Charles Garnette

White Paper

State Funded Tuition-Free Education

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# Executive Summary

Knowledge is power, but education is expensive. While states already offer a college education to their citizens at a lowered cost, it is not enough. Some states have even implemented measures to provide a tuition-free college education to their citizens, who meet certain standards. However, there are still many states where the burden of education funding falls on the shoulders of the would-be students. States need to focus more resources toward providing a college education for their citizens for basic economic reasons. The economic wellbeing of a state is directly proportional to the education level of its citizens. Ensuring that all students who desire higher education have such an option is not an expenditure but rather an investment. It is for this reason that every citizen should make their voice heard and push for their state to invest in education.

# Introduction

In many high schools around the country there are young, driven, and eager minds excited to begin college. For some of these students, that next journey begins for them in mere months. For others, there may be some time before that journey starts. A harsh reality that some teens find themselves facing is that they may never get to embark upon that journey at all. When there are kids with a desire to further their education, who are held back for financial reasons, they become a resource to their community that remains untapped. Unemployment is a word that covers a vast array of definitions. Here it will be used to describe the group of workers who are either out of work or are working part time due to an inability to find a fulltime position (U-6 Rate, 2018). Unemployment does not need to be as rampant as it is in so many communities. States could take measures to remedy this situation by making it easier for their less financially privileged citizens to receive a college education.

# Previous Approaches

Higher education has been around for centuries; however, attendance has never been higher than it is today. Be that as it may, there is still so much further to go when it comes to the education of citizens. The two types of approaches that need to be discussed are: financial aid, and tuition-free programs.

## 1965

There are many students who would not be able to even consider attending college if it were not for the help of financial aid programs. In 1965 The US Government passed the Higher Education Act. This act established the ground work for many of the financial aid programs that exist today.

## Bright Futures

An example of a modern financial aid program is Bright Futures. Bright Futures is a financial aid program for citizens in the state of Florida who seek a college education. Bright Futures awards qualified applicants with a scholarship to attend an assortment of public universities within the state of Florida (Office, 2017). There are different tiers to the program and individuals are placed in a tier based upon their grade point average or GPA (Office, 2017). The amount of scholarship money that a student is awarded is dependent upon which tier they qualify for (Office, 2017).

When it comes to financial aid, one of the difficult things to decide is “how much”? Deciding how much to give can be a difficult task and when done incorrectly can present problems. In the case of bright futures there are many problems to be corrected. While it is great that programs such as Bright Futures exist, they fall short when they cannot provide enough funds for a student to succeed. As of 2017 Bright Futures would provide $77 per credit hour to the students who were in the highest tier and thus receiving the largest scholarships (Office, 2017). This $77 per credit hour translates into roughly $2,772.00 per year for students who take 18 credits per semester. As of 2016, The University of Florida has a tuition estimated to be $6,381.00 per year (University of Florida Tuition, 2016). Also to be considered are the additional costs that are associated with attending a University. A student has to pay for food, books, and a place to live. Altogether the estimated cost of a year attending the University of Florida comes out to roughly $21,131 per year (University of Florida Tuition, 2016). Prior to the 1960’s this University was tuition-free for Florida residents. The scholarship provided by Bright Futures covers less than half the cost of the current tuition and nowhere near the total cost that the student must pay in order to attend this University. While this is only one university in one state of the United States, it does show the weakness that many financial aid programs suffer from.

## Oregon Promise Program

The Oregon Promise Program or ORP was a program introduced in 2015 by the Oregon legislature (Cannon & Joyalle, 2016). The premise of the program was tuition-free community college for those who met the eligibility requirements (Cannon & Joyalle, 2016). Students who receive the grant must register for no fewer than 6 credit hours per term, and they are also obligated to put $50 of their own money towards tuition (Cannon & Joyalle, 2016).

