

# *The Biden Plan for Free Community College Has a Big Challenge*

A federal solution has to account for states that vary widely in how much they charge for tuition.

By Kevin Carey

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Coming up with a national policy for a college system that is decentralized is a lot tougher than it seems.

As part of the \$1.8 trillion American Families Plan, the Biden administration plans to fund free community college, even as the administration steps back from a more ambitious campaign promise of making public four-year colleges tuition-free for most students.

The case for free tuition at public two-year colleges has become stronger during the pandemic. As the country recovers from the recession, unemployed workers without college credentials are having a much harder time finding jobs. Community colleges provide a diverse population of students with an affordable way to retool and take the first steps toward opportunity.

The plan that President Biden is expected to detail on Wednesday in an address to Congress would spend \$109 billion over 10 years to make community college tuition-free. It would also increase the maximum Pell grant — a voucher that low- and moderate-income students use to pay for tuition, fees, books, room and board — by \$1,400, on top of a \$400 increase in the administration's proposed 2022 budget.

The plan would direct an additional \$62 billion to improving graduation rates at colleges that serve low-income students, and \$39 billion for two tuition-free years for low- and middle-income students at historically Black, tribal and other minority-serving colleges.

But as three recently introduced congressional proposals show, devising such policies has its challenges.

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The simplest way to make community college free is to replace the tuition students are currently paying with federal dollars. That's what a bill introduced last week by Senator Bernie Sanders would do. The federal government would finance 75 percent of the cost of tuition replacement, and states would match the rest. The bill would also make public four-year universities tuition-free for students from families earning less than \$125,000 per year, and increase the maximum Pell grant to almost \$13,000 per year.

But tuition replacement has a problem: Some states charge much more tuition than others. In California, home to the nation's largest community college system, students pay only \$552 per 12-credit semester. Low-income students pay nothing. Tuition is low because California lawmakers use state tax revenue to heavily subsidize the cost of college.

In Vermont, Mr. Sanders's home state, community college tuition is six times more expensive: \$3,360 per semester. Vermont would therefore get much more money per student from the Sanders plan. States that have invested in keeping college affordable would be penalized. States that have let tuition rise would be rewarded with something akin to a federal bailout.

The Biden administration is expected to endorse a different bill that was introduced Monday by the Democratic chairs of the Senate and House education committees. It would give states 75 percent of the *average* community college tuition nationwide, in exchange for a match equal to 25 percent of the same. High-tuition and low-tuition states would be treated equally.

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But this creates a different challenge. The Biden plan would require states to eliminate community college tuition to receive funding. States like Vermont with above-average tuition would have to effectively provide a match of 25 percent along with the *additional* cost of making tuition free.

The plan is advertised as giving states \$3 in federal funding for every \$1 they commit in state funding, but that's not actually how it would work. While low-tuition states like California would get the full \$3 from the federal government for each state dollar it commits to free

tuition, Vermont would get only 23 cents. (These are estimates based on Department of Education financial data for colleges.)

Current financial numbers suggest that 13 states — Colorado, Delaware, Iowa, Massachusetts, Maryland, Minnesota, North Dakota, New Hampshire, New Jersey, Oregon, Pennsylvania, South Dakota and Vermont — would get less than \$1 from the federal government for every \$1 spent on meeting the required match and bringing tuition down to \$0. The sums at stake are enormous. California could get \$1.6 billion from the Biden plan, but only \$650 million from the free community college tuition part of the Sanders plan.

Under the 2012 Supreme Court decision that upheld most of the Affordable Care Act, states have broad discretion to opt out of federal programs. To this day, 12 states have chosen not to expand Medicaid under the A.C.A., despite a 90 percent match from the federal government that is more generous than anything offered by the various free community college plans. If, for political or financial reasons, many states decline to participate, the Biden promise of nationwide free community college will come true only in a patchwork of places.

Aides to Senator Sanders are quick to point out that the Sanders plan doubles the maximum Pell grant, which would help students in low-tuition states, as would free tuition at four-year public universities. That's true, and it illustrates how the overall amount of money being spent to reduce student borrowing and make college affordable is just as important as the nitty-gritty policy details. The Biden plan is less bold than the proposal he made in his campaign, which mirrored the Sanders plan. But it would still represent the biggest expansion in federal support for higher education in at least half a century.

Limiting free tuition to community colleges creates yet another complication: Nationwide, about 5 percent of two-year degrees are granted by four-year universities, and in some more rural states, including Alaska, Idaho, Montana and Utah, the proportion is much higher.

Other states have community colleges but, for historical reasons, not as many as they might. Georgia and North Carolina, for example, have almost exactly the same overall population and have public higher education systems that produce very similar numbers of bachelor's degrees. But North Carolina chose to rely more heavily on community colleges to provide the first two years of college education. It produces twice as many associate degrees as Georgia, and would get substantially more money from the Biden plan.

All of these issues and more will be hashed out by Congress in the coming months, and there are other ideas on the table. Senator Brian Schatz of Hawaii has proposed legislation that would make college debt-free by subsidizing not just tuition but also the full cost of books, room and board. The federal government would match every dollar states spend on higher learning — a simple, albeit extremely expensive approach.

Congress could also avoid the problem of states that opt out altogether by allowing individual colleges — two-year or four-year — to participate in a free college program, in exchange for a standard per-student subsidy.

What's clear is that free college is easy to describe and complicated to put in place. For millions of students nationwide, whether college is truly free will depend on the choices Congress makes.

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