented in postsecondary education, including students of color and students from low-income backgrounds.¹ Research on a New York City DE program found that it improved postsecondary education attainment, reduced time to degree, and increased student academic performance.² Research consistently shows that participation in DE programs increases student graduation, postsecondary education enrollment, and postsecondary education persistence rates.³

Despite the evidence, only about half of States offer free DE, and most States do not require all high schools to participate or even limit participation to high-achieving students. Additionally, DE is often not available for historically underserved students because it is often less likely to be offered at schools that serve larger proportions of students from low-income backgrounds and students of color, compared to other schools. Even when DE is available, students from low-income backgrounds, students of color, and other underserved students often participate at lower rates.

Under this proposal (Classroom to Career: Providing Access to 12 College Credits for Free (Classroom to Career)), grants would be provided to State education agencies and state systems of higher education to initiate or expand efforts to spur greater enrollment in DE programs and reduce time to a postsecondary degree or credential for high school students, at no cost to students, by providing access to career-connected DE to all interested high school students. States would prioritize expanding access to underrepresented students in DE and postsecondary education. State programs must: (1) be available to all interested high school students; (2) support career-connected coursework aligned to a program of study; (3) ensure that postsecondary credits earned by students in DE programs supported by this program count towards the relevant degree or certificate at the participating institution of higher education (IHE), and states should work to ensure that the credits transfer towards a degree or credential in a relevant program of study at other IHEs in the state with a plan to facilitate credit transfer within 5 years of first participating in the program; and (4) provide at least 12 free career-connected postsecondary credits to all students who choose to participate. States must work with appropriate partners to prioritize the expansion of free access to DE to high-need schools. States would receive matching dollars in the form of grants.

States must also reserve a small proportion of funding for activities that would support student success such as student support services for DE students (e.g., advising; covering fees, books, and transportation costs for students to participate in DE; supporting professional development and teaching credentials for instructors of DE courses; providing academic support; increasing access to gateway or foundational courses). States could also reserve a portion of the funding for the implementation of transfer policies to support the articulation of credits. States are encouraged to work with employers and other private entities to pay students for work

¹ <https://www.dpi.nc.gov/cte-pathway/open>

² <https://eric.ed.gov/?id=EJ971010>

³ https://cherp.utah.edu/publications/research_priorities_for_advancing_equitable_dual_enrollment_policy_and_practice.php

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experience aligned with DE coursework as part of a career pathway and provide other financial support as necessary, such as transportation stipends.

Incentivizing Excellence

The Department would provide awards to colleges and universities that provide an excellent education at an affordable price. To accelerate and replicate effective practices, the Department would award funds to IHEs and consortia of IHEs that meet best-in-class benchmarks for affordability, access, and quality. Funds would be used to expand the number of students served or to share best practices with other IHEs.

Scaling Evidence-Based Strategies

Funds would be used to expand financial and other student support services backed by strong or moderate evidence that are already saving students thousands of dollars for college by increasing completion rates, reducing cost burdens for students, and lowering costs per graduate. Grantees must use funding to measure and continuously improve on their outcomes. Strategies may include, for example:

- Providing holistic advising that integrates academic, financial, and other support such as transportation and textbook assistance, small scholarships to cover mandatory fees, and dedicated advisors and flexible registration options (e.g., New York's successful CUNY Accelerated Study in Associate Programs model);
- Redesigning placement policies and developmental or remedial course sequences (e.g., co-requisite models, program-aligned math pathways) to increase the number of students taking college-level, credit-bearing courses in their first year;
- Implementing guided pathways reforms to ensure transfer pathways are clear and free of obstacles for students, including facilitating the applicability of community college credits to state IHEs programs of study through transferable core courses and other reforms (such as common course numbering, guaranteed associate degrees for transfer students, retroactive associate degrees, program-level degree maps, and dual admissions between community colleges and four-year institutions), and re-designing programs that require 120 credits but routinely take students longer than 4 years to complete, including through reverse transfer policies and guided pathways;
- Enacting cost-saving efficiency measures resulting in reduced tuition and fees paid by students and an increase in the granting of high-value degrees with high college success rates;
- Creating a shared services consortia of schools to find cost effective ways of providing student supports and reduce costs of common administrative activities and data and technical infrastructure among lower resourced institutions to increase the value of education provided; and

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- Supporting models to obtain 30 college credits, or the equivalent of one year's worth of college credits, during high school in addition to the Classroom to Career program, including through college academies, whole-school pathways, and early college programs where students graduate high school with an associate's degree.

FY 2025 BUDGET PROPOSAL

The Budget requests \$12.0 billion over 10 years in mandatory funds for the following three programs.

Classroom to Career: Providing Access to 12 College Credits for Free

For fiscal year 2025, the Administration requests \$7.2 billion over 10 years in mandatory budget authority for the Classroom to Career program, a new proposal. Funds would be provided as matching dollars to States to initiate or expand efforts to spur greater enrollment in DE programs and reduce post-secondary time to degree or certificate for high school students, at no cost to students, by providing at least 12 postsecondary credits through career-connected DE to all interested students.

Incentivizing Excellence

For fiscal year 2025, the Administration requests \$2.4 billion over 10 years in mandatory budget authority for the Incentivizing Excellence program, a new proposal. Funds would be used to support awards to colleges and universities that provide an excellent education at an affordable price.

Scaling Evidence-Based Strategies

For fiscal year 2025, the Administration requests \$2.4 billion over 10 years in mandatory budget authority for the Scaling Evidence-Based Strategies program, a new proposal. Funds would be used to expand interventions with moderate or strong evidence that provide financial and other student support services, redesign developmental or remedial coursework policies, or support other evidence-based innovations to increase completion rates, reduce cost burdens for students, and lower costs per graduate.

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PROGRAM OUTPUT MEASURES

(dollars and numbers of students in thousands)

Output Measures	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Number of Participating States ¹	25	28	30	33	35	37	39	40	41	51
Number of HS Graduates from Participating States	1,642	1,802	1,874	1,967	2,333	2,401	2,495	2,503	2,544	3,216
Percent of Students from Participating States	7%	8%	9%	11%	13%	15%	16%	18%	20%	24%
Federal Share	\$206,906	\$266,300	\$319,546	\$420,579	\$604,972	\$737,113	\$838,082	\$970,508	\$1,124,575	\$1,750,267

PROGRAM PERFORMANCE INFORMATION

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. Reducing the Costs of College Fund has not yet been funded; therefore, program performance information is not available.

¹ This count includes the District of Columbia.