

What happened to Biden's free college plan? Cutting cost of higher ed out of Feds' reach

December 20 2022, by Chris Quintana



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President Joe Biden's plan for mass student loan debt relief may be a bust, but the attempt to wipe billions in education-related debt was an acknowledgment: The way the U.S. pays for higher education is not working.

Why else would nearly \$400 billion in [student](#) loan debt relief be

necessary? Biden himself stated in announcing his plan that an "entire generation is now saddled with unsustainable debt in exchange for an attempt, at least, at a [college degree](#)."

"The burden is so heavy that even if you graduate," he said in August, "you may not have access to the middle-class life that the college degree once provided."

Questions about making college affordable for a wide swath of students remain perennially—and stubbornly—unanswered, and few policymakers have offered long-term solutions. Instead, the federal government is largely focused on addressing the impact of student loans on the roughly 44 million people holding education-related debts: The administration has streamlined the Public Service Loan Forgiveness program, canceled the debts of students taken advantage of by predatory colleges and universities and unveiled a new income-driven repayment plan that could reduce how much borrowers have to pay.

It even made it easier for those with student debt to discharge their obligations via bankruptcy—something that once seemed impossible but has been overshadowed by the president's plan for mass student loan forgiveness.

None of these measures addresses the upfront cost of college that students, and in some cases their families, confront, in part because the federal government has limited ability to push prices down. Colleges set tuition independent of the federal government, and public institutions, especially, are likely to increase prices when states cut spending on [higher education](#).

"Nobody is addressing the root cause of the problem, which is the high cost of postsecondary education," said Rep. Virginia Foxx, R-North Carolina, and ranking member on the House Committee on Education

and Labor. "This is basically a Band-Aid on the problem."

A pricey education leads to more borrowing. Though the mass debt relief plan would wipe out a chunk of the country's \$1.7 trillion student loan debt portfolio, some predict a return to its current level within a few years, barring any efforts to stem widespread borrowing.

So what can the federal government do?

The short answer? Not much.

Biden called for doubling the Pell Grant by 2029, which would put the total award at roughly \$13,000. That would likely cover the cost of attending community colleges and reduce the burden for low-income students at four-year universities, but middle class students who don't qualify for the Pell Grant would still have to borrow to cover the cost of their education. Even if the Pell doubles, tuition will rise between now and then, and inflation would erode the Pell's buying power.

The president campaigned on providing "hard-working" people with the opportunity to attend "community college for up to two years without having to pay tuition," via legislation. Those efforts fell by the wayside in 2021, and the possibility of passing such a bill through a split House and Senate in the next Congress is slim.

When asked about its plans to address the cost of higher education, an Education Department spokesperson said the agency asked for money to fund tuition-free community college and offer more support for HBCUs and other minority-serving schools as part of its 2023 federal budget request. The agency also said it was committed to "holding schools accountable for leaving students with mountains of debt and without the skills and preparation to find good jobs," including through a new student loan repayment plan that will save borrowers money over time.

States typically provide the majority of funding for public institutions, but in recent decades, state lawmakers have cut higher education appropriations to help balance budgets. And private universities can set tuition at whatever they think people are willing to pay for smaller classes, social connections and prestige.

Is student loan borrowing rising? What about tuition?

Student loan borrowing is pervasive, and it affects students from those at low-cost community colleges to expensive elite institutions. Roughly two-thirds of people who graduated with a bachelor's degree in the 2015-16 academic year haven't paid off their loans, according to Education Department data.

Even at colleges that provide financial aid packages that don't contain student loans, including Harvard, Princeton and Stanford, some students still borrow to cover costs not covered by their financial support, such as childcare or medical bills, according to the federal government's data.

As much as students need the money, so do colleges: A steady population of tuition-paying students is what most universities need to keep their doors open. Enrollment had been slipping before the pandemic, which made things worse. Colleges' bottom lines may be of little concern to the average American, but struggling institutions raise tuition.

Tuition is substantially higher than it was a few decades ago, though it's beginning to level off. In the 1990-91 academic year, tuition and fees at a public four-year university ran about \$1,900. In 2000-01, that figure was at \$3,500. That figure is now at \$9,400 for the 2020-21 year, an increase of about 10 percent from 2010-11, based on inflation-adjusted data from the Education Department.

Many colleges charge far more.

University leaders are quick to say most students don't pay the sticker price, and many students get some combination of academic or financial aid that cuts their costs. However, a Government Accountability Office report this month found that nine of 10 colleges weren't following what it considered to be best practices in explaining college costs to students. And the office suggested Congress pass a law mandating a standardized format for letters explaining financial aid.

Can states make college more affordable?

Some municipalities provide universal incomes to students seeking their degrees. Some colleges work with local governments to expand social safety networks that address the direct costs students take on, such as food, childcare and transportation. This approach is one of the more comprehensive ways to address college costs, but it requires the most work and coordination among [public institutions](#).

"States have a better shot at meeting their workforce and higher education attainment goals when struggling students have access to the social safety net: food assistance, transit and childcare subsidies, Medicaid, housing vouchers," said Abigail Seldin, the co-founder of the Civic Mapping Initiative, a group mapping how close public services, like childcare, are to public transit.

Students would need to borrow less if more of their basic needs were covered, Seldin said.

In its 2022 report on student financial aid, the College Board indicated that tuition at public, private, and for-profit universities declined on average slightly this year when adjusted for inflation. Colleges received an influx of billions of dollars from the national government in the form

of emergency funding tied to pandemic relief that likely won't be replicated.