The ORP was one of a few modern attempts at implementing tuition free college at the state level. The observations gathered from this attempt at tuition free education were gathered after a very short period of time; however, the early findings show some interesting findings. One of the main issues noted was the lack of ease when it came to applying for the program. Many students who would have been eligible did not even apply because they either believed it would be too difficult or because they simply did not know that they had the option available to them (Cannon & Joyalle, 2016). If students do not know that such resources are available to them then there is wasted opportunity where there need not be. The other observation made was that the solution to the lack of awareness may simply be time. With the branding of the program, and its “tuition-free” promise it is expected that word will spread and students will be more inclined to fill out the necessary applications (Cannon & Joyalle, 2016).

# New Findings

## Kalamazoo

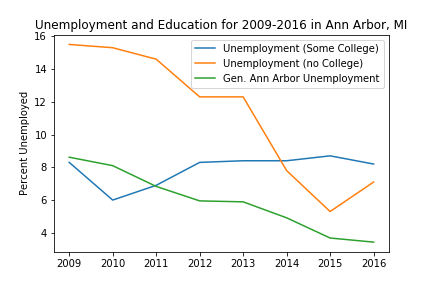
The Kalamazoo Promise is a program offered in Michigan that provides students with a tuition-free college education (Mercer, 2018). One of the important features of the Kalamazoo promise is that in order to receive true tuition-free college, the student must be a long-term resident. Students who only attended school in the area from grades 9-12 are granted only 65% of their college tuition (Mercer, 2018). This program is roughly 15 years old and has been through many of the US economic ups and downs (Mercer, 2018). Although the practices in Kalamazoo are not recent, an analysis of their progress offers practical data that cannot be found elsewhere. Mercer notes in her article a quote from sociology Professor Tim Ready, “the first nine years of free tuition, which cost donors $54 million, was “marginally beneficial but not a slam dunk” for Kalamazoo’s economy” (Mercer, 2016). Ready goes on to acknowledge the impact that the Great Recession in 2008 probably had on the results of the program (Mercer, 2018). He also states that the Kalamazoo Promise probably played a significant role in mitigating the effects of the recession on the area. The chart shown in Figure 1 shows how the unemployment rate fluctuated with respect to education in the area of Ann Arbor, Michigan between the years of 2009 and 2016. Ann Arbor would have been impacted by the Kalamazoo Promise since it is a part of Michigan. In Figure 1 it shows the high rate of unemployment just following the recession for those who did not have any college experience. Unemployment is a strong indicator for the health of an economy and Figure 1 clearly shows the impact that education can have on unemployment. Although the chart does not show individuals who completed a college degree, the downward trend of the general unemployment suggests that the rate continued to fall with the increase in education level. This data shows the value that even a small amount of college education can have on an economy.

Figure . Ann Arbor Recession Effect

## Who Should Receive Priority for Funding?

One of the challenges in providing tuition-free education is getting started. The returns will not be seen for many years so how can a state afford to provide something such as this? They would need to start by only offering tuition-free education to students who would not be able to afford to attend school otherwise. A study conducted by Jennie and Yu in 2010 showed that individuals who come from the least, have the most to gain by attending college. These individuals must be driven and have a desire to obtain this education, but if they do, they will benefit the most. They noted that individuals who come from higher socio-economic backgrounds do not need to attend college in the same way as these other individuals (Jennie & Yu, 2010). They noted that, those who come from higher socio-economic backgrounds tend to have connections and know people that can help them to achieve whatever goals they may have (Jennie & Yu, 2010). Those who are more disadvantaged are less likely to have the same fall back options (Jennie & Yu, 2010). It is for this reason that those who truly are unable to attend college due to financial reasons should be made the priority. By focusing on these individuals first, states can ensure that they see the greatest returns possible in the shortest space of time.

***“the most disadvantaged individuals with respect to observed social background, achievement, and ability are the most likely to benefit from a college education.” (Jennie & Yu, 2010).***

Figure . Those with the fewest advantages should have priority

## Conclusion

All who seek education should be able to do so without financial barriers. To remove that one barrier would have many positive effects on the community as a whole. It may not be possible to implement such a system at full scale at the state level right now. However, by moving gradually and starting with the less financially privileged it is very possible to get the wheels in motion. As a citizen, business owner, or politician, the only way to enact such change is to put pressure on those with the legislative power in your state.

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