Tom Harnisch, vice president for government relations of the State Higher Education Executive Officers Association, said states are spending more on higher ed lately. That's thanks to the stimulus money and a growing economy. But Harnisch said public universities face competition with "growing calls for tax relief, pay raises for public employees and the escalating prices of goods and services."

"Higher education has been known as the balancing wheel of state budgets," Harnisch said. "If a recession comes, historically higher education has been one of the first things to get cut. That is, of course, a choice by policymakers."

Nearly every state has created some type of "free" college program, but there's huge variety, said Martha Kanter, head of College Promise, a non-partisan, non-profit initiative working to build consensus on footing the bill for two or more years of college.

College Promise tracks states offering free college programs and their requirements. Some, like New Mexico, make their free college programs accessible to most students, including those who have dropped out of college or are taking classes part time. South Dakota offers full scholarships to students who attend a technical college in a high-demand field, though students have to live in the state for three years. If they leave before that, they have to repay the scholarship.

Kanter, who served as under secretary for the Education Department under former President Barack Obama, said College Promise programs help pay for college, but Pell Grants are essential and students need a better understanding of the costs and a simpler way to apply for federal aid.

Is the public willing to fund public education?

Those hoping the federal government will solve the college affordability problem shouldn't hold their collective breath. Republicans and Democrats fundamentally disagree on how much support colleges should receive, and there is no consensus on whether college should be considered a public good or an individual benefit.

That academic-sounding distinction affects in practice how and why higher education is paid for. If the public views a bachelor's degree as a private good, it makes sense for individuals to bear the cost since they are the prime beneficiaries. If it's considered a public good, states, communities or the nation should be responsible for picking up the tab.

For decades, the public has viewed a college education as a private benefit, but public polling indicates that is changing among almost all Americans, according to Brian Powell, a sociology professor at Indiana University, Bloomington.

He and Natasha Quadlin, a sociology professor at the University of California, Los Angeles, recently published "Who Should Pay? Higher Education, Responsibility, and the Public," which analyzes recent public polling as well as surveys from the authors on which Americans want to bear the cost of college.

The duo found more Americans want the government to support higher education. As recently as 2010, Powell said people thought of college primarily as a private good, but these days people say "it's not just an individual responsibility," and there's been a "dramatic rise in public support for government funding of higher education."

That sudden change in public opinion, Powell said, is unusual, matching only shifts in support for same-sex marriage and marijuana legalization.

Support has even grown on the right and among white people. And Powell said Asian, Black and Latino Americans do believe in individual responsibility for colleges, but the burden should be on the parents, not the students.

"Their job is to be a good student," he said. "And it's the parents' job and the governments' job to be supporting the students."

College advocacy groups have sought out Powell and Quadlin's research, but few politicians have. He said he wished more would.

Does a lack of college accountability drive lending?

When he announced his student loan debt forgiveness plan, Biden said his administration would be "holding colleges accountable for jacking up costs without delivering value to students."

But Beth Akers, a senior fellow at the American Enterprise Institute studying higher education, said she is cynical about the possibility of any real change

One problem, Akers said, is there is no real accountability for colleges who do a poor job of graduating students. Those conversations center around for-profit colleges that generally leave students with more debt and fewer degrees. Akers said she would like to see the same scrutiny for all institutions, including [community colleges](#), where students often struggle to graduate with two-year degrees.

Part of the challenge? The accountability measures that do exist can be so broad they become useless, she said. Take the cohort default rate, a metric meant to track federal student loan repayment rates. The idea is that if schools keep producing a large number of students who fail to make payments on their loans, they could lose access to federal funding.

But the way it's measured, few schools ever lose access to federal funding. Another yardstick the government uses for nonpayment, called default, counts borrowers who fail to make payments for nearly a year. It doesn't apply to those in income-driven repayment plans, in which borrowers may pay nothing if their income is low, Akers said.

"It basically just fails altogether as measuring anything meaningful," she said.

Will the government limit student lending?

Some say the best way to lower college costs is to cut back on what the federal government gives universities. One way to do that is by limiting the federal student loan program.

Undergraduates already can't borrow more than \$31,000, unless they are declared independent of their parents. There's no cap on how much parents can borrow other than factoring in any financial aid a student is granted.

College accountability hawks have said these loans drive up the cost of college because they are essentially blank checks to institutions. College accessibility advocates counter by saying these types of loans open doors for students that would otherwise remain closed.

"As long as there's a blank check given by the federal government to students to borrow money, then this problem is not going to be solved," Foxx said. She has proposed legislation that would curb lending, including for graduate students, given questions about whether advanced degrees translate into more wealth.

Foxx said she and others would like to see accountability measures down to the level of what students study, and that the government should make

it clear what students might earn. The [federal government](#) does provide some of this information via its College Scorecard, but it has limitations, especially when it comes to some specialized graduate programs.

She questioned why someone studying an esoteric field in the humanities should be able to borrow so much if it's unclear they'll find a job that will allow them to repay that debt.

Others propose entirely different ways of funding the cost of [college](#). James Nguyen H. Spencer, a professor of urban planning and the dean of Louisiana State University's graduate school, crafted a model of funding higher education that would treat it as a public utility for the Chronicle of Higher Education.

In a conversation with USA TODAY, speaking in his capacity as a researcher, he explained that people who pay water bills aren't expected to fund the upfront cost of piping water into their home.

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Citation: What happened to Biden's free college plan? Cutting cost of higher ed out of Feds' reach (2022, December 20) retrieved 1 June 2024 from <https://phys.org/news/2022-12-biden-free-college-higher-ed.html>

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